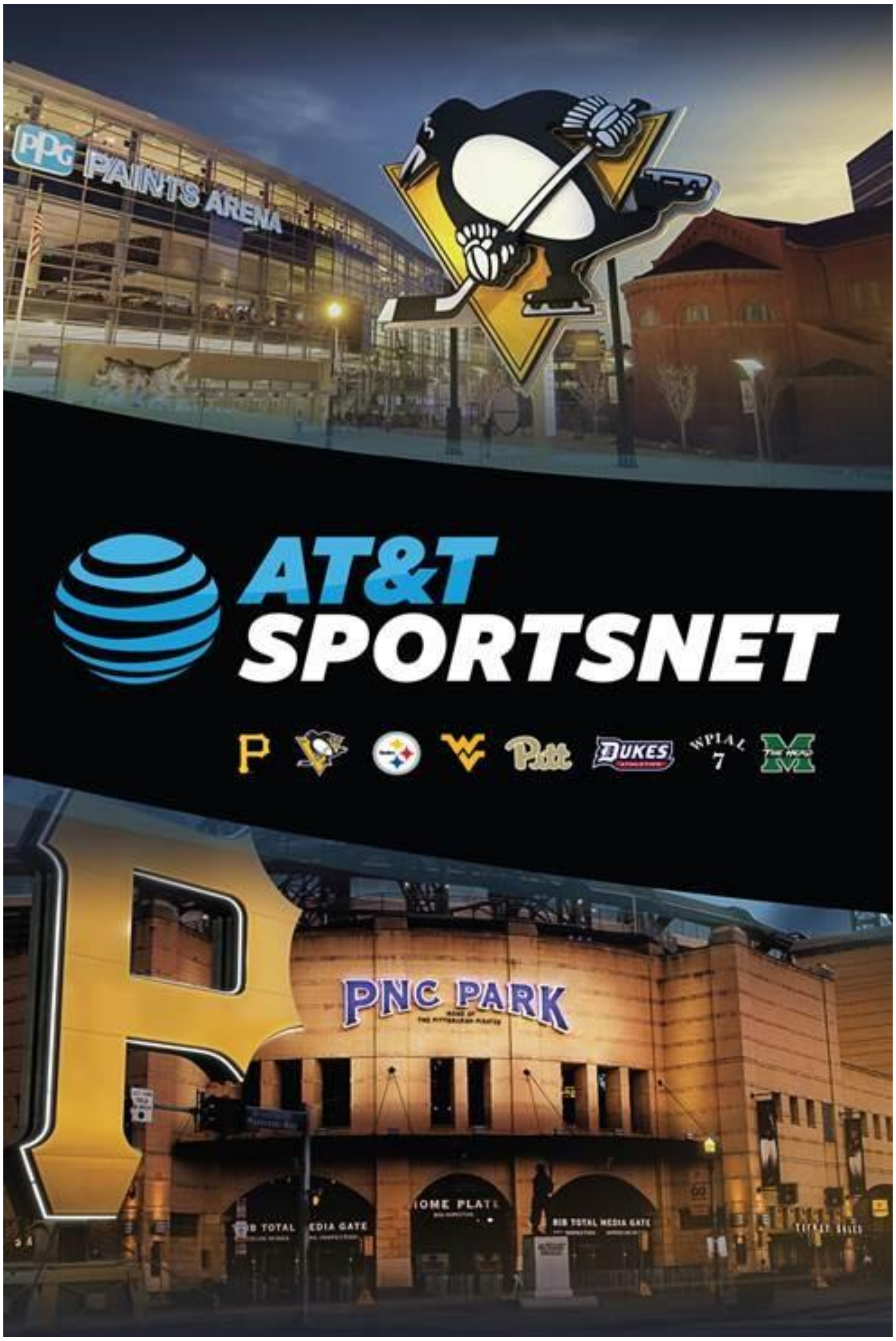

BCAP NewsClips

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TVNewsCheck
Dish Says It's Set To Be Next Big Wireless Co.

Fierce Video

Santiago Garces, the city's director of Innovation and Performance, points to the cable box connected to a small TV in his City-County Building office. A live look at a public hearing in Pittsburgh City Council Chambers is playing on the flat screen. "There's boxes like that throughout the city, in community center[s] so people can watch TV and whatnot," Mr. Garces said. "In our case, we have them in the office

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so that we can actually tune in to the city channel [to] see if the council is talking about the department."

