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June 12, 2017

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The Wrap
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Looking at a map of broadband internet resources in Southwestern Pennsylvania is a little like looking at a Jackson Pollock painting.

Erratic splotches of fiber-optic service are heaviest in large urban areas such as Allegheny County but dwindle to trails of small spots in rural areas such as Somerset County. Bridging that “digital divide” — in which remote parts of the state don't enjoy the internet speeds of the big cities — is becoming more of a priority for local officials, who see broadband availability as the key to economic development. “Definitely, the high-speed portion is where we're lacking,” said Somerset County Commissioner Gerald Walker. “For our existing industry in the county, so much of their ordering … is done over the internet anymore. It just hampers them in their ability to work to their full potential.”

Somerset County officials hope to overcome that technology deficit, at least in part, with a project that will extend fiber-optic cable to four key industrial areas by next year. Federal and state grants totaling $1.5 million, plus a match from commissioners, will fund the installation of 22 miles of fiber-optic cable to bring broadband to more than 1,000 businesses and 3,900 households, according to the Appalachian Regional Commission.

The expansion will include the Somerset Industrial Park and Laurel Highlands Business Park, both near the county seat of Somerset, the borough of Meyersdale in the southern part of the county and the North Star Industrial Park in Jenner Township, according to the U.S. Economic Development Administration. Commissioners plan to release a Request for Proposals later this month and to award a contract by the end of the summer, Walker said. Their long-term goal is for residents, schools, libraries and businesses to be able to tie into the fiber-optic system, he said. “We're hoping to get whatever we can out of the $1.5 million,” Walker said. “We'd love to see it expand. We've already been approached by other communities. We're hoping it starts the ball rolling.”

Two Westmoreland County internet providers — Citizens Fiber and LHTC Broadband — have expressed an interest in the project, which builds on their efforts to expand broadband service in the eastern and southern parts of Westmoreland County. Tim Pisula, an analyst with LHTC Broadband, said the Stahlstown-based company likely will bid on the project. “It'd be fairly easy from a network design perspective for us to run fiber from our central office and Indian Head into Somerset,” he said. “This network would border our existing service area, so it's a logical extension for us.”

LHTC Broadband, founded as a local telephone company in 1908, provides fiber-to-the-home service to 3,500 customers in Westmoreland and Fayette counties. Citizens Fiber, founded as a local telephone company in 1906, switched 2,500 of its cable modem customers to fiber in November. Both offer gigabit

