



Our 27<sup>th</sup> Annual Cable Academy will illustrate in detail the cable industry's future with multi-screen video, streaming media and all things over-the-top!

Also...

- **SPEED NETWORKING FOR PROGRAMMERS**
- **BCAP PRESIDENT'S AWARD PRESENTATION**
- **CASINO NIGHT**
- *and much more!*

**CONFIRM YOUR SPONSORSHIP, REGISTRATION AND EXHIBIT TODAY!**

**MARK YOUR CALENDAR TO BE AT THE SHERATON HARRISBURG-HERSHEY!**



March 12, 2015

**The Verge**  
**Sony's PlayStation Vue Internet TV service is launching within two weeks**

**Associated Press**

**3 things to know about HBO's new streaming service**

**National Journal**  
**FCC Aims to Subsidize Internet Service for the Poor**

**Forbes**  
**Scripps's Success Script: Cooking and Fixing and Brands, Oh, My!**

**Associated Press**  
**Pennsylvania Gov. Wolf says critics**

Washington's seizure of the Internet is one of the great case studies in the annals of political naïveté. Over several years, leading lights of the Web—among them Netflix, Google and Tumblr—importuned the Obama White House to align itself with the cause of net neutrality. "Net neutrality," like so many progressivist-y causes—climate change, health care for all—is a phrase designed to be embraced rather than understood.

But net neutrality had real meaning. Its core idea was that the U.S. Federal Communications Commission, a Washington agency whose employees have been regulating communications since 1934, should design and enforce a price mechanism for the Internet. Up to now, nobody did that.

In February the FCC did, and on that day the Little Red Riding Hoods of net neutrality found out what big teeth grandma has. The FCC said its plans to regulate the Web were in a 332-page document, which no one can see until the agency is ready. Within days, Netflix CFO David Wells spoke about the Internet coming under the FCC's Title-II control: "Were we pleased it pushed to Title II? Probably not. We were hoping there might be a non-regulated solution. But it seems like companies that are pursuing their commercial interests including us have to arrive at something like that."

The Internet's descent into the Washington heart of darkness is a perfect example of that famous Santayana-ism: Those who cannot remember the past are condemned to repeat it. For our purposes, the personification of this forgotten wisdom would be David Karp, the 28-year-old founder of the Web's popular blogging platform, Tumblr. Mr. Karp got Barack Obama's ear on net neutrality at one of the president's nonstop New York City fundraisers. Mr. Obama then told aides and lawyers in the White House to move on it, and they told Chairman Tom Wheeler of the nominally independent FCC that regulating the Web was a done deal.

Netflix and the others are being mocked for turning the Internet over to a telecommunications law written in the 1930s. But you don't have to travel back that far to understand the fix they've gotten themselves into. The more relevant political event is the Telecommunications Act of 1996, passed when Mr. Karp was . . . 10 years old. Mr. Karp and the rest of the 20-something and 30-something Peter Pans in the app development world should find their way to the 80-something communications lawyers and lobbyists retired in Florida for a tutorial on what it's like trying to get Washington off your back once it has climbed on. Here's the tweet-length version: You are going to pay and pay and pay. To save you, Washington will bleed you.

[of tax plan must consider benefits](#)

[pennlive.com Gov. Tom Wolf interview: 5 things we learned](#)

[Pittsburgh Tribune-Review Pennsylvania AG Kane fights to have grand jury presentment thrown out](#)

[York Dispatch Heated exchange between Republican senator, county Dem head](#)

[Philadelphia Daily News Editorial: That O! Harrisburg déjà vu](#)

Briefly, in 1987 the FCC proposed partially deregulating its ancient control of long-distance telephone rates; and it proposed allowing more competition among AT&T, other national carriers and the regional Bell operating companies, or Baby Bells. What ensued over nine years was arguably the greatest pig-out of lobbying fees and campaign-contribution shakedowns in Washington history. The Beltway bled political payments out of these businesses until Congress finally disgorged a law in 1996. In one of the umpteen litigations that ensued, *AT&T v. Iowa Utilities Board* (involving, among other things, the “pick and choose” rule), Justice Antonin Scalia said the 1996 act “is in many important respects a model of ambiguity or indeed even self-contradiction.”

For sure. The telcom act set up a 14-step “competition test” for the Baby Bells. A congressional staffer called the law “a communication lawyer’s dream.” About the only faction unabashedly cheering the FCC’s capture of the Internet is the Occupy-everything left. Their numbers include such famous high-tech innovators as The Center for Media Justice, Demand Progress, 18 Million Rising and Popular Resistance.

This is the same left that loathes Hillary and Bill Clinton for their crony capitalism, such as the Clinton Foundation donor stories. That’s rich. What the left and Barack Obama have done with the Internet and all the rest of this administration’s reregulation (banks, health care, education, utilities) is put Clintonia back in control of Washington. No one can do business until they first run it through the Beltway bosses. For the K Street corridor, it’s the golden age all over again.

