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March 18, 2019

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The Greater Susquehanna Valley Chamber of Commerce plans to host a broadband internet summit in the fall. At Friday's governmental affairs committee meeting in Lewisburg, Chamber Relationship Director Chris Berleth told members early planning stages have started for the summit in October, which will have special guest speakers who will discuss funding sources, viability, costs and accessibility of high-speed internet. In 2017, the Chamber placed access to quality internet and broadband service atop its priority list in its 2017-18 strategic plan.

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Bill Metzger, owner of CVC Mechanical Contractors Inc. outside Lewisburg since 1974, shared his story of needing high-speed internet for eight employees. "To ask a small business like mine to pick up and go to a new location for access to the internet is ridiculous," said Metzger. He said Windstream has fiber lines close by, but his and other businesses have been unable to connect. He said he gets faster service from his home in Winfield and growth has been limited due to the lack of access to broadband. "It's very challenging, it's very frustrating," he said.

**Washington Post**  
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With the Central Susquehanna Valley Thruway Project being constructed, Metzger said he anticipates growth. "It's now something very much in reach. Before it was a big dream," he said. "It's inevitable that the growth is going to happen, and more and more businesses are

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going to want to be in that Interstate 80 connection." Chamber President/CEO Bob Garrett said the 2020 U.S. Census will be conducted using digital means, so the chamber will work to make sure those in rural areas are counted.

Scott Kramer, of SEDA-Council of Governments, said the organization is poised to soon announce the final contract for a broadband study in Clinton, Lycoming, Union and Northumberland counties. The \$80,000 comprehensive report is funded through an Appalachian Regional Commission grant. – *Sunbury Daily Item*

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On the edge of a vast national forest, in one of Pennsylvania's most rural counties, Joe Carlton was browsing for laughs on a Friday night. The smell of buttered popcorn and candy lingered in the aisles while he scanned through movie titles. Carlton, 35, picked up Spaceballs, National Lampoon's Animal House, Step Brothers, and the cult classic Office Space, then walked to the counter of Family Video on Pennsylvania Avenue and rented the DVDs, something many Americans haven't done in nearly a decade. "There is something about physically touching the movies, about flipping it over and reading the back," Carlton said. "You're in a movie store for a reason. You came for movies."

When the digital age, specifically Netflix, came for the brick-and-mortar movie rental business, the decline was rapid. Blockbuster Video, the rental giant with nearly 9,000 locations, declared bankruptcy in 2010. One Blockbuster location remains open, in Oregon. Even smaller rental stores fell, such as Philadelphia's popular TLA Video, which closed all of its locations by 2012. That's why the Family Video of Warren County, home to 41,815 in northwest Pennsylvania, feels so nostalgic, at least for someone who lives east of Altoona. For the western third of the state, however, from the New York border south to West Virginia, picking out new releases in Family Video just feels like a Friday night. "We know all our customers by name," manager Debbie Brown said from behind the counter.

The Illinois-based company has 22 locations in Pennsylvania and a surprising 700 total elsewhere in the United States and Canada. The majority are in the Midwest and the Great Lakes region, with a handful in Texas and Oklahoma. Few Family Video locations are in major cities. Michigan, for example, has 109 locations, according to the Family Video website, including some far into the Upper Peninsula, but none are in Detroit. A 2017 Forbes story about Family Video estimated that Highland Ventures, its parent company, brought in \$450 million in revenue.

One reason for Family Video's success is one of rural America's biggest headaches: slow internet connections. Broadband speeds have confounded rural communities for decades, and the debate continues over whether federal and state governments should treat the problem as an infrastructure issue, like electricity, or whether private providers should be incentivized to venture farther out into rural communities. For Family Video customers, streaming Netflix or any other online service might not be as easy as it is for those in cities and suburbs. "I was in a store in New York, and two customers said they just don't have enough high-speed internet," said Scott Westberg, a regional director for Family Video.

A recent study by Penn State found that Warren County, home to Allegheny National Forest, had some of the slowest internet in the state, falling below the FCC minimum for "broadband upload speed" of 3 to 5 mbps. "There's people still using dial-up here," Todd Lake, Warren County's public safety director, told the Inquirer in November.

In the Warren Family Video, some customers said internet speeds weren't bad in town, but they varied wildly just a few miles outside of it. Some just said it's nice to go out and look for movies. "We can stream Netflix, but it will occasionally have to buffer," said Chuck Gern, who was browsing new releases in the store with son Tyler, 14. "Some of these old movies, though, you can't find on Netflix or anywhere else."