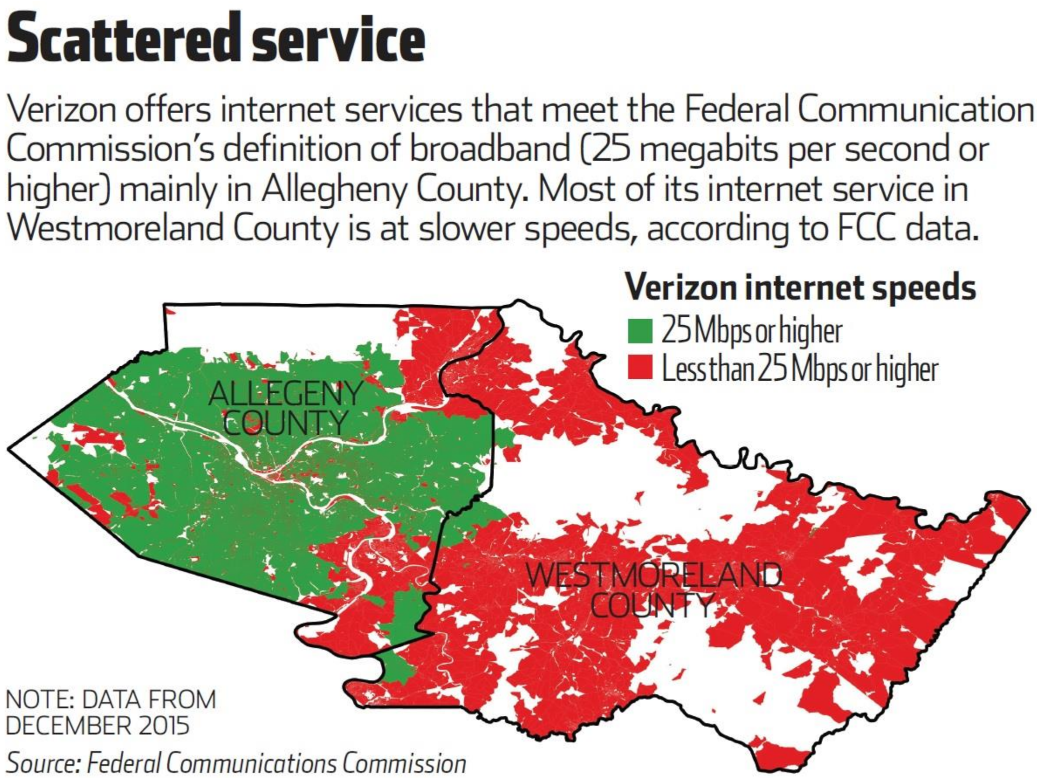
Ending June 4

Philadelphia Daily News
The ways of Harrisburg are helping (and could hurt) Wolf's reelection

Allentown Morning Call
Politics as Usual: Hahn gambles alone with slots bill

Philadelphia Inquirer
Ex-Pa. treasurer pleads guilty to lying to the FBI

internet, with upload and download speeds of up to 1,000 megabits per second (Mbps), and both are looking to expand.



The Federal Communications Commission defines broadband as internet access at speeds of at least 25 Mbps for downloads and 3 Mbps for uploads. In a 2016 study, the FCC said 18 percent of Somerset County's population doesn't have broadband internet, compared to 3 percent in Westmoreland County and 1 percent in Allegheny County.

The "digital divide" persists, in part, because of the unwillingness of larger providers to build the necessary infrastructure in rural areas, Pisula said. Running fiber-optic cable "from farm to farm" is not considered cost-effective, he said. "We're not as appetizing as some of the bigger areas," Walker said. "It is sometimes hard to get them to show interest." "It's a very expensive endeavor to get those lines out there and to maintain them — versus the revenues from a dispersed number of customers," said Robert Dillon, co-owner of In the Stix Broadband, based in Cresson.

The company provides internet to underserved communities in Cambria County and portions of Somerset County via wireless microwave technology. Customers have upload and download speeds of 3 or 6 Mbps, while some have access to download speeds of 10 Mbps and upload speeds of 5 Mbps, Dillon said. "We are trying to get closer to what the FCC defines as broadband," he said.

One of the main costs of running fiber to underserved areas has to do with what Zach Cutrell of Citizens Fiber calls the politics of pole attachments. For a company to have access to a utility pole requires the permission of whoever owns the communications space on the pole — often the incumbent telephone company in the area, he said.

Such permission usually comes with costs and delays that are prohibitive for small companies such as Citizens Fiber, Cutrell said. "It's an extremely frustrating case to bring high-speed internet into those areas," he said, noting that the cost can be $3,000 to $4,000 per pole. "Is there enough of a demand to justify us building into those areas?" – ***Pittsburgh Tribune-Review***

Bowling alleys — once symbols of America's fraying society — have a new buzz.

And Comcast's former vice chairman, Michael Angelakis, who manages the $4 billion Comcast-backed investment firm Atairos, has taken notice with a financial stake in the nation's No. 1 bowling center operator, Bowlmor AMF, which has modernized run-down alleys into hipster hangouts and family attractions.

Terms were not disclosed, but Atairos representatives are expected to join Bowlmor AMF's board. The ownership position was previously held by hedge fund Cerberus Capital Management LP. "We believe there's great potential for continuing growth through execution of the business plan as well as related acquisitions," Angelakis said in a statement. Angelakis is the chief executive officer and chairman of the fund, with offices and Bryn Mawr and New York.

Angelakis has confidence in bowling despite years of lane closures and bankruptcies. A 2000 book by Harvard professor Robert D. Putnam, *Bowling Alone,* brought attention to the plight of closing bowling alleys in towns across America, saying this reflected the retreat by Americans from civic life. Bowlmor AMF CEO Tom Shannon — who claims in a video on his website that he taught Kim Kardashian — began with one decaying bowling center in New York and has expanded rapidly by acquiring AMF lanes out of bankruptcy and buying Brunswick-branded bowling centers.

Bowlmor AMF did not respond to phone calls or emails. In the video, Shannon said his hope was to transform the company, which operates about 300 bowling centers in the United States, into a "multibillion-dollar diversified entertainment company." Angelakis noted in his statement that the stake in Bowlmor AMF enables Atairos to invest in the "out-of-home entertainment market."

Bowling is a $6 billion industry in the United States, according to published reports. Bowlmor, which is privately held, had revenues of $582.6 million in 2016, a 9.4 percent boost from 2015, when the company generated revenues of $532 million, a financial statement on its website states. The company reported a net loss of $1.5 million in 2016 and a loss of $46.6 million the prior year.

