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One of Arizona's top regulators could soon be out of a job. [On Monday, Arizona Attorney General Mark Brnovich filed a petition](#) with the state Supreme Court alleging that Corporation Commission Chair Susan Bitter Smith is violating state conflict of interest laws and should be removed from office.



Bitter Smith's relationship with the telecommunication s industry — part of which she regulates — have been under scrutiny in recent months [after a local attorney filed a complaint with the state.](#) "This isn't one of these instances where this was maybe somebody skating too close to a line, or maybe somebody that had gone into a grey area. I think the law is very clear on this case," Brnovich said.

Brnovich cited a variety of ways the commissioner's regulatory powers conflict with her lobbying for the cable television industry, including broadband. Now others are raising questions about whether Bitter Smith's possible conflict of interest in that area goes deeper than previously reported. Between 2010 and 2013, Galen Updike was wrestling with a digital dilemma. While cities enjoyed readily available high-speed internet, the same was not true for rural Arizona. "We had really, really bad deficits in broadband in the rural areas of the country. Arizona was particularly hurt because our separation of connectivity was so much larger," Updike said.

At the time, Updike was part of a team of state employees and consultants tasked with mapping the availability of broadband, outlining the barriers to broadband in rural areas

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and devising policy recommendations, among other things. A frequent voice throughout that process, Updike said, was Susan Bitter Smith, the director of a cable industry trade group. "The only reason for Bitter Smith to be there was to talk about telecommunications policy, broadband policy," Updike said.

In November 2012, Bitter Smith was elected to the [Arizona Corporation Commission](#), the state's powerful regulatory body responsible for overseeing public utilities, from electricity to water to telecommunications. While the commission does not regulate cable television or broadband, it does oversee the telephone services of companies like Cox Arizona Telecom and Suddenlink, which market and sell their products in a bundle of internet, cable and telephone. "Nobody, but nobody, believes these corporations are separate. When you get your bill from Cox at the end of the month, all the services are bundled. It comes through your house on one line," said attorney Tom Ryan, who filed the complaint with the Arizona Attorney General's office seeking Bitter Smith's removal from the commission.

Bitter Smith has refuted Ryan's complaint, arguing her connections to the cable industry have no overlap or conflict with her regulatory responsibilities as defined by state law. "The telephone entities of the cable world are separate corporate entities. They have separate identities; they have separate regulatory schemes; they have separate fees; they pay taxes separately," Bitter Smith said during an interview with KJZZ in mid-November.

For that reason, the commissioner said her involvement in state broadband policy on behalf of her cable association was entirely permissible. For example, Cox Communications Arizona LLC is a member of Bitter Smith's association as opposed to the telephone branch, Cox Arizona Telecom, which is regulated by Bitter Smith and her fellow commissioners and not a member of the association. [\(Read the remainder of this lengthy article from the website of KJZZ-FM, Phoenix\)](#)

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Like many Americans, I am a small business owner. I run a company called Alamo Broadband Inc. near San Antonio, Texas, that provides broadband Internet access service to around 1,100 customers. My customers have the ability to go anywhere and do anything they like on the Internet: send emails, watch Netflix, and browse the web.

I have always supported the concept of "net neutrality" because what is good for the Internet is good for my business. I strive to give my customers what they want, and my customers demand the ability to access whatever they want on the Internet. If I attempted to control where my customers go on the Internet and what they see, my customers would be unhappy and cancel their service, and I would soon be out of business.

What I do not support is the government telling me how to run my business. I built Alamo's network with my own money and my own two hands. Alamo Broadband does not take — and has never taken — any kind of government support or subsidy. Government officials in Washington, D.C., don't know the first thing about what it takes to run a broadband network in rural Texas. A few of the Federal Communication Commission's commissioners, those dissenting, do seem to get it.

The FCC's net neutrality regulations are based on the misconception that Alamo Broadband provides nothing more than a dumb pipe. That could not be further from the truth. To provide a quality service I have to actively manage the traffic on Alamo's network so it runs efficiently for the benefit of all our customers. The FCC has taken away the flexibility that I need to make this possible. I also fear the FCC's net neutrality regulations are just the first of many steps by the government to exert control over the Internet. If the FCC can regulate what content my company must carry, it also has the power to decide what content we should not carry. Nothing would stop the FCC from ordering Internet service providers like mine to block access to content that the

government decides is offensive or controversial. Our country should not follow the lead of totalitarian regimes around the world in which the government decides what may be transmitted over the Internet.

I felt it was important for someone other than the large telecom and cable companies to stand up to the government this time and say enough is enough. That's why my company is a party to an **important lawsuit** in Washington, D.C., hoping to put an end to the government's plans to regulate the Internet — a universal resource that was **developed** and has prospered without government oversight.

Alamo's argument is that the First Amendment limits the government's power to regulate Internet traffic. The Internet is the greatest medium ever created in the history of communication, and no less important today than the printing press in days past. The government has no more power to control Internet traffic through net neutrality regulations than it does to control what stories a newspaper publishes.

