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More low-income Philadelphians will have access to affordable Internet service, while more high school students will receive high-tech job-training through Comcast's new 15-year franchise agreement, which won approval from a City Council committee yesterday. It took the Committee on Public Property and Public Works two postponed hearings yesterday before the deal between the city and the Philadelphia-based mass media giant was hammered into shape.

The full Council will vote on the bill and accompanying side letters on Dec. 10 - its last meeting of the year. "If this agreement is implemented the way that we have discussed, it will prove to the world that Comcast has put Philadelphia first, and that's what we want and what we demand," committee chairman Councilman Bobby Henon said. "When you look at it in its totality, this is a historic franchise, a precedent-setting franchise which is only what Philadelphia deserves," said Hannah Sassaman, policy director for the Media Mobilizing Project, which advocates for greater media access for working-class people. The cable television agreement - which is actually four franchises that cover the entire city - has expired but the terms are still in effect. The agreement would give Comcast the right to continue its business operations in the city.

The value of the agreement to the city is estimated at $480 million, said Comcast spokesman Jeff Alexander. That includes a $17 million franchise fee for each year of the agreement and $21.3 million for the operation of public access television channels. "This is an unprecedented renewal and a very strong indication of our commitment to our home town," Alexander said. "It will broaden Philadelphians' access to broadband through Internet Essentials, it will create good-paying jobs and careers and it brought creative solutions that addressed the city's requests throughout this [negotiation] process," he

Pa. Senate returns to session; all sides look to see if budget framework can become deal

Philadelphia Daily News
Porngate morphs into a 'Hot Ghetto Mess'

added.

Yesterday's positive sentiments were a far cry from the grumbling that went on during a Tuesday committee hearing, when Comcast was slammed by citizens and Council members who accused it of proposing too little for students, seniors, the poor and company employees. The company policy requiring low-income customers to discontinue Internet service for 90 days before being allowed to receive the reduced-cost Internet Essentials service came under the heaviest criticism.

In side letter agreements approved by the committee yesterday, Comcast committed to waiving the 90-day rule for five years and, for the first time, allowing seniors and those who don't have school-aged children into the reduced-cost program. The city will subsidize part of the cost of the program's expansion. Comcast also agreed to work with the city school district on core curricula and committed to hiring between 50 and 100 career and technical education program students annually.

The franchise agreement calls for the company to pay employees in compliance with the city's living wage ordinance and prevailing wage obligations, which is about $12.50 per hour, Henon said. Council members on Tuesday had asked that workers be paid at least $15 an hour, but that request got modified, Henon said, because Comcast agreed to spend $10 million to construct the city a high-speed institutional network which will provide data transport to more than 200 city locations at a savings. – ***Philadelphia Daily News***

The Obama Administration has specialized in executive overreach, and this year's grab to control the Internet is among the worst cases. On Friday the D.C. Circuit Court of Appeals will hear *U.S. Telecom Association v. FCC*, which challenges Federal Communications Commission regulations that classified the Internet as a public utility under Title II of the Communications Act of 1934.

One legal problem is that the FCC flouted the Administrative Procedures Act by adopting rules the commission didn't propose or open for public comment. In 2014 the FCC lost at the D.C. Circuit in *Verizon v. FCC*, which found that the agency had regulated the Internet as a de facto public utility without changing its classification under law. In that ruling Judge David Tatel sketched out a map for how the FCC might craft legal rules that prevent blocking or slowing traffic. The agency initially followed his blueprint, citing *Verizon* more than 50 times in its next proposal.

But this year that carefully tailored plan met the paper shredder—as the FCC subbed in, without fair notice under the law, entirely different final regulations. Why the change in plans? President Obama publicly browbeat the FCC to reclassify the Internet as a public utility, and the agency soon saluted the Webmaster-in-Chief in a 3-2 vote. The executive branch mowed over a supposedly independent agency in violation of the separation of powers. There's also the plain text of the Communications Act. Check out language Congress added in 1996: It is U.S. policy for the Internet to be "unfettered by Federal or State regulation." Anyone think a GOP Congress wanted the FCC to wield total control over the Web?

The 1996 update also says that an "information service" may not be barraged with Title II, and that includes a system "that provides access to the Internet." The FCC has concurred on several occasions, and the law's protections for mobile broadband are even more stringent. The FCC's power grab stretches beyond even Title II, as tech consultant Scott Cleland notes. Take the ban on paying for priority service. Not even FCC Chairman Tom Wheeler thinks this bright idea—which forces companies to provide services at a *loss*—is legal under public utility rules. In 2014 he said there "is nothing in Title II that prohibits paid prioritization."

