

Los Angeles Times

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MSNBC

Why the FCC's vote to regulate the Internet is a mistake

Christian Science Monitor

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Philadelphia Inquirer
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Pittsburgh Tribune-Review
Tom Wolf's charm offensive

When Google's Eric Schmidt called White House officials a few weeks ago to oppose President Obama's demand that the Internet be regulated as a utility, they told him to buzz off. The chairman of the company that led lobbying for "net neutrality" learned the Obama plan made in its name instead micromanages the Internet.

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Mr. Schmidt is not the only liberal mugged by the reality of Obamanet, approved on party lines last week by the Federal Communications Commission. The 300-plus pages of regulations remain secret, but as details leak out, liberals have joined the opposition to ending the Internet as we know it. The Progressive Policy Institute said: "There is nothing progressive about the FCC backsliding to common carrier rules dating back to the 1930s." The Internet Society, a net-neutrality advocate, said: "We are concerned with the FCC's decision to base new rules for the modern Internet on decades-old telephone regulations designed for a very different technological era." Former Clinton official Larry Irving wrote in the Hill: "Most of today's proponents of a utility model for the Internet either have forgotten or never knew the genesis of the 'regulatory restraint' model that helped spur and continues to support Internet expansion."

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Verizon poked fun at the FCC's retrograde move by issuing a news release in Morse code and in an old-fashioned typewriter font, dated "February 26, 1934," the year Congress passed the Communications Act to regulate the telephone monopoly—the law the FCC is now applying to the Internet. The Electronic Frontier Foundation, which supports applying the 1934 law to the Internet, nonetheless objects to a new regulation giving the FCC open-ended power to regulate the Internet. "A 'general conduct rule,' applied on a case-by-case basis," the EFF wrote, "may lead to years of expensive litigation to determine the meaning of 'harm' (for those who can afford to engage in it)."

The general-conduct rule reportedly has seven standards, one of which is the "effect on free expression." Net neutrality was supposed to ban online discrimination based on

Pittsburgh Post-Gazette Editorial: Capitol moonlighting – Pa. legislators should stick to one full-time job

content. Instead, it is empowering the FCC—the agency that for decades enforced the “Fairness Doctrine” and that last year proposed studying “bias” in newsrooms—to chill speech. FCC Chairman Tom Wheeler justified Obamanet by saying the Internet is “simply too important to be left without rules and without a referee.” He got it backward: Light-handed regulation made today’s Internet possible.

What if at the beginning of the Web, Washington had opted for Obamanet instead of the open Internet? Yellow Pages publishers could have invoked “harm” and “unjust and unreasonable” competition from online telephone directories. This could have strangled Alta Vista and Excite, the early leaders in search, and relegated Google to a Stanford student project. Newspapers could have lobbied against Craigslist for depriving them of classified advertising. Encyclopedia Britannica could have lobbied against Wikipedia. Competitors could have objected to the “fast lane” that Amazon got from Sprint at the launch of the Kindle to ensure speedy e-book downloads. The FCC could have blocked Apple from integrating Internet access into the iPhone. Activists could have objected to AOL bundling access to The Wall Street Journal in its early dial-up service.

Among the first targets of the FCC’s “unjust and unreasonable” test are mobile-phone contracts that offer unlimited video or music. Netflix, the biggest lobbyist for utility regulation, could be regulated for how it uses encryption to deliver its content. Until Congress or the courts block Obamanet, expect less innovation. During a TechFreedom conference last week, dissenting FCC commissioner Ajit Pai asked: “If you were an entrepreneur trying to make a splash in a marketplace that’s already competitive, how are you going to differentiate yourself if you have to build into your equation whether or not regulatory permission is going to be forthcoming from the FCC? According to this, permissionless innovation is a thing of the past.”

