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Pittsburgh Tribune-Review Many need justice in Kane mess

Associated Press

With the rollout of FiOS nearing an end, the working-class residents of Laurel Springs, Somerdale, and Lindenwold wonder whether they will ever get to enjoy the latest Internet and TV products of Verizon Communications Inc. So far, Verizon has wired Cherry Hill and Haddonfield - more affluent communities - and county seat Camden for fiber-based Internet and TV. The telecom giant, in fact, has run FiOS through most of Camden County. [For a FiOS availability map in New Jersey click here.](#)

But here, on a tattered section of the White Horse Pike, the boroughs are conspicuous doughnut holes in the march of technological progress - what some call "digitally redlined" - living with aging copper lines that offer yesterday's DSL and 1980s-era phone services. "All Verizon offers here is dial-up," Dawn Amadio, the municipal clerk in Laurel Springs, said of the Internet service, expressing the frustration of many residents and local officials. "That's why

everybody has Comcast," she said. "What does Verizon want us to do? Live in the Dark Ages?"

Verizon's decision a decade ago to invest billions of dollars in upgrading its copper-based phone lines to fiber came with the concern that the company would target higher-income towns with fast Internet and TV FiOS services, while stranding

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others. Local and state government responded in different ways. The city of Philadelphia forced Verizon to wire all the city's neighborhoods - from North Philadelphia to Rittenhouse Square - when it signed a 15-year FiOS agreement in 2009. And Verizon expects to complete the city's FiOS rollout next February.

In the Pennsylvania suburbs, Verizon has applied for franchise deals in individual towns and boroughs and now offers FiOS in about 200 communities in Bucks, Delaware, Montgomery, and Chester Counties. But 34 communities lack FiOS in those four suburban counties, according to an Inquirer analysis of Verizon data, among them East Greenville in Montgomery County, New Hope in Bucks County, and Oxford in Chester County. In New Jersey, meanwhile, Trenton lawmakers passed a law in 2006 granting Verizon a lucrative franchise to wire hundreds of towns for FiOS. The New Jersey law streamlined the FiOS rollout for one of the state's most profitable corporations: Verizon would not have to lobby and negotiate in individual New Jersey towns for franchise agreements as it had to in Pennsylvania.

To ensure that Verizon did not just carve out rich suburbs for the new services, the 2006 law mandated that Verizon wire 70 towns for FiOS. These FiOS must-build communities were 18 county seats and 52 densely populated and many poorer municipalities. Other than must-builds, FiOS local upgrades were left to Verizon's discretion, with lawmakers believing that FiOS would be so profitable and desirable that Verizon would respond to the consumer demand and wire everywhere it could go, local officials said. But FiOS proved expensive to build out, and cable companies marketed against it fiercely. At the same time, Verizon bet its future on wireless, which is a national business that many view as consumers' preference.

Verizon now says that it will suspend new FiOS deployments after it completes its contractual obligations, such as the one in Philadelphia, and the last of the 70 New Jersey must-builds. Verizon's New Jersey roll-out, it turns out, has been sweeping, but not universal. The company offers FiOS in 358 towns to 2.2 million households in New Jersey. Verizon could wire as many as 494 towns.

FiOS TV is now the state's third-largest TV brand with 602,800 subscribers, according to state data. (Comcast's Xfinity is the state's largest TV brand, with 1.3 million subscribers; Cablevision is second, with 893,885.) In 259 of those 358 FiOS towns, the new Verizon services are available to 60 percent or more of households. In the 99 other towns, FiOS is available in fewer than 60 percent - one neighborhood might have FiOS, while another a few streets away might not. These include Gloucester Township, Mount Laurel, Deptford, Pennsauken, and Voorhees.

Moreover, 135 New Jersey towns, including a group of Delaware River municipalities along Route 130 in Burlington County and most of the Jersey Shore, have no FiOS at all. Other than in the county seats, Verizon has not extended FiOS to any other towns in Ocean, Atlantic and Cape May Counties. Verizon says that it never planned to wire everywhere and that it now expects to freeze new deployments and boost FiOS market share for TV and Internet services in neighborhoods where it competes with cable. "The focus is on completing the 70 must-builds and then increasing the customer base," Verizon spokesman Lee Gierczynski said.

Verizon initially said it would make FiOS available to 18 million to 20 million households in its territories across 12 states and Washington, D.C., and "we are nearing that goal," Gierczynski said. He said the company had invested \$4 billion in FiOS in New Jersey over the last five years. "Verizon entered this business with zero market share and 100 percent of the risk," Gierczynski said. "Verizon has been one of the largest investors of private capital in New Jersey, and the company is now determined to grow the business." He said the FiOS build-out in New Jersey had nothing to do with household income and was determined entirely by whether Verizon upgraded its local hubs and the locations of the 70 must-build communities. Gierczynski said there were no plans to wire the Camden County

boroughs for FiOS, saying Verizon had deployed FiOS in 28 of Camden County's 37 municipalities.

