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While recent state legislation will generate additional revenue for local emergency communications, a few things need to be worked out before Schuylkill County Communications Center receives more funding. Gov. Tom Wolf signed a bill Monday that would raise millions for emergency call centers throughout the state by increasing the monthly fees paid by phone customers to \$1.65. "Local governments have struggled to maintain adequate funding for 911 systems for far too long," Wolf said Monday in a prepared statement. "I commend the General Assembly for passing a bill that will bolster these institutions that are vital to maintaining public safety in our communities."

Communication centers are funded on surcharges placed on phone calls. The Public Safety and Emergency Telephone Act of 1990 put a fee on every landline phone. The law was updated in 2004 to include wireless calls and Voice over Internet Protocol. Landline calls carry a \$1.25 fee while wireless and VoIP calls are \$1. The new law sets a uniform fee of \$1.65 a month for all lines. The legislation changes the fees for the first time since 2004. The increase will go into effect in August.

The Pennsylvania Emergency Management Agency collects wireless fees from service providers and then distributes that revenue to the counties. "On the surface, it would appear that there is an influx of money, but we are going to have to wait and see how that money is broken out," Scott Krater, county communications director, said Wednesday.

As part of the new legislation, 80 percent of the funds will be distributed to counties through a formula yet to be finalized, up to 15 percent will be used for competitive incentive grants for system improvements, consolidation and system efficiencies, a flat 3 percent will be divided uniformly among the counties and the two city-based systems, and



**BCAP offices will be closed
Friday, July 3**

PEMA will keep 2 percent for administration and support. PEMA has up to 18 months to develop a distribution formula with the advice of a state 911 advisory board. Funds will be distributed quarterly. "The funding formula is what is going to drive the whole thing," Krater said.

According to the County Commissioners Association of Pennsylvania, the communication centers throughout the state require about \$292 million a year to operate but the previous fees only generated about \$190 million. It was up to individual counties to come up with the rest of the funding. Last year, the county had to draw about \$350,000 from a reserve account within the communications department to pay operational costs for the second half of the fiscal year after state funding fell short of projections. The new bill is expected to generate \$314 million for state communication centers. – **Pottsville Republican**

New Jersey's consumer advocate is appealing a decision by the state Board of Public Utilities to permit Verizon to deregulate its traditional land-line telephone service.

At issue is the board's May 19 decision to enter into an agreement with Verizon that phases in a 36 percent rate increase for basic telephone service over the next five years and then lifts the government's price controls completely. Verizon and BPU staff have claimed the change is warranted because of substantial competition that exists for phone service from cable and wireless companies.

But in an appeal filed Monday with the Superior Court's Appellate Division, the state Division of Rate Counsel argued that the decision was based on "stale 4-year-old data" and did not consider the possible impacts on service quality. "Based on the staleness of the evidence in the record and the new issue addressed by the stipulation on service quality, the matter should have been reopened for public and evidentiary hearings to refresh the empirical evidence and give the parties the opportunity to provide evidence on service quality issues," the Rate Counsel said in its appeal filing.

The Rate Counsel also was critical of the BPU's failure to hold public hearings on its agreement with Verizon, claiming the failure to do so "denied ratepayers fundamental due-process rights." The appeal asks the court to return the case to the BPU for further review and hearings.

In a separate filing, the Rate Counsel asked the BPU to investigate whether Verizon is suspending service illegally or disconnecting customers who refuse to switch from a traditional copper-wire network to new fiber-optic lines. The filing includes a Verizon letter sent to a North Jersey customer informing that person of the ongoing upgrade and the need to schedule an appointment so the company can access property to make the change. The letter warns that customers who fail to do so within 45 days will have their service suspended — permitting only calls to 911 and Verizon customer service — for about 14 days before being disconnected completely.

The letter specifies that customers will be provided the same-price phone service, but that customers who subscribe to high-speed Internet would lose that service but be offered a special rate for Verizon's FiOS service. The Rate Counsel called the tactics "coercive and dangerous," saying the "take it or leave it" approach is inconsistent with the public interest.

In a statement, Verizon spokesman John Bonomo said the company was modernizing its network to provide more reliable service and that it was not violating any rules or laws. "The company is not changing the service being provided, rather simply improving the way the service is delivered," Bonomo said. "Upgrading customers from the aging copper network to fiber facilities will significantly improve the reliability of phone service, and it's a process that's occurring in many communities in the country. At the same time, the features, functions and price of familiar products — like home and business phone service — will remain the same."

On the Rate Counsel's appeal, Bonomo said the BPU's decision simply reclassified the company's remaining land-line services as competitive, and that customers and other stakeholders provided input long ago when the company first sought state approval to reclassify services. "It's a decision that was four years in the making, with ample input from interested parties with specialized agendas," he said. Numerous consumer protections remain, including rate caps over the next five years and repair priority for customers who are disabled or seriously ill, Bonomo said.

Under the agreement, basic residential service — now \$16.45 a month — will be permitted to rise \$1 each year for the next four years and \$2 in the fifth and final year of the caps. Installation fees also would increase, and the company would be permitted to change its rate for directory-assistance calls, too. Lifeline service — a government-subsidized program that provides reduced rates or free telephone service for certain low-income residents, remains unchanged. The Rate Counsel and AARP have argued that hundreds of thousands of New Jerseyans, predominantly seniors and low-income residents, still rely on land-line telephone service, and that giving Verizon a free hand could result in large price hikes and poor service. — ***Burlington County (NJ) Times***

AT&T's \$48.5 billion deal to buy DirecTV is set to be cleared by U.S. antitrust officials without any conditions, said a person familiar with deliberations by the Justice Department. The merger still needs approval from the Federal Communications Commission, which could demand concessions such as following the agency's net neutrality rules. The deal would form the largest U.S. pay-television company. Justice Department officials closed their investigation without demanding any conditions, such as promises about fair treatment of Internet traffic, or demanding the sale of business units, said the person who wasn't authorized to speak publicly.

The final decision about the review rests with the antitrust division's leadership. Emily Pierce, a spokeswoman for the Justice Department, declined to comment about the review. The department assesses mergers for potential harm to competition. FCC Chairman Tom Wheeler on June 18 said the agency would move "with dispatch" on the deal and didn't say when a decision may come. Kim Hart, an FCC spokeswoman, declined to comment.

AT&T and DirecTV executives have held discussions with FCC staff in recent weeks, saying they've already made commitments that will ensure the deal serves the public. The companies have said they will expand broadband coverage. AT&T had promised for three years to

honor FCC open- Internet restrictions established in 2010. Since the promise, the FCC has set new rules, and AT&T has joined legal challenges to them.

The purchase would bring AT&T 34 million TV subscribers, including almost 13 million in Latin America, where AT&T seeks to grow its business. The Dallas-based company would have 26 million U.S. video customers; for comparison, cable leader Comcast Corp. has about 22 million video subscribers. DirecTV, without its own phone service or a competitive Internet offering, is under pressure to find a partner as more viewers go online for video and the pool of traditional pay-TV customers shrinks in the U.S.

AT&T and DirecTV proposed the deal in May 2014. AT&T is contending with a low-growth U.S. mobile market and competition from Verizon Communications, Sprint and T-Mobile US. DirecTV spokesman Robert Mercer declined to comment, as did AT&T spokesman Brad Burns. – **Bloomberg**



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