This is the second contrarian investment by Angelakis. In April, Atairos bought $250 million in senior notes of fallen star Groupon. The notes were due in 2022 and could be converted into shares in the online-deals site at $5.40 a share. That day, the Chicago-based Groupon's shares closed at $4.29. They are now trading at around $3.10 a share. Atairos also has invested in sports media and information technology firms. – ***Philadelphia Inquirer***

Verizon hasn't had very good luck so far when it comes to its attempt to disrupt the streaming video market. The company's joint streaming venture with Redbox was a **failure**, and the company's Go90 streaming service -- aimed at Millennials -- has been what Verizon's own partners have called "**a dud**," despite massive marketing hype by the telco. Viewership metrics for that service are nowhere near what Verizon projected, even after Verizon tried exempting its own service from usage caps (made irrelevant after the return of unlimited data plans).

Undaunted, Verizon recently announced it would use its AOL and Yahoo acquisitions to fuel another **new live TV streaming service** slated to go live this summer. Speaking at an investor conference this week, Verizon exec Marni Walden promised this new service would **somehow be different from what's already on the market**. "Originals are important and sports are really important," said Walden of the company's latest plan. "But we don't want to do just a 'me too' thing out there. You're going to see us do things in a different way. It's definitely not about quantity though. There are some things you have to have but we're not looking for the kitchen sink on this one," she said.

How *exactly* this service will be different isn't clear, but Verizon will face significantly more competition than either of its first two failed forays into the sector faced. Hulu, YouTube, Dish (Sling TV) and AT&T (DirecTV Now) are already competing for attention in the space, and companies like Amazon are preparing their own live TV services that are waiting in the wings.

The problem for Verizon is that while they've proven to be good at things like lobbying and running existing networks, they've yet to really show anybody that this vision of themselves as a media and advertising giant is something *they're actually capable of doing*. Remember, Verizon's media ambitions began a few years ago with a Verizon-run news website that **wouldn't let "reporters" talk about things like net neutrality or surveillance**, and -- despite a lot of media hype -- things have only really stumbled around semi-productively since that point. – ***DSL Reports***

Sharp Corp. has sued China's Hisense Electric Co., which licensed the Sharp brand for televisions sold in the U.S., accusing Hisense of putting the Sharp name on poor-quality TVs and deceptively advertising them. The court action is the latest effort by Osaka-based Sharp to **retrieve the right to use its own name** when selling TVs in one of the world's largest markets. Sharp is trying to recover its position as a global maker of consumer electronics. Hisense rejected the allegations and said it was selling high-quality televisions under the Sharp name.

The dispute illustrates the risks when the owner of a well-known brand name gives up control over products sold under that name. In 2015, Sharp signed a deal with Hisense giving the Chinese company to use the Sharp name on TVs sold in the U.S. through 2020. At the time, Sharp was in financial distress and selling assets to raise cash. In 2016, Taiwan's Foxconn Technology Group, formally known as Hon Hai Precision Industry Co., **took a controlling stake in Sharp** for ¥388.8 billion ($3.52 billion), and Foxconn has sought to put the Japanese company **back on a growth track**.

In a complaint filed to a California state court in San Francisco, Sharp lawyers said the Japanese company's brand and trademark "are at risk of being destroyed" by the time the five-year term of the Hisense agreement expires. It said that under Hisense's management, the televisions are "shoddily manufactured" and "in many cases, perceived by consumers as cheap." It said it wanted Hisense to stop using the Sharp name.

Sharp said its testing found the Sharp-brand televisions made by Hisense violated Federal Communications Commission standards. It said Hisense gave consumers deceptive information about the size and brightness of the TVs, violating other federal standards.

Hisense said it did nothing wrong. "Hisense categorically denies Sharp's claims in the litigation and looks forward to presenting its case in the appropriate forum," a company representative told The Wall Street Journal. "Hisense is in full compliance with the trademark license agreement and Sharp's attempt to terminate the agreement is of no effect. Hisense will continue to manufacture and sell quality televisions under the Sharp licensed brands."

Waseda Business School professor Atsushi Osanai, who used to work at Sony Corp.'s TV unit, said the case was important to Sharp's efforts to restore itself as a global brand. "If it wants to revive as a global consumer-electronics maker, Sharp should make every possible effort to retrieve the U.S. TV license because the product, which still occupies the center of the living room, remains an important marketing tool," said Mr. Osanai. – Wall Street Journal