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Pittsburgh Post-Gazette

The Brush Valley Regional Chamber of Commerce (Shamokin, Northumberland Co.) held their December luncheon at the Shamokin campus of the Luzerne County Community College on the fourth floor of the Northumberland County Career and Arts Center Tuesday. Jim Baker, chief of SEDA-COG Informations Technologies Group was the guest speaker. He spoke of the status of broadband internet in the area. "It is not a type of service, like DSL or cable, Baker explained. "It is a speed of service. It isn't the way you



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get it, it is the speed you get it."

According to their website, SEDA-COG Information Technologies Group works with counties, municipalities and nonprofit organizations, helping them choose among computer programs, hardware and network systems. Baker disclosed how internet carriers exaggerate their capabilities so the state doesn't think there is a

broadband issue and the challenges of providing broadband internet to the rural areas of the state. Baker is also collecting stories explaining how broadband is used and affects your day to day life. To share stories with Baker, contact him at 570-524-4491 or jbaker@seda-cog.org. – *Shamokin News-Item*

Only two residents showed up to a meeting held by the Carlisle Area School District to "reach out" to residents along the path of construction for the district's fiber optic network. According to Stephanie Douglas, director of digital learning, a notice was sent to each such resident two weeks before Thanksgiving, informing them of the meeting.

Yet even with minimal turnout, the meeting proceeded as planned, and opened with Douglas briefing the two residents, the Sternicks, who live along the 200 block of G Street, on the origins of the plan. "Twenty years ago, school board of directors and the district as a whole made a commitment to provide strong and dependent infrastructure to support needs of students," she said. "Those needs were to be able to network with other people and each other and use online resources." Now, expanding on that original concept, the \$1.5 million project consists of the school district installing a fiber-optic network within the borough.

During a Nov. 12 Carlisle Borough Council meeting, Dave Jones, solicitor for the school district, said plans would call for six miles of fiber-optic cable under borough streets to

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connect all of the schools within the district except for North Dickinson Elementary School and Mount Holly Spring Elementary School. Eric Harlacher, general manager of Shiloh Paving & Excavating, Inc, delivered a presentation which explained what the Sternicks can expect to see —detailing how piping will be placed in the ground, how aerial wires will be hung and what equipment they can expect to see on their block during the construction phase. He also explained that construction is tentatively set to begin early January and end sometime around June 30.

Jason Sternick said the meeting was “helpful,” and spent time after the meeting speaking with officials from the school district while his wife spoke with Robert Hasemeier, the senior managing engineer for the Camp Hill-based engineering/architect firm hired by the school district to oversee the project, Barton & Loguidice. “My primary concern was some of the things like the markers and stuff jutting out of the ground and would they be an eyesore, and it doesn’t seem to be very intrusive, so we’re satisfied,” he said. – **Carlisle Sentinel**

As if TV carriage negotiations haven’t become contentious enough, a new wrinkle is adding to the complexity: the rise of skinny bundles and “cord-shaving.”

In a brewing spat, AMC Networks Inc. is demanding that the National Cable Television Cooperative, a consortium of small cable providers, pay on behalf of all its subscribers—whether or not they actually receive AMC and its sister channels in their cable packages. If the two sides don’t reach an agreement by the end of the year, those channels could go dark on the systems of 750 small operators representing about 4 million customers.

Standard industry practice has been for cable companies to pay channels based on the number of customers who sign up for packages that include them. Big channels like ESPN have had the leverage to stipulate in their contracts that they have to be in the most widely-distributed bundles or reach a high percentage of the customer base. But cable executives say it’s unprecedented for a programmer to be guaranteed payments for 100% of the subscriber base.

The small cable companies have already taken the matter to the Federal Communications Commission. In a Friday conference call with FCC officials including media bureau chief William Lake, NCTC and some of its member operators said AMC’s proposal “seems designed to protect [AMC] from losses due to cord shaving”--the phenomenon of people downgrading their cable packages to cheaper, skinnier bundles. They added that it “hinders smaller operators’ ability to serve customers that want a low-priced “skinny” package of programming that can be combined with [online video] content they may purchase elsewhere,” according to a filing with the FCC.

In an interview, NCTC Chief Executive Rich Fickle called AMC’s demand “a financial guarantee against skinny bundles.” On top of that insurance, AMC is still demanding that all its networks reach a high proportion of subscribers so that it doesn’t lose out on viewership and ad revenue, Mr. Fickle said. That is a burden on small operators, many of whom don’t have a lot of excess bandwidth capacity on their pipes and want to use what they do have to improve broadband speeds. In addition to its flagship AMC channel, WE tv, IFC and SundanceTV, AMC Networks also now negotiates on behalf of BBC America and BBC World News, thanks to a nearly 50% stake in BBC America it took last year.