Along the partisan divide, the Internet providers—AT&T, Verizon, Comcast—are seen largely as part of the Republican donor base, while the new Web companies and their high-asset employees trend Democratic for reasons, they say, of social conscience. That divide is too neat now. The days of blissed-out Patagonia progressivism are ending with FCC regulation of the Internet. It’s time for these new-generation techies to think about where their political interests lie. Got a new Web idea? Run it by your Washington reps. Which will include the regulatory enablers of the Obama White House. They didn’t invent the Internet. But now they run it. — *Wall Street Journal*

---

The contrasting characters of Rob Lowe aren't the only starkly different things in DirecTV's commercials, federal regulators said: So are deals for subscribers that have higher costs than advertised buried in the small print.

The Federal Trade Commission on Wednesday accused the nation's largest satellite TV provider of deceptive advertising for not clearly disclosing that a discounted 12-month package required a two-year contract that included a big rate hike in the second year and a hefty early termination fee if the customer wants out. In addition, an offer for three free months of premium channels such as HBO and Showtime didn't adequately disclose that customers would automatically be charged for them after the trial period unless they called to cancel, the agency said.

It's the second time in recent years that the El Segundo company has been accused by government officials of misleading consumers. DirecTV paid \$13.25 million in 2010 to settle similar allegations filed by attorneys general of California and 48 other states, as well as the District of Columbia. The FTC suit seeks "many millions of dollars" in refunds for a "large" number of subscribers, officials said, declining to be more specific. The latest allegations date to 2007. The action brought cheers from consumer advocates, along with a fine-tuned quip on the company's heavy advertising.

"You can just imagine the TV ad: 'I'm Rob Lowe, and here's the price you'll pay for DirecTV. And I'm Hidden-in-the-Fine-Print Rob Lowe, and we're actually going to jack up your bill,'" said Delara Derakhshani, policy counsel for Consumers Union. "We're glad the FTC is going after these kinds of deceptive and misleading offers," she said. DirecTV denied the allegations.

"The FTC's decision is flat-out wrong, and we will vigorously defend ourselves for as long

as it takes," the company said. "We go above and beyond to ensure that every new customer receives all the information they need, multiple times, to make informed and intelligent decisions." The company's stock closed down 50 cents, or 0.6%, to \$85.63.

Jessica Rich, director of the agency's Bureau of Consumer Protection, said DirecTV tried to trick consumers with its ads. The agency received thousands of complaints, and a "large portion" of the company's 20 million subscribers would be entitled to refunds, she said. "The company tells consumers to 'ditch cable' and switch to DirecTV to save money, and its advertisements claim that consumers can receive satellite TV packages for as low as \$19.99 per month for 12 months," Rich said. "Our complaint focuses on what DirecTV does not tell consumers."

The Federal Trade Commission alleged that the company violated federal law by "making deceptive claims or omissions of material facts in advertisements and on its website." DirecTV failed to "clearly and prominently" disclose that 12-month packages required a two-year contract in which the monthly price more than doubled to \$45 in the second year, the agency said. An offer on DirecTV's website Wednesday advertised that service was "Now Only! 19.99" a month. In much smaller type next to the offer, the ad said "with 24-mo agreement" and "plus add'l fees." The TV commercials featuring Lowe similarly have the small disclaimer below a large "Limited Time Offer" of \$19.99 a month.

"Companies can't hide important information from consumers to trick them into buying goods or services, and that's what we allege DirecTV did in deceptively advertising its satellite TV services," Rich said. The suit said customers who wanted out of the deal had to pay an early termination fee of \$20 for each month remaining on their contract.

In the case settled in 2010, state prosecutors alleged that DirecTV offered special deals with hidden costs, such as higher prices in the second year. DirecTV also was accused of extending customers' contracts without their knowledge and failing to deliver promised sports channels and other programming. In that settlement, DirecTV agreed to "clearly and conspicuously disclose, in direct proximity" to an advertised price, all "material limitations" on all future offers. A spokesman for California Atty. Gen. Kamala Harris did not return a call for comment on whether the new FTC allegations could constitute a violation of the prior settlement terms. – *Los Angeles Times*; [more in Washington Post](#)

---

The state Supreme Court today refused to hear an appeal by Janine Orie, sister of former state Supreme Court Justice Joan Orie Melvin and former state Sen. Jane Orie. She was convicted in 2013 of theft of services and related charges after a jury found that she helped run election campaigns for her sisters out of the judicial office where she worked as an administrative assistant.

Janine Orie was ordered to serve a year of house arrest and pay restitution. In a one-sentence order, the state's highest appellate court said it would not consider the case. Both Melvin and Jane Orie were convicted of similar counts. Jane Orie, who was also found guilty of submitting falsified evidence during a first jury trial that ended in a mistrial, served a state prison sentence, while Melvin was ordered to serve three years' house arrest. – *Pittsburgh Post-Gazette*



127 State Street, Harrisburg, PA 17101  
717.214.2000 • bcaps.com

First in Broadband.  
The Future of Broadband.®