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Philadelphia mayoral candidate Jim Kenney is the latest example of a Philadelphia politician going after telecomm powerhouses. This week, Kenney joined 13 U.S. mayors in signing a letter that called out Verizon's reluctance to roll out FiOS in more service areas. Some of the other signees included Bill De Blasio of New York, William Peduto of Pittsburgh, and Kathy Sheehan of Albany.

The letter accuses Verizon of failing to meet its contractual obligations in several of these markets, or flat out refusing to install FiOS in others. The letter reads: "We are deeply concerned that you have not acted like a good corporate citizen and that an incomplete FiOS rollout will result in decreased competition and the reduction of benefits to consumers throughout the Verizon footprint. As elected officials, it is our obligation and our responsibility to bring these complaints to your attention."

Back in 2013 when he was on the City Council, Kenney called for a hearing to discuss why Verizon wasn't rolling out FiOS in more Philadelphia low income neighborhoods. "He thought it was important to bring attention to the issues again," said Lauren Hitt, a spokeswoman for Kenney's 2015 mayoral campaign. "He thinks it should be more equitably distributed throughout the city."

It's unclear why the letter's author, the Communications Workers of America union, reached out to Kenney — who is the only non-mayor signee — and why Mayor Michael Nutter did not put his name on the letter. Nutter's office has not yet responded to a request for comment. Verizon spokesman John O'Malley said the letter "doesn't reflect the facts of our FiOS deployments." He told the Business Journal in an email: "In all areas where Verizon has franchises and has

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agreed to deploy FiOS, we have met or surpassed our deployment obligations. Here in Philadelphia, according to our franchise agreement, we have a benchmark of February 2016 to cover 100 percent of city households. We're focusing all our resources on meeting that deadline."

Due to a slowed return on investment, Verizon stopped introducing FiOS to new markets in 2010. FiOS covers 25-50 percent of broadband subscribers in Philadelphia County according to **this Fiber For All map**, but 75-100 percent of Philadelphia's bordering counties.

The mayors' letter also addresses concerns of Verizon's abandonment of a copper network — causing landline customers to experience frequent outages — and Verizon's lack of commitment to job security. "As Mayors who understand the importance of job growth in our communities, we are committed to ensuring the expansion – not the reduction – of opportunity in our cities," the letter reads. "The Verizon workforce provides economic ballast in many of our cities. But the company must sustain a workforce adequate to build and maintain FiOS in all of our communities..." – ***Philadelphia Business Journal***

The trend of cord-cutting among millennials has drawn intense focus from media companies over the last few years as cable providers scramble to figure out ways to hang on to and bring on new subscribers.

Three analysts, however, don't think cord-cutting is the biggest issue facing the providers. Instead, they say outright "theft" of over-the-top content by millennials is the real danger to the industry. "The millennials are a generation that grew up (and will likely grow old) 'sharing' (read stealing) passwords for access to content if it continues to be ignored," wrote Jefferies analysts Mike McCormack, Scott Goldman, and Tudor Mustata in a note to clients Tuesday. "We believe it is the most significant cause of the declining pay TV subscriber base."

Recent studies estimate 10% of Netflix and Hulu viewers use accounts paid for by someone outside their own household. The analysts say people are stealing cable-based services in the same way. "Once upon a time, the pay TV industry faced a very serious problem and subscriber numbers suffered accordingly. The problem at that time was called 'theft of service'," said the analysts. "It took the form of illegal cable drops, third party set-tops, and reprogrammed satellite cards, and it took a significant effort to combat. Magically subscriber metrics recovered when the industry addressed the problem."

The analysts suggest media companies should make a similar effort to crack down on password sharing instead, which could drive subscribers back up. The solution they offer is to limit the number of devices an account can be logged onto through authentication. But they have found those in the industry are reluctant to do so.

For one, HBO executives have **repeatedly said** they aren't concerned about the issue, and the analysts say other cable providers are fine with it as long as they are using broadband. "A few believe the more apps usage, the more broadband consumption (wireless and wireline)," said the Jefferies' analysts. "The inherent risk is clearly the de facto turning a blind eye to password sharing (theft, in our view), and it also makes an assumption that the users are subscribers to the video provider's broadband products (a significant leap of faith, in our view)."

Additionally, they say industry insiders don't want to alienate the younger demographic that uses the streaming services more frequently. HBO Go and HBO Now do **limit the number** of **concurrent streams** already, but not the number of logged-in devices. Showtime Anytime has a **hard five-device cap**, but most services simply limit concurrent streaming, **per TechHive**.

