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Editorial: Resist rollback of net neutrality: A

Cable providers continue to absolutely dominate telcos when it comes to adding new broadband subscribers.

According to the **latest data from the Leichtman Research Group**, the broadband industry saw a net gain of 960,000 broadband subscribers last quarter. But when you break those numbers down further, you'll note that the top cable providers added about 1 million subscribers during the last period, while the top phone providers saw a net loss of around 40,000 broadband subscribers.

"With the addition of nearly one million subscribers in the quarter, the top cable and Telco broadband providers in the US cumulatively now account for over 93.9 million subscribers in the US," said Bruce Leichtman. "In the first quarter of 2017, the number of broadband subscribers surpassed the number of pay-TV subscribers in the US." All told, the report notes that phone companies have seen a net loss in broadband subscribers in seven of the last eight quarters.

Curiously, Leichtman doesn't bother explaining to readers why these totals are so lopsided. It's because DSL subscribers are tired of telcos that are unwilling to upgrade their networks at any real scale. Companies like Verizon have effectively **given up on fixed-line residential broadband**, instead shifting their focus to wireless, marketing, and business services. The same can be said for companies like CenturyLink, Frontier and Windstream, which have only selectively upgraded their most profitable customers to next-generation speeds. In many of these neglected markets, users on expensive, 3-6 Mbps are fleeing to cable, and it's a phenomenon that's not slowing down any time soon. – **DSL Reports**

RCN, one of the Lehigh Valley's two cable TV companies, is combining with a Northwest internet provider in a \$2.36 billion deal that will create the sixth-largest cable operator in the country. TPG Capital, a private equity firm co-headquartered in Fort Worth, Texas, and San Francisco, which earlier this year **completed its acquisition of RCN**, is providing the financial backing for the acquisition of Kirkland, Wash.-based Wave Broadband. The deal is slated to close in the second half of the year, subject to customary closing conditions such as regulatory approvals.

Now, Wave will join with RCN and Grande Communications Networks, which serves several areas in Texas and was combined with RCN earlier this year, to create a combined entity that serves seven of the top 10 markets in the United States. While combined, RCN said in an emailed statement, the deal will not affect employees and customers of each company. In addition, each company — RCN, Grande and Wave — will continue to operate under their current branding names.

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The combined entity will be led by Steve Simmons, chairman of RCN and Grande, and Jim Holanda, CEO of RCN and Grande, along with the existing senior executive team. In addition to the Lehigh Valley, RCN's markets include Philadelphia, New York City, Chicago, Boston and Washington, D.C. — *Allentown Morning Call*

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disagree, and for good reason. In far too many communities, only one or two broadband providers offer high-speed Internet access to homes. In the absence of competition, these companies have both the opportunity and the incentive to become Internet gatekeepers, charging websites, services and app developers for the privilege of reaching their customers' devices.

Imagine two high-definition video services, only one of which pays your broadband provider to make sure that its streams never freeze or degrade. Even if the other one has a better selection of titles, which one is likely to attract viewers? And what are the chances that a third service that's starting from scratch would jump in, knowing that it has to pay to make its picture quality competitive?

Broadband providers insist that they believe in an open Internet too. But over the years, some telecommunications executives have talked openly about new business models that could help them pay for faster networks — models that involve letting a website or online service pay to cut through congestion on the network. Such prioritization might help enable a new health-monitoring service, for example, but it might also simply be a way outcompete a rival.

Pai and fellow Republican Commissioner Michael O'Rielly say the 2015 net neutrality rules, which classified broadband providers as utilities subject to strict regulation, led those companies to reduce investment in their networks. As a consequence, they argue, the companies haven't improved their networks or innovated as much as they should have, nor have they extended their networks to more people who don't have broadband.

Here we go again. For the fourth time in the past decade, the Federal Communications Commission is proposing a dramatic change in the way it treats the Internet — this time, suggesting a near-complete abdication of its efforts to guard consumers against meddling by the companies that sell them Internet access.

Pushed by its new Republican majority, the commission formally proposed Thursday to repeal the "net neutrality" rules the previous Democratic majority adopted in 2015, replacing them with nothing specific, and possibly nothing at all. Although Chairman Ajit Pai says he believes in an open Internet, he sees no real threat from broadband providers such as Comcast, AT&T and Charter, and thus no real need to regulate.

