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In December, Verizon chief financial officer Fran Shammo [told a group of investors](#) that if regulators adopted aggressive open Internet rules, they wouldn't stop the company from upgrading its network to provide faster, better service. Now Shammo says he was misunderstood.

The new net neutrality rules being considered by the Federal Communications Commission represent "an extreme and risky path," Shammo said on a conference call Thursday. Whether Internet service providers would stop investing in their networks if regulators adopted strict rules to prevent the blocking and throttling of Internet traffic has become a flashpoint in the wider debate over net neutrality — the idea that broadband providers shouldn't speed up or slow down some Web sites over others.

Last month, an industry analyst [asked Shammo](#) about the prospect of more aggressive rules and their potential affect on Verizon's investment strategy in the United States. "I mean to be real clear: I mean this does not influence the way we invest," Shammo said. "I mean we're going to continue to invest in our networks and our platforms, both in wireless and wireline FiOS and where we need to. So nothing will influence that." (Here's the [full transcript](#).)

This week, however, Shammo [gave another response](#).

"This will absolutely affect us and the industry on long-term investment in our networks," Shammo said Thursday, adding that strong net neutrality rules would "jeopardize our investment and the development of innovation in broadband Internet and related services." Disputing previous news reports about his remarks, Shammo said his comments six weeks ago were actually aimed at addressing the company's plans for the coming year specifically, and that he had been misquoted by Congress and the media. "So

when I said before and misquoted on the fact that it would not hurt our investment, I was talking about 2015," Shammo said. "But if this piece of [regulation] were to pass, I can absolutely assure you it would certainly change the way we then view our investment in our networks."

As in his December remarks, Shammo also noted that in other countries where regulation has been more aggressive, other carriers were deterred from making network upgrades, warning that the same situation could befall the United States. Shammo's December comments were interpreted by regulators as a sign that Verizon's business could continue to thrive even under stronger government oversight. Tom Wheeler,



  
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chairman of the Federal Communications Commission, **said** the remarks were evidence that companies will keep investing in infrastructure so long as they perceive a market opportunity. That remark was significant because it implied the FCC might apply stronger rather than weaker rules to Verizon and other carriers. Shammo's latest comments reflect an effort to correct that impression.

Since December, other industry officials have walked a careful line on net neutrality's impact on their ability to invest. Some have said that investment would no doubt continue under a stricter net neutrality regime but that new regulations could "change the slope of the curve," according to one industry official who spoke on condition of anonymity because he wasn't authorized to speak publicly. — **Washington Post**

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Apple, Amazon and Facebook shelled out record amounts to influence Washington; Google posted one of its biggest lobbying years ever; and a slew of new tech companies dipped their toes into politics for the first time in 2014 — a sign of the industry's deepening effort to shape policymaking in D.C.

The sharp uptick in spending reflects the tech sector's evolution from an industry that once shunned Washington into a powerful interest that's willing to lobby extensively to advance the debates that matter most to companies' bottom lines — from clamping down on patent lawsuits to restricting NSA surveillance to obtaining more high-skilled immigration visas and green cards. "There is increasingly a sense from companies that they need to engage earlier and smarter," said Ryan Triplette, a Republican lobbyist for Franklin Square Group, which represents companies like Apple and Google. "They began opening up their view as their businesses have grown ... and not just looking at traditional technology issues."

Apple, which mostly avoided D.C. under the watch of late CEO Steve Jobs, grew its lobbying balance sheet to just over \$4.1 million last year from \$3.3 million in 2013, according to an analysis of lobbying reports, the latest of which were filed midnight Tuesday. The iPhone giant recently has shown a greater willingness to engage Washington under CEO Tim Cook: It even **dispatched executives to Capitol Hill** in September to talk about its new smart watch and health tracking tools hoping to assuage lawmakers' fears about the new technology's data-tracking abilities.

Amazon's lobbying expenses — more than \$4.7 million, up from around \$3.5 million in 2013 — correspond with the company's own Washington makeover. The e-commerce giant last year jumped into new lines of business, expanding its pursuit of government contracts while eyeing a new drone delivery service, prompting it to hire a slew of new lobbyists and move to a bigger downtown D.C. office. Amazon is also fighting the Federal Trade Commission over how it handled app purchases made by kids. Apple, Amazon and Google declined to comment on the record. Facebook did not reply to a request for comment.

For all their efforts, these tech giants failed to advance their political priorities in the last Congress — but the fights are sure to return in 2015 under the Republican-majority Congress. GOP leaders in both chambers have already promised to revive the debate over patent litigation reform — a critical issue for tech companies like Google that want to curb lawsuits from so-called patent trolls. There's also talk of boosting the number of foreign high-skilled workers, something industry titans have coveted as part of broader immigration reform.

The looming expiration of key Patriot Act surveillance authorities means Congress must also wade back into the fight over what data the NSA can collect — a major issue for tech companies stung by Edward Snowden's leaks about the agency's spying via popular Internet services. And lawmakers are plugging into new issues like drones and wearable technology that are important to Silicon Valley. "No doubt, Internet and tech companies are a bigger and more important part of the economy — period. It's natural they're going to be more involved in the political process," said Ed Black, president of the Computer and Communications Industry Association, a trade group whose members include Amazon, Facebook and Google. "There's been a growing realization that not only do tech companies have to be in there [in D.C.], to make a fair pitch, they have to be more actively involved because they have to fight off hostile efforts."

Google is the leader of the tech pack when it comes to lobbying: The company, which until October owned Motorola Mobility, spent more than \$17 million in 2014 — its second-most expensive year after 2012, when it battled back a federal antitrust investigation. The search giant's D.C. operation, led by former GOP Rep. Susan Molinari, relocated last year to a new, sprawling 54,000-square-foot office steps from the Capitol. Facebook, for its part, spent more than \$9.3 million in 2014, up from \$6.4 million in 2013. The company's most recent lobbying report points to its work on privacy and security issues along with Internet access and trade, as Facebook aims to expand its service worldwide and avoid foreign rules that might restrict where it stores user data. Companies like Belkin, a major player in the emerging sector of connected home devices, and Snapchat, an app for disappearing photo messages, each registered their first-ever lobbyists last year. Snapchat hired its new consultants from the firm Heather Podesta + Partners after a major data breach registered on Washington's radar.

Other prominent tech companies retained new help, as well. Netflix grew its lobbying roster amid the fight at the FCC over net neutrality. And Uber added D.C. lobbyists to win new allies for its ride-hailing app, which has triggered fights with state and local regulators and cab operators nationwide. And a coalition of tech titans like Apple, Google and Microsoft banded together to invest in an anti-NSA snooping coalition, Reform Government Surveillance, which spent \$230,000 in 2014. Many of those companies' executives regularly traveled to Washington to press President Barack Obama on surveillance reforms, and the group ran frequent advertisements highlighting the need for more NSA transparency. – *Politico*



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