The boxes and internet connectivity in 52, or roughly half, of the city's buildings are provided free of charge by Comcast and Verizon. Mr. Garces estimated the value of free cable services from Comcast to be roughly $68,000 a year. The companies also give hundreds of thousands in grants each year for public, education and government cable services.

Now Mr. Garces and others fear that those in-kind services could be deducted from fees, or rent, that the big cable players pay to the city for access to run cable and maintain its system in the public right of way — for example, to lay cable under city streets, space that is a "limited resource," Mr. Garces said.
The Federal Communications Commission is set to vote Thursday on the proposed rule change. "What the ruling would do is basically say, 'Hey, these things you've been getting on top of the rent, now Comcast and Verizon are going to be able to deduct that from the rent.' And the reality is we've been using the rent to pay for the city channel and PCTV," Mr. Garces said.

The city channel — channels 13 and 14 on Comcast and 44 and 45 on Verizon — airs city council meetings, public hearings and mayoral press conferences, and Mr. Garces' department streams and archives the content online. Pittsburgh Community Television, or PCTV, located on the city's North Side, is open to any Allegheny County resident to take classes or produce a television show.

Currently Comcast and Verizon pay the city 5% of gross revenues earned from cable subscriptions in city households and businesses as its rent payment, or franchise fee, in exchange for access to public right of way. The amount is capped by Congress. In 2018, the city received nearly $5.2 million in rent. So far in 2019, the city has received just under $2.6 million and expects $5.3 million by the end of the year. The city projects the amount to go down slightly over the next five years "due to fewer subscriptions," according to the 2019 operating budget.

Mr. Garces estimated that companies could deduct at least $700,000 annually from those payments if the FCC approves the rule change. An exact total was not readily available as the city doesn't publish cable grants as part of its operating budget, according to the Office of Management and Budget. "It's hard to say exactly how it will affect PCTV," said John Patterson, executive director of the station. Eighty-five percent of PCTV's funding comes from cable company grants given to the city by Comcast and Verizon. In 2018, that amounted to $618,004 for PCTV.

Community television advocates say that multibillion cable giants are trying to take money back from public services in the interest of profit. According to Forbes, Comcast was expected to make $54 billion from its cable services in 2018. "Suddenly the city has to cough up money or get bids to replace its networking infrastructure because the cable company wants to make more money," said Mike Wassenaar, president and CEO of the Washington, D.C.-based Alliance for Community Media. "It's not like consumers in Pittsburgh are going to see their fees drop. It just means the operating margin for the cable operator goes down so they can profit more. Municipalities across the country, large and small, have said this is unfair." Comcast and Verizon did not respond to multiple requests for comment.

The D.C.-based Internet & Television Association, one of the industry's largest trade groups, maintains that local governments have taken advantage of "substantial 'in-kind' contributions, like free services, free advertising, free channels for their programming, and even for extra 'voluntary' cash contributions," according to a November 2018 blog post that spokeswoman Joy Sims highlighted. "Together, these requirements add up to an amount well beyond the fee cap that Congress established," the post read. "The process that was intended to encourage the deployment of services to strengthen communities is instead placing an unnecessary burden on cable operators that threatens to hinder their ability to innovate and expand their services." Ms. Sims declined to comment further.

But Mr. Garces said a ruling in favor of the cable companies would be a "ruling against the city's ability to control its destiny and maintain the thing the city was created for, which is controlling public right of way and public space and resources that benefit all residents." – ***Pittsburgh Post-Gazette***

The Justice Department approved T-Mobile US Inc. TM's merger with Sprint Corp. after the companies agreed to create a new wireless carrier by selling assets to satellite-TV provider Dish Network Corp. The landmark antitrust agreement seeks to address concerns that the combination of T-Mobile, the nation's No. 3 carrier by subscribers, and No. 4 Sprint will **drive up prices for consumers**. It would leave more than 95% of American cellphone customers with the top three U.S. operators.

A deal brokered by the Justice Department will require Dish, which has been sitting on valuable airwaves, to build a 5G network for cellphone customers. To help it get started, T-Mobile will sell Sprint's prepaid brands to Dish and give access to its network for seven years. "The remedies set up Dish as a disruptive force in wireless" with the pieces needed for the company to have a cellphone service that is ready to go, Makan Delrahim, the Justice Department's antitrust chief, said in a news conference.

The Justice Department, under the Obama administration, told the companies that shrinking from four to three national providers was anticompetitive. The companies tried again under Trump appointees to push the deal through, ultimately agreeing to sell assets to Dish to win approval. In its agreement with the government, T-Mobile promised not to raise prices for three years and cover 97% of the U.S. population with 5G service in three years.