Internet speeds don't explain everything about Family Video's success, or at least its ability to last longer than the rest. Most of the success, Westberg said, comes down to "smart, simple business decisions." Highland Ventures' origins date to 1946, when the Midstates Appliance & Supply Co. was formed in Springfield, Ill. In 1977, with an excess of VHS tapes from a distributor, then-owner Charlie Hoogland opened the Springfield Movie Club. Rentals started at \$5.

In Warren today, a new release DVD is \$2.99 for one night, but Family Video still charges late fees. Blockbuster dropped late fees in its final years to compete with Netflix and revenues fell even further. "It was a crazy idea," Brown said. Highland Ventures owns all but a few of its locations, both the building and land. Blockbuster rented, mostly in cities and suburban areas. "Often, Blockbuster took the single best piece of real estate in that area, the best location. The flip side was that when the margins grew thinner, they had the most expensive real estate in the market," said Douglas Green of MSC Retail, a real estate firm in Philadelphia.

Ownership gives Highland Ventures the ability to shrink the footprint of Family Video if the market slows. In Warren, a quarter of the Family Video store was recently walled off and re-purposed into a Domino's Pizza. Highland Ventures also owns a handful of other pizza and fitness chains. Green said the company can simply ride DVD rentals out, fill empty space with other chains, or become landlords. "Family Video is essentially a real estate company," he said. "It's pretty brilliant."

Barbara Kahn, a professor of marketing at the University of Pennsylvania's Wharton School, said that as long as the physical location is more of a convenience than e-commerce in rural parts of America, Family Video could hang on. "But once you catch that e-commerce bug, it eventually takes over," Kahn said. In Warren, the Family Video still feels very much like a movie store, a small-town one, in particular. The store sells popcorn and candy, hands out free rentals for good grades, and holds bake sales and other fund-raisers for local charities. It has up to 40,000 titles, though the adult-film section was phased out to make space for Domino's.

Kids' movies are free and many of the DVD covers have faded over time. "It's a nostalgia thing for some people who come in here," said Jonathan Campbell, 34, an assistant manager at the Warren store.

"But I have two little girls now, and they love coming in here and going to the kids' section, and that's what they know.' – *Philadelphia Inquirer*

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The state of Vermont has agreed to suspend enforcement of its net neutrality law pending the outcome of a lawsuit against the Federal Communications Commission. In October, the nation's largest broadband industry lobby groups [sued](#) Vermont in a US District Court to stop a state law that requires ISPs to follow net neutrality principles in order to qualify for government contracts. But the lobby groups and state agreed to delay litigation and enforcement of the Vermont law in a deal that they detailed in a [joint court filing yesterday](#). The lawsuit against Vermont was filed by mobile industry lobby CTIA, cable industry lobby NCTA, telco lobby USTelecom, the New England Cable & Telecommunications Association, and the American Cable Association (ACA).

The delay will remain in place until after a final decision in the lawsuit seeking to reverse the FCC's net neutrality repeal and the FCC's preemption of state net neutrality laws. Vermont is one of 22 states that sued the FCC in that case in the US Court of Appeals for the District of Columbia Circuit. Tech companies and consumer advocacy groups are also opposing the FCC in the same case. Oral arguments were [held last month](#), and DC Circuit judges will likely issue a decision in the coming months.

An FCC loss in that case could entirely restore federal net neutrality rules, potentially making the Vermont law redundant. But a partial loss for the FCC could leave the federal repeal in place while allowing states to enforce their own net neutrality laws. The Vermont delay would remain in place until after all appeals are exhausted in the FCC case, which could potentially reach the US Supreme Court. The Vermont delay is similar to one [previously agreed upon in California](#), where the state government issued a stricter net neutrality law than Vermont's.

[Vermont's law](#) creates a process in which ISPs can certify that they comply with net neutrality guidelines, and it says that state agencies may only buy Internet service from ISPs that obtain those certifications. To get the certification, ISPs must not engage in paid prioritization and must not block or throttle lawful Internet traffic on any mass-market retail broadband service in Vermont.

However, ISPs could choose not to get the certification and forego the opportunity to sell broadband to state agencies. That limitation could help Vermont's law survive a legal challenge even if the FCC preemption remains in place. The ACA celebrated Vermont's net neutrality delay, [claiming](#) that it "will allow continued innovation and investment while these deliberations continue." The cable industry lobby group did not explain what kind of "innovation" requires blocking, throttling, or paid prioritization. – *Ars Technica*



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