Still, dropping AMC’s networks poses big risks for the cable operators, given the popularity of shows like “The Walking Dead.” As with any such fight, it’s possible the two sides will work out carriage terms before the deadline. The kind of deal AMC is seeking would help it safeguard its future as the TV business undergoes dramatic changes and investors pay closer attention to cord-cutting and cord-shaving. The company is demanding a ten-year deal with the NCTC, longer than typical carriage deals. It also wants all its networks, even the less-popular ones, to be placed in the most widely-distributed package.

And it's asking the cable operators to pay more than \$2 per customer per month for all its channels, which NCTC's Mr. Fickle says is twice the market rate it receives from other operators. In a statement, AMC Networks said it has "extraordinarily high regard" for NCTC and its members and has long supported them. "We will continue to endeavor to do everything we can to make them successful," the company said. AMC declined to comment on the price terms it is seeking. A person close to AMC said that the company is coming off of an eight-year deal with the NCTC during which time AMC has invested a lot in marquee original shows. The company is looking to raise the NCTC's rate to reflect that, the person said.

Given the rising pressures on the cable TV business, the small cable companies that make up the NCTC are increasingly playing hardball. More than 60 of them last year decided to drop Viacom Inc.'s networks such as MTV and Nickelodeon. Later, mid-sized operator Suddenlink Communications followed suit. Shenandoah Telecommunications Co. said under the deal proposed, it would have to pay \$1.4 million a year to AMC with annual step-ups, compared to the roughly \$500,000 it pays the programmer today. The company said that could lead to even higher cable bills for Shentel's 60,000 video customers in areas including Virginia, West Virginia and Maryland, snowballing into more cord-cutting. "Consumers get mad at the cable companies because that's who they pay their bill to," said Chris Kyle, Shentel's vice president of industry relations and regulatory. "It's a no-win situation for small cable companies."

Ritter Communications, which serves 13,500 customers in Arkansas and Tennessee, says that for some of its systems, it would actually have to reduce broadband speeds to accommodate AMC's demands for greater carriage. "We would be acting 180 degrees in opposition to market forces," Ritter President Alan Morse said. Shentel and Ritter say they plan to offer rebates to customers in the event of a drop. – *Wall Street Journal*

The imprisoned 91-year-old founder of what was once one of the nation's largest cable television companies is seeking early release from prison as he nears death from cancer, his lawyers say in court papers. Family members of Adelphia Communications Corp. founder John Rigas have been told to "deal with end-of-life decisions," including the possibility of hospice care, the lawyers wrote in papers submitted last week to U.S. District Judge Kimba Wood in Manhattan. The judge on Monday ordered the government to respond to the request for early release by next Tuesday.

Rigas is scheduled to be released from prison in January 2018 after serving a 12-year sentence in a \$1.9 billion looting and debt-hiding scandal that led to the collapse of Adelphia. His lawyers say his health has worsened severely since he entered prison in 2007 after he was diagnosed with bladder cancer. Several months ago, they say, doctors found that his cancer recurred in his bladder and tumors and lesions were on his lung and kidney. On Dec. 4, he was rushed to the hospital after experiencing bleeding and shortness of breath, the lawyers said.

At a 2005 sentencing, Judge Leonard Sand said Rigas could be released early if he has less than three months to live. Rigas founded Adelphia in tiny Coudersport, Pennsylvania. It once was the nation's fifth-largest cable company, with more than 5 million customers in 31 states and Puerto Rico. Rigas also once owned the NHL's Buffalo Sabres. Adelphia prosecutors had accused Rigas and others of using complicated cash-management systems to spread money around to various family-owned entities and as a cover for stealing about \$100 million for themselves by using the company's financial ledger like a personal piggy bank. They were accused of spending the money on a lengthy list of personal luxuries.

Most recently, Rigas has been housed at USP Canaan in Waymart, Pennsylvania. His son, Timothy Rigas, 59, is housed there as well after he too was convicted on multiple counts of securities fraud, conspiracy to commit bank fraud and bank fraud. He is scheduled to be released in 2022 after serving 17 years. James Margolin, a spokesman

for prosecutors, said Tuesday the government had no comment. – *Associated Press*



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