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Philadelphia Inquirer
Comcast to lead $40M fund-raising drive for Phila. Boys & Girls Clubs

Fortune
How the cable industry became a monopoly

Fox Business
Behind Apple's Move to Shelve TV Plans

Media Life
NBC wins second straight season

Bloomberg
Google Search Now Shows Tweets, but Will It Help Twitter Get More Users?

zap2it.com
Nielsen Top 25 Cable Program Ratings for Week Ending May 17

Pittsburgh Tribune-Review
Governor decries low voter turnout for

Monroeville will pay a private law firm about $12,000 in two agreements related to telecommunications in the municipality.

Council voted last week to pay the Cohen Law Group — a Downtown law firm founded by a former Pittsburgh city councilman that specializes in telecommunications, broadband and cable issues — to audit franchise fees from Comcast and draft new language in the local zoning ordinance. In a 7-0 decision, council voted to pay the Cohen Law Group $6,750 to audit franchise fees that Comcast has paid the municipality over the past five years.

Mayor Greg Erosenko said Dan Cohen didn't give officials an estimate of how much the municipality stood to recoup from the audit. "He did say that 72 percent of the time, they find boo-boos, if you will," Erosenko said. Current franchise agreements with Verizon and Comcast stipulate each company pays the municipality 5 percent of gross revenue collected through operations in Monroeville.

The municipality projected $560,000 in revenue from these agreements in this year's budget. Municipal solicitor Bruce Dice said the Cohen Law Group will review payments from Comcast to determine whether the company owes additional money. "They'll go in and investigate various categories of new things that may be, or should be, included in our percent of return, our franchise fee. They may not have been including those for the last couple of years, as he explained," Dice said. "(Cohen) is hopeful that you'll recover, successfully, additional franchise fees from the cable company."

Comcast spokesman Bob Grove said these audits are routine. "These kinds of audits are very typical and we cooperate with them fully all over the state," he said. Dice said the audit would go back five years "and then you would start to catch it every year."

In another contract council authorized, Cohen will draft changes to the municipal zoning ordinance to address new telecommunications facilities and recent changes in the

[primary election]

Politico
[Harvard professor apologizes to Rick Santorum]

law. Among the new technology not covered in Monroeville's existing ordinance were 25- to 40-foot-high "mini cell towers" that wireless contractors install to enhance reception in certain areas, Cohen said during a presentation he gave at the council work session the week prior.

Under the current ordinance, there are no restrictions that would prevent companies from installing these towers or other new types of telecommunications facilities in residential neighborhoods, according to Cohen. It also doesn't allow the municipality to collect fees from companies that install these facilities in public rights of way. "If one of these companies were to come to Monroeville tomorrow, you'd have no ability to regulate them at all," he said during his presentation. "It's just not included in your current ordinance." Municipal Manager Tim Little said these services would cost about $5,000.

Councilwoman Linda Gaydos dissented during the 6-1 vote to hire the firm, saying that she wanted to wait and set aside the money in the 2016 budget. She pointed out that no companies have approached officials yet for permission to install the mini cell towers. "There's no immediate need for this to be written right now," she said. Other officials favored hiring Cohen immediately in case a company took an interest. "I think it's kind of prudent to make the ordinance change to kind of head this off before we start having these towers pop up around Monroeville," councilman Nick Gresock said. – ***Monroeville Times Express***

The New Jersey Board of Public Utilities voted Tuesday to approve an agreement with Verizon that deregulates its traditional land-line telephone service so that the telecommunications company can set prices as it sees fit.

The board voted 5-0 in favor of the agreement, which permits Verizon to raise its rates for basic service 36 percent over the next five years before lifting cost controls completely. Under the agreement, basic residential service — now $16.45 a month — would be permitted to rise $1 each year for the next four years and then $2 in the fifth and final year of the caps. Installation fees would rise $5 in the fourth and fifth years, and directory-assistance calls — capped at $1.50 per call — would be deregulated immediately, but Verizon would be required to provide some free calls during the initial years.

Lifeline service, a government-subsidized program that provides reduced rates or free telephone service for certain low-income residents, remains unchanged, as do programs for residents with disabilities. Verizon and BPU staff said the change is warranted because substantial competition for phone service exists from cable and wireless companies. "Over three in 10 households have cut the cord in favor of wireless, a number that continues to increase," BPU analyst Harold Bond told the board's commissioners before their vote. Bond also told them that more than 500 people had submitted objections to the agreement, mostly over fears that the deal would result in service declines for land-line customers.

Willingboro and Beverly submitted letters objecting to the deal and expressing dissatisfaction with existing Verizon service. BPU staff and commissioners insisted that all existing service requirements regulating Verizon would remain in place for the next three years. Afterward, the board would decide if service quality metrics should change. Commissioner Joseph Fiordaliso stressed that the board would fulfill its duty to ensure that quality service continues. "I want consumers to know the NJBPU is here and will continue to be here to ensure appropriate consumer service, and consumers will get what they paid for. Nothing less," Fiordaliso said.

