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Internet speeds 100 times faster than consumers experience could come to York through a planned gigabit initiative being touted as an economic development game changer.

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Launched by United Fiber & Data, the potential breakneck data connectivity is something UFD marketing officer Selena Sparks said could help York climb on the [Forbes list](#) of places for business and careers. York ranked 196th of 200 on this year's list. While people are quick to say they have Internet, Bill Hynes, CEO of Think Loud Development, compared their speeds to a trickling water hose. If all goes as planned, Hynes, who is also the founder of UFD, said his company will give users "a Niagara Falls." He told a room of stakeholders last week that he's envisioning data speeds so fast, users' phones won't be able to handle them.

York's gigabit connectivity will rely on a mid-Atlantic fiber-optic line slated to pass through Pennsylvania. UFD already has 19 miles of operational fiber in New York City, Hynes said. Thus far the line, expected to end in Ashburn, Va., and be completed by the end of

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2016, is somewhere in New Jersey, he said. Hynes would not disclose its exact location, citing security concerns. UFD officials are hoping for a mild winter, since it's tough to build a fiber line in ice and snow, Hynes said. The gigabit initiative's success will be based on whether communities want it, he noted.

The data company got a \$1.5 million grant from the state Department of Community and Economic Development's Broadband Outreach & Aggregation Fund. That money will be used to support campaigns and activities associated with deploying seven gigabit communities in the state that, once built, would become Pennsylvania's first.

Fiber optic infrastructure made a push in the United States about 15 years ago, but that bubble burst in 2001 when fiber companies went bankrupt, said Aaron Deacon, managing director for Kansas City Digital Drive, a nonprofit that works to make the midwest cities — in Kansas and Missouri — digital leaders. Social media sites Twitter and Facebook and video platforms like YouTube spurred the need for more bandwidth, as people began uploading as much content as they were downloading, Deacon explained. Closing the country's digital divide relies on the ability to bring commerce into a city, he said. Building a strong fiber network in York would be for data what offering passenger rail service or an interstate exit is for transportation, Deacon said.

Five years ago, someone in Kansas City running a film production company that takes orders from New York and Los Angeles would have had to send discs or tapes in the mail. "That's five or six days, roundtrip," he said. Now, customers can upload from anywhere, and the film producer can download in 30 minutes what would have taken two days on a slow connection. It would make collaborating on cloud programs smoother and streaming movies crisper, tech junkies say. The approach to fiber networks, however, is not as simple as "build it and they will come," said Kelly Lewis, president and CEO of Lewis Strategic, a Pennsylvania business consultant based in Mechanicsburg. Fiber networks succeed when Internet providers find large broadband buyers that aren't near an existing pipe, he said.

That could translate locally to WellSpan, York College, Penn State York or York City School District. The York-Hanover metropolitan statistical area needs gigabit connectivity to keep people from having to work in the Baltimore and Timonium areas, said John Dolmetsch, president and CIO of Business Information Group, a York-based telecommunications engineering firm that's helping UFD engineer and design its data network that will run above ground from New York City to Ashburn, Va., coming to Pennsylvania through Doylestown, Pottstown, Ephrata, York and Hanover. Reading was being considered as a community the fiber network would pass through, but as of now, the Berks County city is not under consideration, Sparks said.

While it lacks a virtual, high-speed connection to metropolitan areas, Lancaster can flourish because of its physical connection through passenger rail service, Dolmetsch said. Many people leave York to work because it lacks a similar connection to metropolitan areas, he said. That would change with UFD's proposed fiber network that is expected to run through York along the Route 30 and Interstate 83 corridors, establishing a broadband ring around York, Lewis said.

