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Comcast, the country's largest cable operator, is responding to the rush of new streaming television alternatives with the start of its own web-based offering that includes a bundle of broadcast networks and the premium cable network HBO. The new service, which costs \$15 a month, represents a bid from a mainstream cable company to stay relevant to a new generation of viewers. Many consumers — especially younger ones — are willing to pay for Internet service but are ditching cable packages in favor of streaming services that are often cheaper and offer more flexibility than the typical cable bundle.

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For an extra \$15 a month added to a Comcast Internet subscription, viewers will have access to live and on-demand programming on computers and mobile devices from about a dozen networks, along with cloud DVR storage and Streampix, Comcast's movie offering. Called Stream, the new service will be available in Boston, Chicago and Seattle later this year and across the company's coverage areas in the United States in 2016. "Clearly, there are changes that are happening in the market," said Matthew Strauss, Comcast Cable's executive vice president and general manager of video services. "Not everybody is going to want a full pay-TV bundle."

There are limitations, however, that could curb the new service's appeal to potential subscribers. To start, Comcast's streaming service will not include any cable networks beyond HBO. That excludes networks like the sports hub ESPN and AMC, home to the zombie-apocalypse hit "The Walking Dead." The broadcast networks — ABC, CBS, Fox, NBC and PBS — along with several other networks, are typically available free via high-definition antennas that cost about \$25.

Subscribers to the Comcast app will not be able to stream the service to their television sets, an option for most other rival streaming services. (There is a workaround. Customers could use their account details to unlock

access to network apps, like HBO Go, that are available for streaming to television sets.) Also, people who live in areas where Comcast is not the cable provider will not be able to subscribe to the service.

Mr. Strauss said that people seeking a broader lineup of channels and the ability to watch on their TVs had the option of subscribing to Comcast's standard cable package. He added that the new offering was aimed at younger consumers keen to watch TV on computers and mobile devices. He also said that the service was more convenient for customers, who will have the option to sign up and cancel online and will not need equipment or technician visits. He said the service could eventually include the option to substitute other premium cable networks for HBO and to add packages of children's, sports, lifestyle and movie programming for an extra \$5 to \$10 a month. "We're becoming much, much, much more surgical in how we target products," he said.

With its new service, Comcast adds one more option to the explosion of new streaming offerings introduced in the last year that give viewers more flexibility to pay for the television they want to watch and decide how they want to watch it. These includes Sling TV, from the satellite provider Dish Network, which offers about 20 channels in a core package and add-ons for an extra \$5 a month. Sling TV includes cable but not broadcast networks. HBO, Showtime and CBS have also introduced à la carte streaming offerings that do not require standard cable subscriptions. Whether people are lining up to pay for these new services remains unclear; the companies are releasing few figures on the number of subscribers.

At the same time, Netflix, Amazon and Hulu are pouring hundreds of millions of dollars into expanding their streaming offerings with deeper libraries and more exclusive and original television and movie content. Netflix counted 40.3 million paid members in the United States in the first quarter of the year. Hulu had nine million paying subscribers as of April. The streaming services pose a threat to the entrenched cable business, which is steadily gaining broadband subscribers but is battling to hold on to video subscribers. The number of American households that pay for broadband service but not television increased 16 percent, to 10.7 million in 2014, from 9.2 million in 2012, according to SNL Kagan.

Comcast hit a major turning point in the second quarter of this year when the number of people who subscribed to its Internet service surpassed its total video subscribers for the first time. Mr. Strauss said plans for the new service had been in the works for several months. Comcast aborted its \$45 billion takeover of Time Warner Cable in April. The deal would have united the country's two largest cable operators, but it set off regulatory concerns that the combined company would wield too much power over the Internet and have both the incentive and the ability to thwart competition in the market for online video.

Other cable operators have experimented with products aimed at appealing to the so-called cord cutters, who have canceled their cable packages but watch television via the Internet, or cord nevers, who never subscribed at all. Cablevision, for instance, introduced a \$35-a-month "cord cutter" package in April that includes Internet service, a digital antenna and the option to add HBO's streaming service. Two years ago, Cox Communications tested a streaming service, also for \$35 a month, that included access to about 100 channels and cloud DVR. The company ultimately did not go forward with the service. – *New York Times*

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U.S. regulators proposed new rules on Friday to make sure carriers such as AT&T Inc. and Verizon Communications Inc. keep offering the same level of service as they replace their aging copper networks with fiber. The move is aimed at closing an unintended gap that had opened in telecommunications regulations.

Rules that require carriers to provide access for competitors at regulated rates had applied to their legacy systems, but their newer, more advanced technologies have enjoyed a lighter touch under rules designed to encourage growth of the Internet. Verizon has said the lighter regulation was an incentive to make investments in fiber. Smaller rivals that resold access had complained, however, that the lack of regulation was allowing the carriers to choke off their businesses.

On Friday, the Federal Communications Commission proposed a new rule that would require the big carriers sell "reasonably comparable" services at similar rates, terms and conditions even for their new technologies. For smaller carriers, that means their network access won't end overnight. The agency's five commissioners are expected to vote on the proposal next month.

The FCC said the proposal was a temporary solution and it expects to address the issue in greater depth in another proceeding. Officials said they wanted to get a rule on the books before the larger proceeding takes place later this year or next to calm fears that these companies were facing an existential threat. Smaller carriers applauded the announcement. "By including reasonably comparable wholesale access provisions in the tech transitions, the FCC will take an important step to ensure competition continues across all technology networks and platforms," said Chip Pickering, chief executive of Comptel, a trade group representing smaller carriers.

