Despite threats that (Ohio) Gov. John Kasich will veto the entire bill if a telecommunications provision remains, a phone company representative testified yesterday in favor of keeping the provision in a sweeping agriculture bill. Jon Kelly, an attorney for AT&T, told the Senate Agriculture Committee that Ohio has fallen behind other states as the Federal Communications Commission prepares for broadband expansion.

The language in House Bill 490, **allowing companies to stop servicing landlines**, would be only a " minor tweak" to existing utilities laws, Kelly said, rather than a threat to rural or underserved consumers, as critics have said. "To delay this another two months, two years, will put Ohio further behind," Kelly said. The Ohio Farm Bureau testified in favor of removing the telecommunications provision, saying more stakeholders need to discuss the issue. The organization also doesn't want to lose other key points in the bill, such as those preventing the spreading of manure on frozen ground and thus the spread of toxic algae in Ohio's lakes. Several organizations asked for more time to discuss the bill's other provisions, involving such things as dredging rivers and disclosure laws governing oil and gas companies.

Joe Cappel, development director of the Toledo-Lucas County Port Authority, said the legislation doesn't give his organization enough time to consider what to do with dredge pulled from bodies of water in Toledo, which has a different content from that taken from other parts of the Great Lakes region. The port authority has project ideas underway, such as creating wetlands or restoring agricultural lands, but the organization needs time to study the land, Cappel said.

Tom Stewart, of the Ohio Oil and Gas Association, also asked the committee to consider shrinking the spacing requirements surrounding drilling units and creating a definitive timeline for the state to authorize land for drilling. If a landowner would like to sell land for oil and gas drilling, Stewart wants the state to hold a hearing within 45 days of the landowner's application, then release a decision 30 days after a hearing. "Delays unnecessarily damage Ohio landowners, who have only one opportunity to harvest economic production from their land," Stewart said.

Delaware County Daily Times **Editorial: Wolf faces daunting task in Harrisburg**	Sen. Michael Skindell, D-Lakewood, also asked the Oil and Gas Association representative to comment on disclosure of chemical information in emergency situations. Provisions in the bill would make the Ohio Department of Natural Resources the authority to which oil and gas companies must report emergency information. Stewart said he thinks the department should maintain sole authority over chemical information, and local and state emergency response organizations still would be able to access information through the ODNR website. More testimony is expected on the bill today. – ***Columbus (OH) Dispatch***
	HBO could pay a price with at least one major pay-TV partner if its planned streaming-video service proves a hit with consumers, people familiar with the matter say. Under HBO's current contract with DirecTV, the cable channel would run into problems if it signs up more than 450,000 subscribers nationally for the "over-the-top" online service, or 300,000 in any given local market. DirecTV, the nation's second-largest pay-TV distributor, would have the right to scale back its marketing of HBO, highlighting it in consumer offers for only five months of the year instead of 11 months. The contract also says DirecTV would immediately get the right to offer HBO's streaming product as well, the people said. It isn't clear whether DirecTV, which has 20 million subscribers, would be able to cut the price it pays for carrying HBO, which is owned by Time Warner Inc. The punitive terms are in a contract that was negotiated before HBO announced its Web service, but the contract contemplated the possibility HBO would offer a standalone streaming service. The contract comes up for renegotiation in 2015, the same year HBO plans to launch the service. The fact that such terms are already spelled out indicates how important the issue would be in contract-renewal talks. "Our contracts are confidential, so we don't comment on them. However, DirecTV has been a great partner to us in the past and they will continue to be in the future," said Jeff Cusson, spokesman for HBO. A DirecTV spokesman declined to comment. The situation shows the difficult calculations HBO will have to make as it tries to target a growing market of broadband-only households—including people who have "cut the cord" with pay TV providers—without alienating the cable and satellite companies that drive the vast majority of its revenue and profits. The DirecTV limitations on HBO are one example of the restrictions in online video distribution that some TV programmers face under their contracts with big pay-TV providers. Such provisions are becoming more controversial in the industry as new online TV players seek to enter the market. HBO benefits greatly today from its relationships with pay TV distributors, which handle all the customer service and billing for the pay-TV channel, and whose marketing efforts are critical to subscriber additions. DirecTV has long been one of HBO's best marketing partners. Some cable and satellite executives are worried that the Web service will eat into their business and facilitate the decline of traditional pay-TV, while others play down the threat. When debating whether to launch the broadband service, some HBO executives raised concerns that gross customer additions could slow if distributors like DirecTV pulled back on marketing. Other people close to HBO have said the cable network is too valuable to pay-TV providers for them to scale back marketing substantially. HBO has said it is targeting about 10 million broadband-only homes and won't cannibalize pay-TV subscriptions. The company won't undercut its current pay-TV price of roughly $16 per month, a person familiar with the matter has said. Some market-research firms have raised questions about whether HBO's Web service will gain traction at that high a price, when streaming services like Hulu and Netflix Inc. cost $8 to $9 a month. The streaming initiative is one of a number of moves HBO-parent Time Warner announced in October to show investors it has big plans for future growth as a standalone company. Though HBO is growing in the U.S., it isn't getting revenue for many of those subscribers