The other dissenting Republican commissioner, Michael O’Rielly, warned: “When you see this document, it’s worse than you imagine.” The FCC has no estimate on when it will make the rules public. The silver lining is a valuable lesson for Silicon Valley executives who thought it was safe to lobby for net neutrality, but instead got Obamanet: The only place on the Internet for Washington regulators is at arm’s length. – ***Wall Street Journal***

The bad news is that the Obama administration is attempting to do what government does best — seize control of something, overregulate it, wring the innovative life out of it and pack it into a box. The good news is that attempts to turn the Internet into the Obamanet have about as much chance of ever being implemented as Barack Obama has of uttering the phrase “Islamic terrorism.”

Thursday last, and ever in search of a solution looking for a problem, the Federal Communications Commission announced a move to effectively regulate the wild, wonderful and innovative world of broadband Internet as a public utility in pursuit of “net neutrality.” Such oversight supposedly is needed to maintain equal access for all consumers. Never mind that there’s no proof that equal access is being denied, the FCC — much like its cousin, the Federal Election Commission regarding money in politics — talks of potential harm.

But not only has the same statute under which the FCC claimed authority last week twice been rejected by the courts — and it most assuredly will be again — there also are serious questions as to whether the FCC is following its own public notice rules. As Phil Kerpen of the activist group American Commitment told National Review’s John Fund, “Net neutrality’s goal is to empower the federal government to ration and apportion Internet bandwidth as it sees fit, and to thereby control the Internet’s content.” Which is anathema to what the Internet is and what it should continue to be. – ***Pittsburgh Tribune-Review editorial***

Comcast Corp. is in talks to acquire the TV ad-targeting company Visible World, according

to people familiar with the matter. Such a move would thrust the cable giant into a stronger position in the burgeoning market for data-driven TV advertising.

New York-based Visible World has long helped advertisers deliver ads to specific audiences and households based on zip codes, using data from cable set top boxes and other sources. In 2013, the company rolled out AudienceXpress, a subsidiary whose software tools help marketers buy TV ads the way they do online. A deal isn't imminent. The talks could fall through or lead instead to a deep partnership between the companies, some of the people familiar with the matter said. Comcast is already an investor in Visible World through its venture arm.

An acquisition wouldn't be costly for Comcast, but could have strategic significance. The company, which is the nation's largest cable and broadband operator and owner of the NBCUniversal media conglomerate, has been increasingly flexing its muscles in the advertising technology world. Last year, Comcast spent \$320 million to acquire FreeWheel Inc., a company that helps media firms like Viacom Inc. and Walt Disney Co. manage their advertising across digital services and apps. The TV business has been slow to adopt the data-driven advertising tactics that are commonplace on the Web. Most TV ads are purchased based on basic, broad demographic categories. More sophisticated, precise data-based targeting has mostly been applied only with local TV ads, not ads running on national networks.

One of Visible World's biggest strengths, marketing executives say, is its technology that allows advertisers to simply and inexpensively create custom versions of TV commercials that are targeted to cable viewers. For example, advertisers can change creative content in commercials such as shifting offers or images based on things such as household data or even weather in a particular market. Visible World has provided its services to other cable companies. It's unclear whether Comcast will keep Visible World as a separate company or fold it into its own operations. Rival cable operators may not be inclined to continue to supply their ad space to a technology company owned by Comcast.

The AudienceXpress division has been trying to put itself at the center of efforts by TV companies to sell ads through a Web-based interface. It struck such a deal in December, for example, with ad-buyer Magna Global and Cox Media, the ad division of cable operator Cox Communications. AudienceXpress says it has access to TV inventory from a mix of local cable and satellite providers as well as some national cable networks.

Even without purchasing Visible World, Comcast is set to increase its clout in the local TV ad market if regulators approve its proposed \$45 billion acquisition of Time Warner Cable. Opponents of the deal have raised that issue. Comcast has downplayed its hold over the local ad market and noted that advertisers haven't opposed the merger. Visible World has raised \$33 million from investors to date. Among the company's investors are Adams Street Partners, AllianceBernstein, Dawntreader Ventures and Grey Ventures. – **Wall Street Journal**



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