An AT&T spokesman pointed to a statement by industry trade group United States Telecom Association, which said: "mandates that new services be reasonably comparable to legacy services threaten to complicate and delay the transition without providing any significant counterbalancing benefit." Verizon declined to comment.

For roughly two decades, large telecom providers such as AT&T and Verizon have been obliged to open their copper networks so that competitors could resell the access under their own brands, a system known as wholesaling. Companies that sell Internet and phone services primarily to businesses rely on this access to reach customers in areas where they haven't built networks of their own.

Now, AT&T and Verizon have begun shutting down those legacy systems in some places and relying exclusively on new technology. Critics have said carriers were effectively deregulating themselves by switching to a new technology.

Transitioning to the new technologies affects consumers, too. Phones hooked up to the old copper networks can work even when the power goes out. But newer phone systems don't work during outages unless residents have backup batteries in their homes. Friday's proposal requires carriers to offer backup batteries that can last eight hours, and in three years have options for backups that last 24 hours. The FCC said customers should be able to buy the batteries from any supplier. The FCC also said carriers must give residential consumers at least three months' notice when shutting off copper phone systems,

and six months' notice for business customers. – *Wall Street Journal*; [more from Washington Post](#)

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If the Republican Party builds a pro-Uber, pro-gay-marriage platform, will the millennials come? In “The Selfie Vote: Where Millennials Are Leading America (And How Republicans Can Keep Up),” pollster and self-described millennial (she’s 31 years old) Kristen Soltis Anderson argues that the cohort of Americans born in the 1980s and ’90s is ripe for the Republicans’ picking. But in her view, the party as currently constituted is in danger of losing an entire generation. “I’ve spent the last six years trying to crack the code on young voters,” writes Ms. Anderson. “What I have found should terrify Republicans.”

Young people, she has discovered, are more likely to live in cities and are more racially diverse. They aren’t regular churchgoers, and they aren’t getting married. They like videogames and public transportation and craft beer. They hate the NSA and student debt and paying for cable. In several of her focus groups, she found that millennials view their comfort with technology as what makes their generation “special.” Like she says: terrifying. Ms. Anderson offers two broad solutions for the GOP to win over millennials. The first is structural, not ideological, and it’s more convincing: The GOP’s digital communication infrastructure is in dire need of an update.

Take the 2012 presidential race. Mitt Romney’s campaign stuck mainly with network TV ads during prime time, sometimes (as Politico reported in October 2012) paying nearly six times as much as Barack Obama’s campaign for an ad of the same length during the same time slot. Team Obama made use of individually targeted ads for satellite subscribers, tailoring the campaign’s message to specific voters in swing states and spending less money on network TV. The Obama campaign also developed cost-effective online ads that targeted Facebook and YouTube users based on personal-preference data, even running ads in online videogames like “Need for Speed” and “Madden NFL.” As more millennials pull the cable plug and spend their free time exclusively online, Republicans can’t expect to compete by pouring resources into 30-second spots during “Jeopardy!”

Ms. Anderson’s diagnosis is that while the GOP’s voter-data operation isn’t too far behind Democrats’, the party’s problem is one of culture: The people in charge rely too heavily on old models. But her prognosis is hopeful. Ms. Anderson profiles a few members of a new generation of GOP digital strategists, like Azarias Reda, the Republican National Committee’s chief technology officer, who was recruited from the tech-startup world. With hires like Mr. Reda, Ms. Anderson says, the GOP is getting “much smarter” about how to run campaigns.

Her second remedy for the GOP is an updated party platform that addresses the millennial voter. The voter Ms. Anderson has in mind sounds a lot like, well, Ms. Anderson herself. Throughout the book she drops in personal details about her life as a sort of case study, a window into the mind of the type of person she believes the GOP is letting slip away. The author uses Snapchat, plays “World of Warcraft” and doesn’t own a car. Her liberal friends can’t understand why she’s a Republican. But her agenda for the future isn’t very well-defined. Take one potential entry point with young people that falls naturally within the GOP’s governing philosophy: reforming federal entitlements. Millennials don’t expect Social Security benefits to be around for them, Ms. Anderson argues, so Republicans should emphasize that they are the party trying to modernize the system in ways “that give individuals more power over when and how they retire.”

If that sounds familiar, it’s because Republican Paul Ryan made that same argument about entitlement reform for years leading up to his selection in 2012 as the vice-presidential nominee. Millennials didn’t seem convinced by that line of thinking. In fact, according to the author, any reforms that put the benefits of older generations at risk are a nonstarter with millennials. It’s hard to blame Ms. Anderson entirely for this lack of specificity. Millennials don’t appear to be well-informed or consistent about the issue. A 2014 Pew poll found that just 18% of those age 18 to 29 saw the aging of America as a “major problem.” How exactly Republicans are supposed to galvanize young voters on an entitlement crisis they aren’t concerned about is a mystery.

Is there an overarching vision that Republicans should proclaim in order to grab the kids? “Perhaps,” Ms. Anderson writes, “the way forward is to consider what a policy agenda that puts ‘Love one another’ at its core might truly look like in modern America.” It’s not quite the Contract With America. And how could it be? A generation of some 80 million Americans, united only by their proximity in age, couldn’t possibly be so politically monolithic that one of the major parties is at risk of losing them. Trying to craft a political agenda to appeal to that generation is a fool’s errand.

It would be wiser for Republicans to think critically about the challenges the country faces—stagnant middle-class wages, threats from Islamic terrorism and a broken health-care system, for starters—and draft solutions that answer those challenges. Ms. Anderson’s subtitle suggests that the GOP needs to “keep up” with millennials as they lead America into the future. Would that the parties—and their leaders—

tried leading millennials instead. – *Wall Street Journal*



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