Ellen Goodman, co-director of the Institute for Information Policy & Law at the Rutgers Law School in Camden, said last week that she did not think that wiring the remaining areas of New Jersey for FiOS would be profitable for Verizon, and that "they are not being pushed by competitors. And all eyes are on mobile. They are hoping to pick up those customers on mobile" - or Verizon wireless. John B. Horrigan, a senior researcher at the Pew Research Center in Washington, said it makes economic sense for for-profit companies to upgrade telecommunications infrastructure in towns with residents who can pay for the high-end services. But government and policy makers will have to decide what to do about areas that are digitally redlined.

An Inquirer analysis shows that the average household income of the boroughs on or near the White Horse Pike without FiOS - Stratford, Clementon, Magnolia, Gibbsboro, Hi-Nella, and Pine Valley, in addition to Somerdale, Laurel Springs, and Lindenwold - was \$61,000 a year, according to the U.S. Census Bureau's American Community Survey. The average household income of South Jersey towns where Verizon concentrated FiOS - excluding Camden and other must-build towns - was \$100,350 a year.

John Keenan, the municipal clerk in Stratford, said Verizon had had "a free ride. They can do whatever they want. All the towns would love to have" FiOS. Somerdale Mayor Gary Passanante said, "People still ask me to this day when we will get FiOS. I say 'no time soon.' Some think that it's the local officials' fault for not letting FiOS into town. Nothing could be further from the truth." Passanante said he believed his residents should have an option other than the cable company for TV and fast Internet services.

Lindenwold Mayor Richard Roach said Verizon's DSL Internet service had deteriorated badly in recent years. When a Verizon technician came to his house, he told Roach "the lines are really old." Without FiOS, Roach has switched to Comcast in his home. Laurel Springs Mayor Thomas Barbera complains that because Verizon is not offering his residents its best services, "that forces us to Comcast" - which brings additional problems.

When Verizon's dial tones for its legacy phone service fall below 51 percent in an area, Verizon can claim it is no longer competitive and devalue its assets to virtually zero and stop paying local business personal property taxes local officials say. "Once they skip," Barbera said of Verizon, "we don't get [Verizon's] best product, and then they say we can't compete and we don't owe you our taxes. It's good to be king." – ***Philadelphia Inquirer***

State Sen. Pat Browne, R-Lehigh, made what might be his first public appearance since puncturing a lung and injuring his foot in a May 2 motorcycle crash that resulted in a drunken driving charge from the state police. Browne was at Saucon Valley Country Club Thursday to attend a previously scheduled campaign fundraiser the Senate Republican Campaign Committee hosted in his honor. It was an expensive shindig, coordinated through Landmark Communities, an apartment development firm founded in 2000 by J.B. Reilly and Timothy R. McCarthy.

Reilly is CEO of City Center Investment Corp., the developer whose office, hotel, retail and apartment projects have been the primary beneficiaries of Allentown's Neighborhood Improvement Zone, a tax incentive district created by legislation Browne created and pushed through the state Legislature. Reilly, a prolific donor primarily to Republicans, has been a longtime Browne supporter. The two grew up across the street from each other in Salisbury Township. Attending the reception only cost \$500. It cost \$1,000 to golf the prestigious, historic course. Sponsorships ran from \$1,000 to have your name on the reception to \$10,000 to put your name on a

hole-in-one. Checks were made out to: Citizens for Pat Browne, P.O. Box 792, Harrisburg, PA 17108

Browne and the event coordinator, Theresa Keck of Landmark, did not return calls for comment. Browne, chairman of the Senate Appropriations Committee, is expected to return to the Capitol next week for the start of budget talks that heat up in June. Browne, 51, of Allentown, had a blood-alcohol level of 0.09 percent, which is just over the legal limit of 0.08 percent, at the time of the motorcycle crash, court records show. Browne's preliminary hearing on charges of drunken driving and speeding is June 23. – *Allentown Morning Call*

The margin of victory in the three (Pennsylvania) statewide races did not trigger any automatic recounts in the May 19 primary election. State law says that if the margin of victory is less than one half of one percent of the total number of votes cast for any statewide race or ballot question, an automatic recount would be required in all 67 counties.

Secretary of the Commonwealth Pedro A. Cortés announced Friday that a recount is not needed. "The winning margins were sufficient in the statewide judicial races that I have certified there will be no automatic recounts," Cortés said in a prepared release. Primary election voters selected party nominees for three statewide races -- including three open seats on the state Supreme Court, one seat on the Superior Court and another on the Commonwealth Court. The voter turnout rate was 19.08 percent. A total of 1,532,756 ballots were cast statewide, out of 8,032,363 registered voters. – *pennlive.com*



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