

**An information-packed conference agenda must include a night to unwind.**



March 8, 2016

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People who do not have regular access to the Internet can fall behind in school, at work and in other everyday tasks. The Federal Communications Commission is close to what it hopes will be a solution to address that gap: \$9.25 a month.

The agency on Tuesday will circulate a final proposal to F.C.C. members to approve a broadband subsidy of \$9.25 a month for low-income households, in the government's boldest effort to date to narrow a technological divide that has emerged between those who have web access and those who do not. While more than 95 percent of households with incomes over \$150,000 have high-speed Internet at home, just 48 percent of those making less than \$25,000 can afford the service, the F.C.C.'s chairman, Tom Wheeler, has said.

The new plan is part of **[an overhaul of a \\$2 billion phone subsidy program](#)** called Lifeline and will go to vote on March 31. It is expected to be approved by the F.C.C.'s commissioners, who have a Democratic majority. "When we talk about digital equity, we need to remember that we're talking a key part of the answer to many of our nation's greatest challenges — issues like income inequality, job creation, economic growth, U.S. competitiveness," Mr. Wheeler said last month in a speech on the plan.

The proposal is the latest incarnation of the Lifeline program, which was created in 1985 to bring landline phone services to low-income families. In 2008, the F.C.C. added mobile phone service to the subsidy. But the program has been dogged by controversy, with critics pointing to a **[history of abuse of Lifeline](#)**.

Investigations have revealed many participants were double billing for landline phone and wireless services when they were allotted only one subsidy per home. In a 2015 report, the United States Government Accountability Office questioned the effectiveness of the plan. In 2012, the F.C.C. reformed Lifeline after complaints and created a database to track subsidies.

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Apart from suggesting the \$9.25 monthly broadband subsidy, Mr. Wheeler's Lifeline proposal also tries to clamp down on potential abuse and fraud by appointing a third party to vet individuals for eligibility and to ensure companies are following rules. In the past, Lifeline participants were vetted by mobile carrier companies including Verizon and T-Mobile USA. The F.C.C. will also make data on the program publicly available, including subscriber counts from providers.

Any broadband subsidy could substantially reduce monthly Internet fees that average \$52.50 in urban areas, but are often purchased as part of more expensive bundles that include television and phone service. Michael O'Rielly, a Republican commissioner of the F.C.C., said the new proposal put Lifeline at risk of exceeding the agency's budget estimates and called for a spending cap. "Such irresponsible action will balloon a program plagued by waste, fraud and abuse, and result in higher phone bills for every American — including those already struggling in the current economy," Mr. O'Rielly wrote in a blog post last week. "In sum, it's a recipe for disaster, and I can't and won't be part of it."

Public interest advocates have pushed for faster Internet speeds and unlimited data in the broadband subsidy proposal, arguing that homework and other tasks increasingly require downloading big files and streaming videos that gobble up the monthly allotments. The F.C.C. said the proposed speeds and data limits were in line with consumer averages.

Democratic commissioners at the F.C.C. have argued that there is an urgent need to update the Lifeline fund for broadband as homework, job searches, and health and other services increasingly move online. Seven in 10 teachers, for instance, require students to go online for homework, according to Commissioner Jessica Rosenworcel, a Democrat. Mr. Wheeler and Mignon Clyburn, a Democratic commissioner, spearheaded the reform.

Senior officials at the F.C.C. who drafted the new Lifeline proposal say the agency hopes the subsidy will also encourage Internet service providers like Comcast, AT&T and Time Warner Cable to go into low-income areas where they may not normally make a profit.

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Verizon Communications Inc will pay a \$1.35 million fine and agreed to a three-year consent decree after the Federal Communications Commission said on Monday it found the company's wireless unit violated the privacy of its users.

Verizon Wireless agreed to get consumer consent before sending data about "supercookies" from its more than 100 million users, under a settlement. The largest U.S. mobile company inserted unique tracking codes in its users traffic for advertising purposes. Supercookies are unique, undeletable identifiers inserted into web traffic to identify customers in order to deliver targeted ads from Verizon and others.

The FCC said Verizon Wireless failed to disclose the practice from late 2012 until 2014, violating a 2010 FCC regulation on Internet transparency. The FCC also said the supercookies overrode consumers privacy practices they had set on web browsers, which led some advocates to call it a "zombie cookie."

Under the agreement, consumers must opt in to allow their information to be shared outside Verizon Wireless, and have the right to "opt out" of sharing information with Verizon. Until March 2015, Verizon Wireless consumers could not opt out of the "supercookies," but after several U.S. senators raised concerns about the practice, the company agreed to allow an opt-out. "Consumers care about privacy and should have a say in how their personal information is used, especially when it comes to who knows what they're doing online," said FCC Enforcement Bureau Chief Travis LeBlanc.

U.S. Senator Bill Nelson, a Florida Democrat, said the settlement was "a win for consumers that will hopefully make companies think twice before engaging in practices that violate consumer privacy." The FCC plans to unveil new proposed privacy protections for broadband as soon as later this month. In November, FCC Chairman Tom

Wheeler said he expected the commission would address privacy practices "in the next several months" for companies that provide network services.

Wheeler said the FCC questions if consumers "know what information is being collected? Do I have a voice in whether or not that's going to be used one way or another? Those are two very important baseline rights that individuals ought to have." – **Reuters; [more in New York Times](#)**

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Democratic U.S. Senate candidate Katie McGinty will begin airing her first television ad on Tuesday in the Philadelphia and Pittsburgh media markets. **[The 30-second ad](#)**, which the McGinty campaign posted Monday on YouTube, features the former state environmental protection secretary talking about the struggles of families who see "special interests gaining the upper hand in Washington." "If you work hard, your paycheck should show it," McGinty says, as scenes from a manufacturing shop are shown on-screen.

The ad, which her campaign says will air through the April 26th primary, comes as the Democrats seeking to unseat Republican Pat Toomey this fall are still struggling to break through to voters. Retired Navy admiral and former congressman Joe Sestak topped the most recent public poll by a slim margin, but more than half of voters are still undecided. Braddock Mayor John Fetterman also has turned to television to introduce himself to voters. He **[aired biographical ads on MSNBC](#)** as the Iowa caucus results were rolling in last month. Fetterman also has purchased air time on western Pennsylvania broadcast stations in recent weeks, according to disclosures from those stations. – ***Allentown Morning Call***



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