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Federal regulators have set a new definition for broadband that establishes 25 megabits per second as the baseline for high-speed downloads, up from 4 Mbps previously. With this standard, the Federal Communications Commission will be able to argue for much stronger action on Internet providers — a point that's rankling Republicans on the commission as the agency moves to promote the adoption of fast, cheap and reliable Internet in America.

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It's a simple accounting change that will have major ramifications. As a result of the decision — which also sets the minimum speed for uploads at 3 Mbps — millions of people who subscribe to slower plans will effectively lose their broadband status. Combine those with the substantial share of Americans who have never had broadband, and as many as 17 percent of America, or 55 million people, will lack access to high-speed broadband under the new measure, according to the FCC.

Conservatives are decrying the move as a case of government overreach, calling the 25/3 Mbps standard an "arbitrary" threshold and arguing that most consumers seem to think the old one — 10 Mbps down, 1 Mbps up — works just fine. "Seventy-one percent of consumers who can purchase fixed 25 Mbps service — over 70 million

households — choose not to," said Republican FCC Commissioner Ajit Pai.

For an agency whose mission is to remove barriers to broadband, the FCC is its own worst enemy, Pai added, saying the FCC is intentionally finding that the industry has failed just so that it can "regulate it back to health." But Democrats on the commission say the new standard establishes a forward-looking, aspirational target. Those who lack access to speeds that are "table stakes" for the rest of the country don't deserve to be left behind, they argue.

FCC Chairman Tom Wheeler pointed out that subscriptions to 25/3 service have quadrupled in the last three years. And Wheeler said that Internet providers' claims that there isn't enough demand for 25 Mbps broadband isn't borne out by their marketing campaigns, which treat customers like voracious data consumers. "Someone is telling us

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one thing and telling consumers another," Wheeler said. "Our challenge is not to hide behind self-serving lobbying statements, but to recognize reality. And our challenge is to help make that reality available to all."

As the FCC prepares to intervene next month against state laws that make it harder for cities to build their own, public alternatives to traditional Internet providers — and as it plans to release its latest draft rules to prevent discrimination against Internet traffic — the standard for broadband will become a key political tool in defending the FCC's actions. So will the underlying law that recognizes the FCC's authority to promote broadband, Section 706 of the Communications Act. A Republican-backed bill in Congress is already seeking to strip the FCC of that power. — *Washington Post*

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Cablevision Systems Corp. is suing Verizon Communications Inc., accusing Verizon of falsely advertising the "fastest Wi-Fi available" in New York in an attempt to undercut Cablevision's competitive advantage. In a complaint filed Thursday in federal court in Manhattan, the Long Island, N.Y., company alleges Verizon launched an advertising campaign this month falsely claiming to offer superior Wi-Fi service based on a privately commissioned router study not publicly available.

Cablevision says Verizon's claims are based on a new router it is installing—the same router Cablevision says it already offers in the service area in question. "Indeed, Cablevision not only has offered this router to its customers for nearly a year, but it does so for free, whereas Verizon charges customers as much as \$199.99 for its new router," the complaint asserts.

Verizon spokeswoman Deidre Hart responded to the suit by saying, "This is a boldface ploy to promote Cablevision's latest wireless gambit." She added that the company has yet to see the complaint. "A third party has tested and validated the FiOS QuantumGateway Router. It offers the fastest in-home Wi-Fi available from any provider," Ms. Hart said, echoing claims made in the company's advertising campaign. "As usual, Cablevision is confusing consumers by using an apples-to-oranges comparison of in-home and public Wi-Fi."

Cablevision said this week that it plans to launch a Wi-Fi voice, text and data service called "Freewheel," taking advantage of the Wi-Fi hot spot network in the New York service area. — *Wall Street Journal*

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The Federal Communications Commission's biggest ever auction of wireless spectrum closed Thursday and drew a record \$44.9 billion in bids, a boon for taxpayers and a sign of the growing cost of supporting Americans' smartphone habit. The haul is more than twice as much as the government notched in its last major sale of spectrum in 2008, back when Apple Inc.'s iPhone was only about a year old. Winners will be disclosed Friday, FCC Chairman Tom Wheeler said.

