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"We are so far behind it's embarrassing, which is why we don't market it anymore," Velocity Network CEO Joel Deuterman said. Joel Deuterman, CEO of Erie-based Velocity Network, said he has stopped advertising his company's residential fiber-optic internet service. His crews are still out there installing the bundled fibers. And Deuterman still dreams one day of bringing his service to thousands of Erie-area customers, many of whom have already said they're prepared to buy the high-speed service when it's available in their neighborhoods.

For now, though, he's careful not to promise more than he can deliver. "We are so far behind it's embarrassing, which is why we don't market it anymore," he said. The problem — more than anything else — has been gaining access to existing utility poles that were expected to carry fiber-optics through the neighborhoods they would serve.

In Erie, about 70 percent of those poles are owned by FirstEnergy Corp., the parent company of Penelec. Most of the rest are owned by Verizon Communications. For Velocity, the problem is that gaining access to the poles is taking far longer and proving more expensive than Deuterman ever imagined. Approval permits are required before Velocity or any other company can attach its lines to a Penelec utility pole. "Whenever we get a request for a new attachment, someone must physically visit and inspect each and every pole to determine whether there is adequate space available for new equipment," said Todd Meyers, a spokesman for FirstEnergy. "The National Electric Safety Code mandates specific clearances between wires. Sometimes the pole is ready to accommodate new equipment and work can proceed.

Other times, our contractors must perform 'make-ready' work before new facilities can be attached." Meyers said the buildup of work isn't the result — as some believe — of buyouts that reduced employment at the utility. Engineers and line workers weren't eligible for an early-

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retirement incentive that reduced the company's headcount, he said. "Rather, it was the sheer volume of requests for new attachments, swelling from a manageable 200 or 300 per year as recently as three years ago to a tsunami of thousands upon thousands today," he said. "Too much work to handle in-house — and building a contractor network takes time, particularly when other utilities face the same dilemma and compete for many of the same contractors."

Meyers said permission to attach a line to a pole can't simply be granted sight unseen. The utility's top priority has to be providing safe and reliable electricity to its customers, he said. But delays are only part of the problem, according to Velocity. Costs also have skyrocketed. "It used to cost us about \$50 a pole to have those routes engineered. It's not cheap because we are talking about thousands of poles, but affordable. It keeps me competitive in the industry," Deuterman said.

That has changed in the past year or so. "My price per pole has literally shot up to an average of over \$350 a pole. That is a seven-fold increase," he said. "That is not even double, which would be horrible. I can't build out fiber at that cost." In some cases, the bill for stringing the wire to another pole far exceeds \$350.

On that point, Meyers said, "All attachment-related costs must be totally reimbursable by the fiber-optic companies because Penelec's utility customers should not have to pay for any work that subsidizes/benefits a third party." All of this makes budgeting difficult, said Brad Wiertel, Velocity's chief operating officer. "I can look and say I want to build fiber on 11th (Street) between Peach and Sassafras," Wiertel said. "I know how much materials are going to cost me. But I don't know how much Penelec is going to charge to attach to those poles. My team could look at the pole and say no power work needs to happen. But if the power company says you need to replace it and it's going to cost you \$5,000, you could go from \$50 and it could turn out to be \$5,000 or even \$10,000."

Deuterman said he had hoped to have 2,000 fiber customers by this time. Instead, the number is closer to 500. The problem isn't unique to Erie or Velocity Network. "It's not just a Penelec problem," Wiertel said. "This is a systemic problem in the industry. We need some consistency." The Federal Communications Commission apparently sees it the same way. The FCC voted unanimously in August to adopt what's being called the one-touch, make-ready policy for new broadband connections on utility poles.

The FCC explains the new rules, which took effect May 20, as follows: "This process speeds and reduces the cost of broadband deployment by allowing the party with the strongest incentive — the new attacher — to prepare the pole quickly, rather than spread the work across multiple parties." The FCC expects the regulatory order to be a game-changer that spurs investment. According to the FCC, one-touch-make-ready could result in bringing fiber to or past 8.3 million houses along with an investment of \$12.6 billion in new fiber network.

The American Enterprise Institute contends this might be a case where government rule-making can help businesses while expanding broadband service. In a September commentary, the group said of the FCC changes: "This is a welcome development to meet the exploding

demand for data services, to catch up in the 5G race with China, and to stimulate competition between different broadband infrastructures.” Wiertel hopes that it helps.

While Velocity Network remains on solid ground — the company does other things, including information technology — the company remains eager to get its fiber initiative back on track. In Erie, a price-sensitive market, Velocity Network launched that initiative knowing that it would likely cost \$1,000 for each household it added.

As it stands, both the timetable for adding households and the budget for adding them have become unpredictable. “We are not putting out false hope until we get some more clarity,” Wiertel said. “But we think the FCC and the regulatory environment is going to speed up the process.” — *Erie Times-News*

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Comcast Corp. has pulled out of the conservative American Legislative Exchange Council that critics say is a “corporate bill mill” for state lawmakers by drafting model legislation, such as those for stand-your-ground and voter-ID laws. ALEC also opposes “[net neutrality](#),” which aligns politically with Comcast in state capitals.

Comcast disclosed the severed relationship recently during discussions on a shareholder proposal seeking to force the global company to be more transparent about its grassroots and state-level lobbying. On Wednesday, [Comcast shareholders voted down the proposal](#). Comcast confirmed Friday that it’s no longer a member of ALEC. A spokeswoman declined additional comment but said that it withdrew in late 2018.

The latest bad publicity swept over ALEC when conservative writer David Horowitz spoke at ALEC’s conference in New Orleans last year. On Twitter, he referred to Black Lives Matter as a “racist organization” and repeated the characterization in the speech, according to a video of the speech. ALEC was not immediately available for comment. But last year it removed Horowitz’s speech from its web site and ceased promoting it, saying in a [statement](#) “the comments were inconsistent with the manner in which speeches are offered at ALEC.” “We were very happy to hear that Comcast withdrew from ALEC and we think that it’s a great first step in aligning their memberships with their stated corporate values of respect and acting with integrity,” Kate Monahan, shareholder-engagement manager for Friends Fiduciary Corp., said on Friday. Friends Fiduciary, a Quaker organization, was the lead organization backing greater Comcast lobbying disclosures.

David Cohen, one of Comcast’s top executives, is a big fundraiser for Democrats. He recently held a fundraiser in [his Philadelphia home for former vice president Joe Biden](#). But Comcast also targets Republicans with lobbying and political contributions. ALEC says that it’s “comprised of nearly one-quarter of the country’s state legislators and stakeholders from across the policy spectrum.”

Verizon Communications Inc., one of the nation’s largest wireless carriers that competes with Comcast with its FIOS television and internet services, also left ALEC in 2018. “Our company has no tolerance for racist, white supremacist or sexist comment or ideals,” Verizon spokesperson Richard Young told [The Intercept](#) at the

time. Based in Arlington, Va., ALEC had revenues of \$10.4 million in 2017, its latest available online tax documents show.“ In its tax filing with the IRS, ALEC calls itself a “think tank for state-based public policy.”

The Center for Media and Democracy, a non-profit investigative news organization in Wisconsin, has published stories on ALEC since 2011, initially based on leaked documents. The group posts its research and stories online [here](#). With an ALEC membership, “Comcast got legislators behind closed doors,” David Armiak, research director at the Center for Media and Democracy, said on Friday. “ALEC would hold two meetings a year when state legislators from around the country came to fancy hotels and would meet” with Comcast and other companies. – *Philadelphia Inquirer*



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