T-Mobile has been adding millions of customers at the expense of its rivals, pushing unlimited data plans and lower prices than the incumbents. Sprint, despite owning valuable airwaves, has been shedding millions of subscribers and has struggled to be profitable. T-Mobile surpassed Sprint to become the No. 3 player by subscribers and argued the acquisition of the smaller carrier's airwaves would help speed its deployment of a 5G network so that it could better compete with Verizon and AT&T.

Dish, which generated $13.6 billion in annual revenue last year, had about $13 billion of net debt before the deal. It will need to shell out billions of dollars in the coming years to absorb the wireless carriers' castoff assets, build its own network and vie for customers. A group of states led by the attorneys general of New York and California are pressing ahead with an antitrust lawsuit seeking to block the combination, saying it would harm consumers. All the officials who joined the suit are Democrats; those who decided to support the Justice Department on Friday are Republicans.

Letitia James, the New York attorney general, said the proposed merger would cause harm to consumers nationwide. "To be clear: The free market should be picking winners and losers, not the government, and not regulators," she said during a call with reporters. Ms. James said Dish lacks the experience to operate a nationwide mobile network. Mr. Delrahim said his office will share its settlement with the federal judge overseeing the states' lawsuit. "Sometimes independent sovereigns do make independent determinations," he said. A trial is expected later this year. On Friday, T-Mobile and Sprint extended the deadline to close their deal, from July 29 to Nov. 1. T-Mobile said it expects to close its Sprint purchase in the second half of this year despite the states' lawsuit.

The Justice Department stopped sharing information with the Democratic attorneys general after they decided to file their lawsuit in June without notifying their federal counterparts, Mr. Delrahim said. "That was their choice, not ours," he said. Under the deal, Dish will pay $1.4 billion for the Sprint customer accounts, most of which come from its Boost prepaid brand, and $3.6 billion three years later to buy Sprint spectrum licenses in the 800-megahertz range, which can travel long distances and cover rural areas.

The new T-Mobile will have the option to lease back part of that spectrum for an additional two years after the airwaves sale closes. The companies have also agreed to negotiate for T-Mobile to lease Dish spectrum in the 600-megahertz range. Dish is set to start its wireless life with a base of Sprint's pay-as-you-go customers, though carriers often struggle to keep those so-called prepaid subscribers. More than 4% of Sprint's prepaid customers choose to drop their service or are disconnected for nonpayment each month, according to company filings.

The deal creates a fake competitor, said Andrew Jay Schwartzman, a lecturer at Georgetown Law, adding that even if Dish builds out its own network it will take years. During that time, the three large carriers will be able to introduce 5G and lock in their subscriber bases, he said. "Rather than having Sprint as a weak fourth competitor, the combined companies will now face an extremely weak fourth competitor," Mr. Schwartzman said.

Sprint ended March with nearly $33 billion of net debt on its balance sheet. Even though it had more than 40 million customers, Sprint said during deal negotiations that it was in poor health and wouldn't be able to launch nationwide 5G service without the merger. Dish has argued it can build a better network by starting from scratch. Even before he pursued a deal with the Justice Department, Dish Chairman Charlie Ergen said his business could invest capital more efficiently without the burden of old equipment and software holding back its ambitions. Dish hasn't made public the prices or structure of the wireless plans it will sell.

Senior FCC officials said on a call with reporters that they are confident the new carrier under Dish will be viable because the wholesale deal it has struck with the new T-Mobile is more aggressive than any other such arrangement the carrier and Sprint currently have. Its terms give Dish the financial ability to compete in the prepaid market against T-Mobile's Metro brand, they said. The settlement also included provisions designed to make sure Dish actually builds the promised infrastructure. Among other penalties, Dish agreed to pay the government up to $2.2 billion if it fails to meet its network expansion requirements. – ***Wall Street Journal***

AT&T announced in a release Friday that they had invested almost $150 million in the Pittsburgh region over a three-year period. The improvements, which were made between 2016 and 2018, aimed to boost network performance and provide support to first responders, the latter one through the FirstNet communications platform.

In 2019 alone, AT&T made 171 wireless network upgrades in the Pittsburgh area, including adding new cell cites, boosting network capacity and adding high-speed internet connections. "We're always looking for new opportunities to enhance coverage for our customers and FirstNet subscribers," David Kerr, president of AT&T Pennsylvania, said in a statement. "This investment in the Pittsburgh area is another example of how AT&T is working to help keep customers connected when and where they need it most. And, our investments support community and economic development in the region." – ***Pittsburgh Tribune-Review***

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