because of the way its deals with big distributors are structured. HBO has said it's taking steps to address those contract terms.

Competition with Netflix is fierce. Last year, Netflix surpassed HBO in its number of subscribers in the U.S., although HBO is far more profitable. HBO had 30.4 million subscribers at the end of the second quarter, according to SNL Kagan, while Netflix had more than 36 million at the end of the third quarter. HBO is exploring various routes to offer the standalone Web service, including as an add-on to broadband packages with cable operators or through technology partners like Apple Inc., Microsoft Corp. and Amazon.com Inc. It has positioned the Web service to cable operators as a product that will encourage their broadband customers to sign up to more-expensive tiers of Internet service. But those options place satellite providers like DirecTV and Dish, which don't offer broadband service competitive to cable and phone companies, at a disadvantage. DirecTV earlier this year agreed to be acquired by AT&T Inc., which has a large broadband business. That deal is under regulatory review. – ***Wall Street Journal***

A group of companies, public interest groups and labor unions have joined forces to urge regulators to reject Comcast's proposed $45 billion merger with Time Warner Cable. The Stop Mega Comcast Coalition announced its formation on Wednesday and said it opposed the deal because of the enormous power the combined company would have over the country's video and Internet infrastructure.

The merger, which would unite the two largest cable operators in the United States, would harm both consumers and competition in the media and technology industries, the group said. If regulators allow the deal, the combined company would control an estimated 35 percent of broadband Internet service coverage and about one-third of pay television subscribers in the country. Among the group's fears are that Comcast would increase broadband prices and limit programming choices. "They have every incentive and ability to sabotage those things that are positive for competition and for consumers," said Jeff Blum, senior vice president and deputy general counsel for Dish Network, one of the group's members.

The coalition also includes The Blaze, a conservative network run by Glenn Beck; the Writers Guild of America, West; and several advocacy groups, including Public Knowledge and the Sports Fan Coalition. While several of the groups have already raised concerns about the deal to regulators on their own, members said that they needed strength in numbers to compete with Comcast's hefty lobbying budget. "We are making sure that we are not drowned out by the Comcast lobbying machine," said Gene Kimmelman, chief executive of Public Knowledge. He said the group planned to meet with regulators but was not yet planning an advertising campaign. Announced in February, the Comcast-Time Warner Cable deal is being reviewed by the Federal Communications Commission and the Justice Department.

The F.C.C. said on Wednesday that it had restarted its informal 180-day clock on the review for both the Comcast-Time Warner Cable deal and AT&T's proposed $48.5 billion merger with DirecTV, which had been stopped. Some industry executives now predict a decision on the deals as soon as March. Comcast has poured substantial lobbying resources into seeking approval for its deal, and it stirred up controversy in September when it accused its business partners and rivals of "extortion."

Sena Fitzmaurice, a Comcast spokeswoman, said the viewpoints espoused by the Stop Mega Comcast Coalition represented a small group of "self-interested" opponents whose claims were not found credible in previous deals. "It is no secret that some companies that want billions of dollars in higher fees for consumers are paying lobbying firms to organize against this transaction," she said in a statement. Mr. Kimmelman said that the Stop Mega Comcast Coalition was backed by its members, either financially or through other contributions. – ***New York Times***

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