The Internet is a wondrous, mysterious, and beautiful technology. There is simply no way of knowing where it will take us next. Companies like mine need flexibility to help us get there. The government should get out of the way. — **Op-ed in USA Today by Joe Portman is the President and founder of Alamo Broadband Inc. in San Antonio, Texas. His company is one of the petitioners in United States Telecom Association v. FCC pending in the U.S. Court of Appeals for the D.C. Circuit.**

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YouTube is seeking streaming rights to TV series and movies to bolster its new subscription service, intensifying its rivalry with Netflix Inc., Amazon.com Inc. and Hulu in the competitive market for online video. Executives of YouTube, the Alphabet Inc. unit that is the world's largest online-video service by viewers, have met with Hollywood studios and other production companies in recent months to consider pitches and negotiate licenses for new content, according to people familiar with the situation. Susanne Daniels, the former programming chief of MTV who joined YouTube in the summer, and Kelly Merryman, a former Netflix content executive who joined YouTube in late 2014, are involved, one of the people said. They report to Robert Kyncl, another Netflix veteran who is now YouTube's chief business officer.

It isn't clear what TV series or movies YouTube is pursuing. However, YouTube is eager to secure premium videos because it recently launched a \$9.99-a-month subscription service called Red, which offers ad-free videos and streaming music, the people familiar with the situation said. The efforts appear to be at early stages. Executives at one major Hollywood studio said they haven't talked to YouTube about licensing content. YouTube has been free for viewers and supported by ads since 2007, so it must offer more to persuade people to pay.

One way is to create content, as Netflix, Amazon and Hulu have done with some success. YouTube announced a similar effort in October and plans to release at least 10 of its own movies and series, starring YouTube stars like Felix Kjellberg, known as "PewDiePie," starting in 2016. These will only be available to Red subscribers.

A second strategy is to license movies and TV shows made by others; that is what YouTube is pursuing now. Netflix, Amazon and Hulu license many older movies and TV series that have already run elsewhere, while YouTube is focusing on new material, according to one of the people. The shows or movies may be streamed exclusively on YouTube Red, or could be released through traditional channels like movie theaters, cable networks and DVDs alongside the YouTube subscription service, the person added.

YouTube is still deciding how much content to license, but it is eager to have a robust collection of original programming and licensed programming in 2016 and beyond, the person added. "YouTube is dominant in ad-supported online video, but they have missed the subscription side," said Mark Terbeek, a partner at Greycroft Partners, a

venture-capital firm focused on media and technology. “To get people to pay they will have to have higher-end content.”

Global revenue from online TV and video services will reach \$51.1 billion in 2020, up from \$26 billion this year, according to estimates from Digital TV Research Ltd. Revenue from subscription-based streaming-video services will surpass revenue from ad-supported services by 2020, the research firm said. Netflix, Amazon and Hulu have been snapping up streaming rights for years, giving them a big head start on YouTube. Some of those deals are exclusive, such as an expanded pact Hulu signed recently with Viacom Inc. for exclusive streaming video-on-demand rights to Comedy Central shows like “Inside Amy Schumer.”

Hulu is expected to double spending on content this year to \$1.5 billion, putting it roughly on par with Amazon, though still behind Netflix, which is expected to boost content spending nearly 18% to \$3.3 billion, according to RBC Capital Markets analyst David Bank. YouTube’s arrival may raise prices or add more pressure to create exclusive deals. “I see YouTube as a legitimate threat to Netflix and Amazon and Hulu,” Greycroft’s Mr. Terbeek said.

Others are jumping in. Comcast Corp. recently launched its “Watchable” online-streaming service, and Verizon Communications Inc. is working on a free, ad-supported streaming video service called Go90. The three big players built their online services by leveraging traditional strengths: Netflix in DVD subscriptions, Hulu—a joint venture of 21st Century Fox, Comcast’s NBCUniversal, and Walt Disney Co. – from its relationships with major media companies, and Amazon’s Prime shopping subscription service, according to Jason Ahmad, CEO of Epoxy, which provides technology for online video creators. (21st Century Fox and Wall Street Journal owner News Corp. were part of the same company until 2013.) “YouTube’s dominance in short-format video, its global reach and its technical prowess give it a seat,” he added.

Alphabet licenses video through its Google Play store which offers downloads and online rentals of movies and TV shows. YouTube also offers one-time digital rentals. But until recently, YouTube hasn’t sought rights to stream long-form videos through a subscription service. YouTube is using Google Play’s existing relationships with movie studios and other premium video content owners to negotiate streaming deals, one of the people familiar with the situation said. YouTube and Google Play deal makers work out of the same office in Beverly Hills, Calif., the person noted. – **Wall Street Journal**

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The Donald has arguably taken over the 2016 presidential election cycle. Now he’s set his eyes on PA Society.

The Republican front-runner is scheduled to address the PA GOP’s Commonwealth Club reception on December 11th. The event will take place at the Plaza Hotel, which (as viewers of Home Alone 2 will remember) was once owned by Trump. \$1,000 will get you in for the luncheon, where Trump will speak. A \$2,500 contribution will get you into a VIP reception where you’ll have the opportunity to take a photo with the candidate. You can also get a “Table of Ten” for \$10,000.

Trump has been a highly controversial figure on the campaign trail, however, and that has led some to denounce this invitation. For instance, the [editorial board of the Patriot-News](#) called for the PA GOP to rescind the invite. “It’s time for Pennsylvania Republicans to decide what they stand for,” they write. “Are they the party of reason and Tom Ridge or are they the party of hate and Donald Trump?” Nonetheless, Trump’s appearance will be one of the most buzzed about events of the weekend. You can check in over the next few days for more reports on PA Society. – **Philadelphia Business Journal**



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