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At least two <u>Cleveland Heights (OH)</u> councilmen would like the city to look further into the possibility of establishing its own municipal broadband service.

Partly in response to the federal rollback of "<u>net neutrality</u>" requirements, a group of residents has been meeting informally for several months to discuss what could become a ballot initiative to make local Internet access available, essentially as another utility. Councilman Mike Ungar said earlier this month that he had met with "several well-meaning citizens" about municipal broadband, something he'd initially heard a lot about on the campaign trail in recent years.

Members of the committee include Nikhil Chand, Ernest W. Durbin, Len Friedson, Greg Huth, T. Nadas, Carla Rautenberg, with technical assistance and guidance from Benjamin Kohn, who works for DigitalC. "I've gotten some information on it, and it's mentioned in the strategic plan," Ungar noted at the May 7 council meeting. "I'm not very far in studying it, but I'd like to see us start spending some time investigating the benefits of municipal broadband."

Smaller surrounding cities like Hudson and Fairlawn, along with Medina County, have moved forward with their own high-speed networks, which have already attracted businesses in search of better "bandwidth." Shaker Heights has also looked at a limited "<u>fiber-hood</u>" opportunities in at least some sections of town. In addition to guaranteeing net neutrality, municipal broadband could provide fast Internet service that is stable and secure, also preventing the sale of users' personal data.

Municipal broadband could also address issues surrounding the "digital divide," which can put low-to-moderate income residents at an even further disadvantage. "We still have households out there that do not have the Internet, and this could provide it for every single resident," Nadas said. Preliminary cost projections for a city the size of Cleveland Heights run into the \$20-\$25 million range, although proponents believe that municipal broadband could pay for itself within 5-10 years.

Other municipalities have funded the outlay by issuing bonds, and the Cleveland Heights group has discussed letting local voters decide. A cost analysis will identify potential funding resources such as the city issuing bonds, seeking state and federal grants, philanthropic contributions and use of retail bonds to allow buy-in from residents. Organizers have asked Councilman Kahlil Seren to attend their May 31 meeting as they consider asking the city to put a much smaller amount of funds toward a feasibility study that would more closely examine the cost options.

The objective at this point would be for Cleveland Heights to establish its own municipal broadband utility -- with voter approval of a ballot initiative -- but beginning with council signing off on the feasibility study, which ideally would be completed by mid-2019. This could get the measure on the General Election ballot in November 2019.

Draft legislation prepared by the group cites an "Internet Service Provider (ISP) duopoly that prevents commercial competitors from entering the local market." It goes on to point out that "municipal government can play a central role in providing vitally-needed broadband services to meet the varied needs of a diverse constituency without profit seeking." The draft notes municipal broadband could attract both business and younger residents to Cleveland Heights, "where we pride ourselves on being a creative, dynamic, culturallydiverse and forward-thinking city."

The outline of the plan calls for the municipal fiber network to provide Internet access to all residential, commercial and industrial premises at speeds of at least 1 Gigabit per Second. "The tenet of net neutrality prohibits the internet service provider (ISP), such as the proposed Cleveland Heights Municipal Broadband from speeding up, slowing down or blocking any content, applications or websites," based on varying payment tiers for customers.

The enterprise would also remain "revenue-neutral," meaning that the utility is not to be used as a "profit-generating entity" for the city. "Funds should be used to maintain the infrastructure and to pay the salaries of those who service and support the operations of the utility," the draft legislation states. "If there remains an excess of operating funds then the ISP will reduce subscription costs."

Along with personal privacy and net neutrality being guaranteed, the draft legislation also calls for establishing a 7-member Municipal Broadband Oversight Committee. "There is to be no provision allowing the ISP to use or sell internet usage behavior for any advertisement purpose," the draft states. The preferred infrastructure used for the utility is fiber optic cable, although there are additional provisions for "evolving technology." Provisions for equitable access across the City of Cleveland Heights, including allowances made for low and moderate income households, must be put into place to address the need to bridge and ultimately eliminate the digital divide. – *Cleveland Plain Dealer* 

Star Wars may be playing live in Media World this summer.

Comcast Corp. said on Wednesday that it has "well-advanced" plans to make a hostile all-cash bid for the 21st Century Fox Entertainment assets that the Walt Disney Co. has already agreed to buy for \$52 billion. The Philadelphia company could bid \$60 billion for the Fox movie studio, Fox regional sports networks, international businesses, and other Fox assets, and <u>according to published reports has been</u> <u>arranging financing for the all-cash deal</u>. Comcast has not said officially how much it will bid for the Fox assets, but analysts say it could be 15 percent to 25 percent higher than Disney's offer.

But much has to happen before this can become reality: A federal judge in Washington has to rule on the AT&T/Time Warner merger, the Fox board would have to embrace Comcast's higher cash offer, Disney would have to throw in the towel on a Fox deal, and Fox shareholders would have to OK the Comcast deal in a vote. Comcast has separately made a firm offer for the <u>Sky satellite-TV</u> business for \$31 billion, taking

the total potential deals in Comcast's pipeline to about \$90 billion, all in cash.

The Fox and Sky deals would transform Comcast into a global entertainment giant that could compete with Netflix and break out of the U.S. market with its melting cable-subscriber base. But the deals also would transform Comcast into the globe's second-largest corporate borrower with \$164 billion in debt, behind AT&T/Time Warner if that merger goes through, according to Moody's Investor Service. Comcast has said it can deal with the debt and would bring it down quickly. "Comcast — if they pursue this — are throwing their balance sheet and credit rating to the wind," Moody's Investors Service analyst Neil Begley warned on Wednesday. He said he thought Comcast should consider growing its business internally — as Netflix has — instead of by big acquisitions.