A host of websites, online services, developers and startups vehemently

Whether the industry actually reduced its investment is subject to considerable debate, and even the companies that did appear to cut their capital spending may have done so for reasons that had nothing to do with net neutrality rules. For example, critics of the rules often point to AT&T's reduction in spending, but ignore the \$49 billion AT&T spent in 2015 acquiring DirecTV, whose satellites deliver TV signals more efficiently than AT&T's wires.

The commission's proposal pays far less attention to the enormous and growing investments made by websites, services and developers — investments that could be threatened if broadband providers are allowed to pick winners and losers online. Besides, there's a simple explanation for any lag in investment and innovation by broadband providers: the lack of competition. For proof, just compare what's happening in wired broadband networks with the relentless innovation in mobile phone networks, where companies are spending billions on upgrades and airwaves.

Pai says that he wants to return to the "light-touch" regulation that was in place before the 2015 order, when broadband providers were considered "information services" exempt from the strict rules that applied to local phone monopolies. But the FCC's proposal acknowledges that the previous approach wasn't legally sound — a federal appeals court threw out the FCC's efforts in 2008 and 2010 to bar ISPs from interfering with the traffic on their networks. And the notice offers no suggestions for how the FCC could stop broadband providers from misbehaving once they're no longer treated as utilities. Instead, it calls for suggestions from the public, while floating the idea of leaving the job to federal antitrust enforcers, the Federal Trade Commission and state competition laws.

The proposal now faces several months of public comment and scrutiny, as well as a cost-benefit analysis by the FCC. And if Pai's vision carries the day, proponents of the current rules are certain to sue, arguing that nothing that has happened over the last two years justifies the change.

There's only one sure way to stop this regulatory carousel, and that's for Congress to grant the FCC clear authority to protect Internet users from interference by broadband providers. The day may be coming where mobile phone networks and other wireless systems can finally provide a real substitute for wired broadband, bringing the competition that truly spurs investment and innovation in broadband while protecting consumers. Until then, the FCC can't simply walk off the job. — *Los Angeles Times*

Nearly two dozen chanting and shouting demonstrators, protesting what they viewed as stalled revisions on issues that included bans on lobbyists' gifts to lawmakers, were arrested and led away from the state Capitol in handcuffs Monday.

State officials confirmed that 23 people were arrested and charged with disorderly conduct, and told that they would be charged with trespassing if they attempt to enter the Capitol over the next few days, when more protests are planned.

Although it is [common for groups to hold rallies at the Capitol](#) — on any given week, there may be several — rarely do they end with arrests. The protesters were part of the "[March on Harrisburg](#)" group, some of whom had walked 100 miles through scorching heat and torrential downpours over a nine-day period from Philadelphia to Harrisburg this week to protest gerrymandering, lobbyists' gifts to legislators, and what they called "systematic defector disenfranchisement."

Several of the group's members blocked the entrance to a legislative office during their protest Monday; yet others formed a human chain outside a legislative hearing, leading Capitol officers to arrest them. The bipartisan group of volunteer protesters said it hopes to "heal our wounded democracy" in Pennsylvania. Its members have met regularly with lawmakers since January to push bills addressing three issues: an end to gerrymandering when drawing congressional and legislative districts; a ban on unlimited gifts to lawmakers; and automatic voter registration.

"We selected these specific three goals ... because they've all been previously introduced in the House and Senate, so we thought they would stand the best chance of being called for a vote and eventually passing," said Emily DiCicco, the March on Harrisburg spokeswoman. Indeed, such bills have been around for years, but the legislature has steadfastly refused to tackle them.

In the Capitol on Monday, the protesters stood outside the office of Rep. Daryl Metcalfe (R., Butler), chanting for him to allow a vote in his committee on a measure that would ban most gifts to lawmakers. Some children passing through the hall even joined in, clapping along to the beat of the chant. The protesters claimed that Metcalfe has bottled up the bill in his committee, preventing it from coming up for a full House vote.

In an interview, Metcalfe said the gift ban bill was not a priority. "We see hundreds of bills on my committee," he said. "We prioritize." He also said constituents can advocate for their cause "without acting out." "I think these folks that think they can come to the Capitol and act like 2-years-olds ... their parents failed miserably in raising them by not teaching them to be respectful of other people," he said. According to the Center for Public Integrity's 2015 State Integrity Investigation, Pennsylvania received a failing grade in integrity, as measured by factors such as electoral oversight, legislative and judicial accountability, and political financing. – *Philadelphia Inquirer*