BPU President Richard Mroz said he was convinced "there is marketplace competition, there has been and there will continue to be in the future." Advocates expressed disappointment with the board's decision, but said they would review the final agreement before deciding whether to file an appeal with the state Appellate Division. "It's a backroom deal that was not only in the backroom, but the door was locked. Consumers and other representatives of municipalities simply haven't had an opportunity for a say," said Evelyn Liebman, associate director of AARP New Jersey, which organized opposition to the deal.

The issue dates back to 2008, when Verizon originally sought state approval to classify many of its services as competitive and not subject them to price controls by state regulators. A settlement was reached, but Verizon's basic telephone service remained regulated. The company continued to seek deregulation, even pushing for legislation to deregulate the service in 2011. It was never approved.

Stefanie Brand, director of the New Jersey Division of Rate Counsel, which is charged with advocating on behalf of the state's ratepayers, said the issue was dormant until earlier this month, when she received an email notifying her that a stipulated agreement had been reached. Her office was not part of the negotiations, and no public hearings were held. Brand claimed that the data cited by staff in support of the agreement is over 3 years old, and that hundreds of thousands of New Jersey residents still rely on land lines. "If you have a pacemaker and need a land line, you have no other option but Verizon," Brand said.

She said public hearings should have been held to provide fresh input. "I don't think it's fair that the board decided this without giving people a chance to provide input," she said. Verizon spokesman John Bonomo said that the board's decision was a "progressive move" that keeps New Jersey current with other states, and that the substantial competition that exists would ensure pricing remains appropriate. "This puts us on more of a level playing field with our competitors," Bonomo said. – ***Burlington County (NJ) Times***

After building up a French cable empire, Altice appears poised to extend its reach across the Atlantic. The French company is in discussions to buy Suddenlink Communications, a privately held American cable operator, a person briefed on the matter said on Tuesday. A deal could be announced soon, though this person cautioned that talks were continuing and could fall apart.

If the talks succeed, Suddenlink would be the latest outpost for Altice and its Numericable-SFR broadband operations. Born of a merger of cable networks, Numericable-SFR is one of the biggest telecommunications companies in France, claiming some 6.5 million fixed-line customers and 22.5 million mobile customers. Altice and Numericable have been unafraid of growing through acquisitions. Its largest so far was its 17 billion euro takeover of SFR, the mobile wireless company previously owned by Vivendi. Representatives for Altice and Suddenlink declined to comment. News of the talks was reported earlier by The Wall Street Journal, which said the deal would value Suddenlink at $8 billion to $10 billion, including the assumption of debt.

The development comes as a new wave of consolidation is expected to sweep across the country's cable industry after the collapse of Comcast's $45 billion takeover of Time Warner Cable because of regulatory concerns. On Monday, Charter Communications announced that it would pursue a $10.4 billion deal for Bright House Networks. That deal is considered to be a potential precursor to Charter's push to acquire Time Warner Cable. Altice's motives for pursuing an acquisition of Suddenlink are unclear. Suddenlink, based in St. Louis, is the seventh-largest cable operator in the United States with about 1.5 million total customers in 17 states, including North Carolina, Texas and West Virginia. Suddenlink has about 6,000 employees and annual revenue of $2.33 billion.

Amy Yong, a media analyst with Macquarie, said that the industry had seen this playbook before, when Cogeco, a Canadian telecommunications company, in 2012 acquired Atlantic Broadband, which operated in Pennsylvania, Florida and Maryland. "Interest rates are low and at the end of the day, it's a great cash-flow business," Ms. Yong said. "But it definitely makes the M.&A. playbook even more complicated."

Suddenlink has been a part of one of the fiercest, drawn-out disputes in the media industry. In October, Suddenlink dropped the channels from the media conglomerate Viacom, including MTV, Comedy Central and Nickelodeon, after the two companies failed to reach an agreement. Viacom was seeking a significant increase to the rates Suddenlink paid for its networks, and Suddenlink refused because of the tumbling ratings.

That standoff persists, illustrating how some smaller cable providers like Suddenlink are placing more emphasis on selling broadband rather than paying the escalating fees television groups are demanding. Increasingly, the profits of cable operators are tied to selling broadband service, which faces less competition, rather than video, where more companies compete for customers. In the most recent quarter, Suddenlink counted more high-speed Internet customers than basic video customers. Suddenlink's high-speed Internet subscribers increased 7 percent, to 1.2 million, during the most recent quarter compared with the same period last year, while its basic video customers fell 4.8 percent, to 1.1 million. – ***New York Times***

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