But if Comcast insists on deals, Begley added, "It's now or never." There are few other domestic or global companies with the revenues or profits that could meaningfully help Comcast grow through acquisitions, he said. On Wednesday evening, Moody's placed Comcast's debt on a review for a possible downgrade, based on the advanced stages of a possible bid for Fox assets. Tuna Amobi, analyst with research firm CFRA, said that the Fox deal presents a "once-in-alifetime opportunity" for Comcast because "almost no one expected Rupert Murdoch and his family to sell out at this time." Comcast CEO Brian Roberts met personally with Rupert Murdoch in New York on the deal in late 2017 but was rejected for Disney.

The \$90 billion that Comcast would borrow to do the deals concerns Amobi. He also accepted the rationale that Comcast or Disney had to grow bigger to compete globally and with streamers. Comcast disclosed its game plan Wednesday because it believed that the Rupert Murdoch-controlled 21st Century Fox was rushing to hold a special shareholders meeting to seek approval for the Disney offer. Disney has offered to buy the Fox assets for Disney stock and Comcast has been telling investors that its cash deal would be "superior" for Fox shareholders — or a sure thing with hard cash vs. Disney stock that could sink in value.

Comcast and Disney could face harsh scrutiny from Justice Department antitrust lawyers because they already own substantial entertainment assets. Comcast owns the NBCUniversal entertainment conglomerate, two movie studios, the NBC television network, and cable channels. Disney owns ESPN sports-media juggernaut, movie studios, a huge film library, and the ABC broadcast-TV network. Disney also owns the rights to the Star Wars movie franchise after buying Lucasfilm in October 2012.

Federal regulators opposed <u>Comcast's last big deal, for Time Warner</u> <u>Cable</u>, and Tim Wu, professor at the Columbia Law School and author of The Master Switch: The Rise and Fall of Information Empires, said in an interview on cable news that he believed that Comcast could face a harder antitrust review in Washington than Disney. But Comcast points out that Disney-owned national ESPN sports networks would combine with regional Fox sports networks in a Disney/Fox deal, creating a sports-media juggernaut. In addition, Disney would have big market positions in children's shows and animated movies. An association of small cable operators, the American Cable Association, warned on Wednesday evening that Disney or Comcast deals for Fox assets could harm consumers.

Much of what happens next will be determined in Washington, not by regulators, but by U.S. District Judge Richard Leon. Leon is expected to make a decision in the AT&T/Time Warner deal on June 12. The U.S. Justice Department sued to stop the deal on antitrust grounds, saying that a combination of AT&T and HBO-owner Time Warner would be bad for consumers. Experts say that if Leon rules unfavorably toward AT&T and either stops the deal or places restrictions on it, Comcast would be reluctant to acquire the Fox assets. But observers think that AT&T likely won its arguments in court and will be allowed to acquire Time Warner. This would open the door to Comcast/Fox, they say. Comcast is not expected to make a formal offer until after the AT&T/Time Warner case is decided. – *Philadelphia Inquirer* 

Two senators — one Republican and one Democratic — said their identities were stolen to write fake comments to the Federal Communications Commission ahead of the agency's vote last year to dismantle net neutrality rules.

Sens. Patrick J. Toomey (R-Pa.) and Jeff Merkley (D-Ore.) claim they were among millions of Americans who were <u>impersonated in public</u> <u>comments</u> to fraudulently skew the agency's policymaking process. The lawmakers urged FCC Chairman Ajit Pai in <u>a letter</u> sent this week to identify the people behind the impersonations and to take steps to prevent such activity in the future.

Net neutrality has been one of the most fiercely debated tech issues. The rules that were repealed required Internet providers to treat all websites equally, regardless of their size or content. Public input plays an important role at the FCC, which typically solicits feedback before it votes to make significant policy changes. In the run-up to the FCC's vote, agency critics raised alarms that the public commenting system was tainted with thousands of computer generated submissions and fake comments written by people or entities pretending to be U.S. citizens.

The day before the FCC was scheduled to vote on the net neutrality repeal, then New York Attorney General Eric Schneiderman released new details of his office's <u>investigation into the fake submissions</u>, finding that as many as 2 million comments misused the identities of real Americans, a potential violation of state law. According to Schneiderman, more than 5,000 people submitted reports of identity misuse to his office, which included allegations that some comments were filed by deceased family members. "My LATE husband's name was fraudulently used after a valiant battle with cancer," one person wrote to the attorney general. Another report said, "This is a 13-year-old child — she did not post this comment, nor did anyone else in her household." The FCC voted in December to <u>repeal net neutrality</u> rules.

Along with the claims of being impersonated, the senators urged the FCC to share the total number of fake comments that were submitted. They also asked the FCC seven questions about its efforts to investigate and shed light on the matter, including: how the agency is working with the Justice Department and state attorneys general to identify who submitted the fake comments and whether any state

crimes were committed; what measures the agency is taking to prevent future fraudulent commenting, and if the FCC is aware of any foreign governments submitting phony comments. "We need to prevent the deliberate misuse of Americans' personal information and ensure that the FCC is working to protect against current and future vulnerabilities in its system," the senators <u>wrote in the letter</u> to Pai.

Brian Hart, an FCC spokesman, acknowledged receipt of the letter but declined to comment. The Senate voted in favor of a resolution last week to <u>restore the FCC's net neutrality regulations</u>, which could lead to a political victory for tech companies, activists and consumer advocacy groups. But it is unclear if the measure will pass in the House of Representatives. Analysts say it is unlikely President Trump would sign the resolution into law. – *Washington Post* 



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