Costs are undetermined, Dolmetsch said, with the project still in its engineering and design phases. Business Information Group built a high-speed wireless network in Miami Beach, a roughly six-square-mile city, for about \$6 million. York is slightly more than five square miles. UFD, Think Loud and members of the band Live have already invested millions in the proposed 367-mile fiber line. It took three years to acquire all the rights of way and other legal hurdles. "If we were going to fail, we would have failed already," Hynes said. For York's renaissance to take hold, it needs higher-paying jobs, said Dominic DelliCarpini, dean of York College's Center for Community Engagement. That requires companies seeing York as an attractive place to be, and requires a trained workforce. Dolmetsch thinks York can sustain those higher-paying jobs.

Likening Google's focus on Kansas City to UFD's focus on smaller east coast cities like York, Dolmetsch said UFD's project, if completed, will have a significant economic impact for higher paying tech jobs to exist in those third- and fourth-tier cities. Data companies like Google have created gigabit communities in Kansas City and Chattanooga, Tenn., over the last several years. The Internet speeds in the midwest cities have spurred the name "Silicon Prairie," with the first Volkswagen plant in the United States coming to Tennessee in 2011 and Amazon bringing more than 1,400 jobs to the area since then, according to an article in *Urban Land*, a magazine published by the Urban Land Institute. In Missouri, a startup village and launching of Google Fiber have put Kansas City in the ranks of standout tech capitals.

Dolmetsch believes York's gigabit availability will rival Lancaster's passenger rail service. "The distance between Lancaster and Philadelphia is about equal to York and Baltimore," he said. "We have a lot of vacant buildings and infrastructure to support it. In my opinion, it supports it now, but people don't stay in the area. York would be a great place to be a tech hub because of its proximity to the D.C.-Baltimore area."

The connectivity could be a catalyst to push the community forward, DelliCarpini said, noting what he referred to as intellectual capital coming from the college's engineering and computer science program. Gigabit Internet service would better connect the college's academic programs and make them higher functioning. DelliCarpini wants to provide United Fiber & Data with intellectual and human resources from the college. "I can imagine a strong internship program, shared events and speakers, educational programming to help businesses and individuals to take full advantage of the possibilities of a gigabit community, development of entrepreneurial enterprises through community education, and working side-by-side in lobbying government for assistance," DelliCarpini said.

In the meantime, UFD and Think Loud are working with Lewis and Business Information Group to bring as many potential stakeholders to the table for an informational meeting Nov. 16 in York. The state grant funded by the state Department of Community and Economic Development will support education and outreach programs for the gigabit initiative, which would be a flagship program for Pennsylvania.

When fiber is built in communities, there has been an increase in business development, said Kevin Cramer, founder and CEO of Sapio Sciences, a Baltimore-based company that opened a York office on North George Street last month. Cramer's company is not connected to UFD's gigabit project. Sapio offers web-based software to pharmaceutical and biotech companies, serving clients around the world. The company's data speeds through its current Internet provider are "OK," Cramer said, but they're not as good as they could or should be. Having access to increased connectivity would improve the performance of Sapio's data center, which serves clients in Israel and Switzerland, Cramer said. "I hope they succeed," Cramer said of UFD's lofty gigabit goals. "For York — the city and the county — it would be a tremendous thing." — *York Daily Record*

Investors will get fresh insight into old telecom's new media strategies when Verizon Communications Inc. and AT&T Inc. report quarterly results this week. The two companies have long resembled each other—having common heritage in Alexander Graham Bell and the old Ma' Bell monopoly—but they are on different paths to find growth in the video business.

AT&T made a bet on television with its \$49 billion purchase of DirecTV in July that vaulted it to become the largest pay-TV company in the U.S. Verizon is building out a mobile video service, costing at least a few hundred million dollars, called go90 to target millennials. While AT&T pursues a satellite-based business, Verizon is sticking to its knitting by focusing on wireless. Chief Executive Lowell McAdam has ruled out an AT&T-like strategy saying the company isn't interested in buying the television business of DirecTV's rival Dish Network.