The Internet is also a way of disseminating information, and the First Amendment protects that distribution. If the government determines what content private companies must move, that power can be abused at political whim: Perhaps the feds want to give

Healthcare.gov priority service during open enrollment. The Administration's main defense of the FCC is a plea for *Chevron* deference, a 1984 Supreme Court doctrine in which courts genuflect to agencies interpreting ambiguous laws. But the agency hasn't justified ditching decades of precedent for its new bent. The FCC is asking for license to rethink whatever, whenever. Last year the High Court held in *Utility Air Regulatory Group v. EPA* that agencies can't peddle "reasoning divorced from the statutory text" or impose rules "unrecognizable to the Congress that designed it." *Chevron* deference has been getting a workout since Mr. Obama took office, and this is an unambiguous opportunity to narrow its application. That would be a blow for the rule of law and continuing innovation on the Web. – ***Wall Street Journal***

Univision Communications Inc., owner of the country's dominant Spanish-language broadcaster, postponed plans for a 2015 initial public offering due to the lackluster recent performance of media-company stocks and a sluggish market for first-time share sales. The company's board met on Thursday and discussed the issue, people familiar with the matter said. The company is leaving its options open for a debut early next year, one of them added.

Univision, which went private in the leveraged-buyout boom that preceded the financial crisis, initially had plans to launch its IPO shortly after Labor Day. But growing skittishness among investors caused the company to hold off, people familiar with the company's thinking have said. Downward revisions of profit guidance from media heavyweights like Walt Disney Co. and Time Warner Inc. in the last few months have pressured industry valuations and highlighted to investors the growing unpredictability of the long-steady pay-television business. The companies' disclosures sparked greater investor worry about the acceleration of "cord-cutting," or people dropping their pay TV subscriptions, and "cord-shaving," as people downgrade to cheaper bundles with fewer channels.

In pushing back the deal until next year, Univison joins other private-equity backed companies including Neiman Marcus Group Inc. and Albertsons Cos. that had prepared for IPOs late this year but opted to wait. Albertsons' deal was pulled the night it was due to price, with the company citing difficult market conditions and a dour forecast by rival Wal-Mart Stores Inc. Others, including Petco Holdings Inc., have abandoned IPOs when suitable offers to acquire the entire company materialized. First Data Corp, which did complete its IPO in October, priced its shares below the expected range, and saw the shares slip in first-day trading. The shares have since recovered somewhat, and are up 6% from their debut price, though still below their original range. The IPO market has been buffeted by volatility in stocks broadly, as well as by the rich valuations of many companies preparing to go public.

A particular challenge for Univision and other private-equity owned IPOs has been investor uncertainty about interest rates. With the Federal Reserve possibly raising rates later this month, investors worry that the huge debt loads of these companies, a legacy of their buyouts, could become more expensive or difficult to refinance. Univision's owners—including billionaire Haim Saban, Madison Dearborn Partners, Providence Equity Partners, TPG and Thomas H. Lee Partners—have been searching for an exit for years. The group took Univision private in early 2007 in a $13.7 billion deal that loaded up the company with debt just before the onset of the financial crisis. – ***Wall Street Journal***

While there's bipartisan agreement that gerrymandering's bad, both parties do it when they have the chance. So **calls for reform** are gaining in intensity as the 2020 Census approaches. Last month, Ohio voters voted overwhelmingly to make its **redistricting panel** more bipartisan. And here in PA, **Senate Bill 484** would create an independent and nonpartisan redistricting commission. "We need a reliable system that honors the concept that voters choose their leaders, not the other way around," says State Sen. Lisa Boscola (D-Bethlehem), the prime sponsor of the measure. But will it accomplish that? Maybe not, says the ***Philadelphia Jewish Voice***. – ***seventy.org***

Whoa, look at Ben Waxman with the fat wallet. By day, Waxman is spokesman for state Sen. Vince Hughes. But the ambitious 30-year-old is also looking to snag the state House seat held by fellow Democrat Brian Sims, who has his eye on Chaka Fattah's congressional seat. Yesterday, Waxman's political-action committee, WaxPAC, filed a campaign finance report showing a healthy $74,000 cash on hand. Although, upon further examination, that includes a $50,000 loan from Waxman's mother-in-law, Barbara Wertheimer. But, still. It all spends, right? And if Waxman gets along with his mother-in-law well enough that she'll lend him 50 thousand smackaroos, that shows some political skill right there. Sims plans to run for re-election and for Congress simultaneously, but Waxman is definitely prowling. We're keeping an eye on this race. – ***Philadelphia Daily News***