The aggressive bidding surprised analysts who thought it would be a quiet affair dominated by AT&T Inc. and Verizon Communications Inc., the country's biggest wireless carriers by subscribers. Investors are eager to see how much those companies—as well as bidders such as T-Mobile US Inc. and Dish Network Corp. —will owe the federal government. Anonymous results show multiple bidders fought hard for coveted licenses in markets such as New York and Los Angeles, which commanded the largest sums. As of the auction close, the four main licenses for the New York region alone totaled about \$6.2 billion. Some 70 participants qualified for the auction and may have won the licenses that were up for sale. To explain the aggressive bidding, Mr. Wheeler channeled comedian Will Rogers. "I'm putting all my money in land, because I understand they ain't making it no more," the chairman said.

Spectrum works like lanes on a highway, and carriers need more of it as their wireless traffic increases. The soaring prices in this latest auction reflect the pressure on carriers

as their subscribers use their cellphones to watch more videos on Google Inc.'s YouTube, stream music and share photos. Industry giants such as AT&T and Verizon are encouraging that use, hoping to cash in as wireless-data traffic grows.

The FCC started the latest auction on Nov. 13 without much fanfare and with a goal of raising at least \$10.6 billion by selling about 1,600 licenses. That target was quickly surpassed, along with the previous auction record of \$19.1 billion set in 2008. Only 3% of investors surveyed by Morgan Stanley before the auction thought bids would top \$35 billion. The bidding highlights the enormous scale needed to compete in the U.S. wireless market, a reality that makes it hard for rivals to challenge the market's leaders. AT&T and Verizon control most of the industry's most lucrative customers and the bulk of its revenue and profit, which gives them enormous financial firepower in such auctions.

While markets such as New York, Los Angeles and Chicago drew the highest bids, smaller markets including Portland, Maine, and Louisville, Ky., received bids over \$20 million. One license in American Samoa commanded the lowest bid, at \$2,800. In addition to the wireless carriers, private-equity firms such as Grain Management LLC and even some individuals took part in the auction. Satellite broadcaster Dish participated as well. The company has amassed similar spectrum in recent years and says it wants to start offering cellphone service. Sprint Corp., which holds the industry's largest stores of spectrum, even though much of it is of lower value, didn't participate.

AT&T and Verizon have raised debt to help pay for the auction and are also selling assets. AT&T said that its recent spending—including corporate acquisitions—would leave it with a higher debt load than it had targeted and that it would make a priority of paying it down. The carrier is working to close a \$49 billion acquisition of satellite broadcaster DirecTV and has cut two smaller deals for wireless carriers in Mexico.

The telecommunications industry had been more focused on a coming auction of spectrum held by television broadcasters. But that process was recently pushed back to early 2016, a delay that likely helped drive up prices in the current sale. The high prices in the auction, in turn, should convince broadcasters that they have a valuable asset to sell, Mr. Wheeler said.

The airwaves in the just completed auction occupy spots around 1,700 megahertz and 2,100 megahertz and are considered mid-band spectrum. Such frequencies aren't typically as valuable as the low-band airwaves such as those held by TV broadcasters that can carry signals deep into buildings and across the countryside. But the higher bands are useful in cities, because they can carry lots of data.

Carriers are eager to put the airwaves to use, but what they are buying won't be available for some time. The Defense Department currently uses the frequencies for things such as missile guidance systems and drone training programs. Some of the operations can be relocated in as soon as nine months, but others will take five to 10 years. The government is likely to actually collect less than the headline number. Smaller bidders get a discount of up to 25%, which Nomura Securities estimates would bring total cash payments closer to \$40 billion. – *Wall Street Journal*

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Gov. Tom Wolf says he'll post his working calendar online as part of his efforts to provide transparency in state government. Mr. Wolf's office says next week's initial posting will provide a retroactive view of his activities from Jan. 21, his first day in office, through Feb. 6. After that, the postings will be weekly. Spokesman Jeffrey Sheridan said today the governor's office also will issue advisories listing events for the next day. Mr. Sheridan says the advisories will be posted daily even if no events are planned.

Mr. Wolf's policy represents a sharp departure from Republican Gov. Tom Corbett. When The Associated Press requested Mr. Corbett's official calendar in 2013, he provided the records after a six-week wait and only after the AP won a favorable court ruling. – *Associated Press*



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