Instead, Verizon recently launched its own stand-alone wireless video service—which was preceded by a number of deals including the \$4.4 billion acquisition of AOL Inc. Wall Street is eager to hear any adoption and usage details, along with plans to get more content on the app when Verizon reports its third-quarter results on Tuesday. “For the first time we are seeing a divergence in strategy,” says Barclays analyst Amir Rozwadowski. Wall Street, he says, is still learning about their tactics and the companies’ relevant milestones along the way. “We are trying to distill what is success,” he says.

Both strategies have been hit with questions on whether the hulking telecom companies possess the nimbleness needed to navigate rapidly shifting video-consumption habits. Consumers are turning away from cable TV and service bundles, such as those being offered by AT&T. And Verizon’s move puts it in a crowded field of video offerings competing for the attention of younger mobile users.

AT&T’s vision for DirecTV involves cost savings, eventually merging its U-verse video platform into a common service and offering national bundles of wireless and cable that the company says its rivals can’t match. It also hopes to gain more negotiating power with content companies. Recently, it reached a multiyear agreement with Viacom Inc. for programming on U-verse and DirecTV. Without providing any details, AT&T said it secured the “best deal in the industry” for Viacom content. The topic could come up when it reports results Thursday.

The focus on video isn’t likely to distract from the companies’ core wireless businesses, which have been sagging amid a price war and increased competition. Since its revival, much smaller rival T-Mobile US Inc. has been consistently clocking major phone customer additions, and many analysts think that is at least partly at the expense of its bigger rivals. T-Mobile is expected to again lead the pack of major carriers with big gains last quarter.

The DirecTV acquisition will make AT&T’s results Thursday drastically different from previous quarters. Analysts forecast total revenue to jump by more than \$8 billion to about \$41 billion. Verizon’s top line is forecast to grow 4.3% to about \$33 billion, according to Thomson Reuters. Verizon said last month that its earnings may plateau in 2016 as it digests its strategy changes. AT&T has highlighted the shrinking role of consumer wireless, and the company forecasts revenue growth for the next three years at least in line with U.S. gross domestic product.

With smartphone penetration in the U.S. approaching its limits and service pricing coming down, both telecom giants face a tough road of transformation for future profit growth. “Both of these companies in 2020 will look a lot different than they do today,” says Wells Fargo analyst Jennifer Fritzsche. – **Wall Street Journal**

Network gear company Arris Group Inc. said its pending \$2.1 billion purchase of British set-top-box maker Pace PLC will be delayed due to regulatory inquiries. The company said in June that it had received requests for additional information from the antitrust division of the U.S. Department of Justice. On Friday, Arris said the antitrust division’s “current focus appears to be on certain optical transmission products.” Brazil and Colombia regulators have also requested information, while the deal has been approved in Germany, Portugal and South Africa. Arris had previously projected the deal would close in late 2015 but now sees a late December or first quarter of 2016 closing. Arris, based in Suwanee, Ga., and Yorkshire, England-based Pace both supply technology and equipment to broadband and cable TV providers. Arris said in April that the cash-and-stock deal would enhance its international presence and significantly boost earnings. The merged entity would have pro forma revenue of about \$8 billion and 8,500 combined employees. The new company will be incorporated in the U.K. As such, it is a so-called tax inversion deal that will result in lower taxes. – **Wall Street Journal**

Cablevision has dropped a two-year-old lawsuit against Viacom that accused the channel operator behind MTV, Nickelodeon and Comedy Central of charging it exorbitant fees if it did not also carry less popular channels like Logo and Palladia. The companies said in a joint statement Friday they had resolved the legal fight and were "entering into mutually beneficial business arrangements." Cablevision Systems Corp., which has agreed to be bought by European telecoms giant Altice for \$17.7 billion, argued in its March 2013 suit that Viacom Inc. abused its market power and coerced it into taking channels it didn't want. Viacom shares fell 34 percent this year on sagging TV ratings. New products like Dish's Sling TV are pressuring cable companies to offer smaller bundles of channels that cost less to consumers. – **Associated Press**



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