The analysts believe **a la carte programming**, which allows people to choose exactly which channels they receive, could be another long-term solution, but in the meantime cable companies should go after freeloaders. "Although a la carte would be attractive for many demographics, it is unlikely in the offing soon, but in the meantime, the industry needs to stop being taken advantage of by a growing demographic of non-paying, app-authenticated video consumers." – ***Reuters***

Carlisle Area School Board could decide next week whether to approve a $1.5 million bid to have a contractor install a district-owned fiber optic cable system under Carlisle Borough streets. Stephanie Douglas, director of digital learning and technology, briefed the board property committee Thursday on the outcome of a process that resulted in a bid almost $1 million over the initial project estimate.

District staff is recommending the board accept a $1,557,139 bid from Shiloh Paving and Excavating, Inc. to run fiber optic cable lines from the district's main high school campus to both middle schools and five of its seven elementary schools. Only the North Dickinson and Mount Holly Springs buildings are not included because of distance. The project bid may be included in the agenda for the regular board meeting scheduled for next Thursday at 7 p.m. in the large group instruction room of the Fowler Building of Carlisle High School.

The district recently sought bids from contractors for not only a district-owned system, but also a system where the fiber optic lines would be leased from or managed by an outside vendor. Director of Finance Shawn Farr said the two different bids allow district staff and board members to compare the cost of each option in the decision-making process.

Twenty-four vendors request bid packets and six vendors attended a pre-bid meeting. Yet the district only received two bids by the Sept. 30 deadline – one bid for each type of system. The total bid from Shiloh was $1,768, 850, but this includes a deduct bid of $211,711 to run a fiber optic line to Bosler Library. District staff is recommending board members rebid the library portion of scope of work because the price for the line to Bosler "seems to be out of proportion to the cost to complete the rest of the project," Farr wrote in a memo to the property committee.

Excluding the cost to run a line to Bosler lowers the total bid to the $1,557,139, but that figure is substantially more than the $560,000 estimate the initial project consultant made back in 2012. The discrepancy in the bid may have been due to apprehension by the contractor over dealing with the unknown of boring under borough streets to install fiber optic cable lines, committee chairman Brian Guillaume said. He made it clear that it was only his opinion, that he didn't know why the bid came in substantially higher.

Given the age of the community, there may be unknown utilities under borough streets that could be disturbed, dismantled or destroyed by the activities of the contractor boring the lines, Guillaume said. "That brings a problematic to the schedule." Guillaume added the higher-than-anticipated bid price could have also been driven by market demand and the availability of the contractor to start the installation work after Jan. 1.

Farr wrote in his memo that the combination of a low initial estimate, with plan design and project changes resulted, in a bid higher than the original estimate. He also mentioned that if this project is approved for E-Rate funding at 60 percent, the net construction costs would be reduced to $622,856. Douglas provided the property committee with a cost comparison analysis between the project to install a district-owned system and the project to have an outside vendor lease or manage fiber optic cable for district use. She included in her presentation cost estimates projected out to about 20 years.

If the district combines the $1.55 million installations costs with a $30,000 per year fee to maintain a district-owned system, the total comes out to $2,157,139. However, this bulk of this money would come out of an already existing capital reserve budget specifically set aside for technological infrastructure upgrades, Douglas said. In contrast, the leasing fees on a system managed by an outside vendor would cost the district an estimated $4,262,400 over the next 20 years, Douglas said. She added that almost all that money would need to come out of the general fund at a time when the school district budget is tight and in a state of flux. – ***Carlisle Sentinel***

The FBI tapped the phone of a top Pennsylvania Treasury Department official in 2014, months before his boss was hit with federal extortion charges. **The *Tribune-Review* of Pittsburgh reported Thursday** that the U.S. District Court in Harrisburg sent a Sept. 14 letter to at least one person advising them that their call with John Lisko had been intercepted. The letter says Judge Christopher Conner authorized the wiretap for a month, starting April 29, 2014. Lisko tells the newspaper that federal investigators approached him and he cooperated. Lisko hasn't been implicated. Lisko was chief of staff to then-Treasurer Rob

McCord before leaving to help McCord's failed campaign for governor. He's now the department's chief investment officer. McCord resigned Jan. 30 and pleaded guilty to federal extortion charges days later. He's awaiting sentencing. – ***Associated Press***