The nation's top telecommunications regulator took issue on Wednesday with Verizon's plan to reduce data speeds for heavy data users on unlimited data plans.

Verizon **announced in July** that it could begin reducing speeds at times of high demand for the top 5% of its data users, but only those who have paid for unlimited data. Federal Communications Commission Chairman Tom Wheeler responded on Wednesday by letter, pressing Verizon to explain why its new policy only applies to users on unlimited data plans. " 'Reasonable network management' concerns the technical management of your network; it is not a loophole designed to enhance your revenue streams," Mr. Wheeler wrote to Verizon Wireless President and Chief Executive Daniel Mead. "It is disturbing to me that Verizon Wireless would base its 'network management' on distinctions among its consumers' data plans, rather than on network architecture or technology."

"We will officially respond to the Chairman's letter once we have received and reviewed it," Verizon Wireless said in a statement. "However, what we announced last week was a highly targeted and very limited network optimization effort, only targeting cell cites experiencing high demand. The purpose is to ensure there is capacity for everyone in those limited circumstances, and that high users don't limit capacity for others." Wireless carriers increasingly have turned to data caps or usage-based pricing rather than unlimited data plans. Verizon no longer offers unlimited data plans to new customers but allows existing customers to keep theirs. Mr. Wheeler specifically questioned Verizon's suggestion that consumers afraid of having their data speeds reduced could switch to usage-based plans to avoid that possibility.

Mr. Wheeler's letter is particularly notable because the FCC is devising rules to determine how broadband providers can manage traffic on their networks. Many tech companies have called for rules that ensure that all Internet traffic is treated equally—a principle known as net neutrality—on both wired and wireless broadband networks. The FCC's now-defunct net neutrality rules passed in 2010 exempted wireless networks, but Mr. Wheeler's letter is a sign the commission will act to ensure consumers are able to watch video and access the services they desire on mobile devices. The letter asks Verizon to explain its rationale for treating customers differently based on their data plans, and why Verizon continues to cut data speeds despite moving to a faster and more efficient 4G LTE network. The letter also questions whether Verizon's new network management practices violate existing FCC rules governing the use of spectrum.

The majority of Verizon's customers are already on one of its tiered data plans, the carrier said during a call with analysts last week, and the carrier continues to bring more of them onto its 4G LTE network. About 76% of its data traffic is on LTE. AT&T and Verizon switched to tiered data plans in 2012, while Sprint and T-Mobile have continued offering some unlimited plans. Most analysts say unlimited plans aren't sustainable long term because wireless spectrum is a limited resource. Moreover, when customers move to LTE networks, their data consumption increases dramatically. "In a world where there is a finite amount of spectrum and in a world where you see video exploding…how can I keep servicing incremental bits and not get any incremental revenue?" Verizon Communications Inc. CEO Lowell McAdam said at an analysts conference in January. "Eventually, unlimited has got to go away. It's just sort of a fact of life." – ***Wall Street Journal***

Charter Communications Inc.'s second-quarter loss narrowed as revenue rose and the company continued to benefit from growth in its online customer base. The bottom line fell short of analysts' expectations. Charter lost 29,000 residential video subscribers during the most recent period, compared with 55,000 a year earlier. Charter said the

Harrisburg Patriot-News **Editorial: Here's one good thing the Legislature can accomplish when it returns**	improvement was due to increased high-definition channels, among other offerings. Revenue in the video segment grew 13% to $1.11 billion. Meanwhile, the company's Internet customer net additions were 49,000, up from 38,000 a year earlier. Internet revenue rose 23% to $638 million. Growth in the voice segment slowed to 35,000 residential customers additions during the most recent period from 45,000 a year earlier. Voice revenue fell 8.2% to $145 million. Charter in April made a deal to gain millions of subscribers from Comcast Corp., as the latter company looks to smooth the regulatory road for its $45 billion deal to buy Time Warner Cable Inc. Charter had sought its own deal with Time Warner but had to settle for the subscriber pact, which is contingent on the Time Warner-Comcast merger being completed. Overall, Charter posted a second-quarter loss of $45 million, or 42 cents a share, compared with a loss of $96 million, or 96 cents a share, a year earlier. Revenue rose 15% to $2.26 billion, as the company received another boost from its acquisition last year of Bresnan Broadband Holdings. Commercial revenue surged 28% to $244 million. Analysts had projected 21 cents a share in profit and $2.26 billion in revenue. – ***Wall Street Journal*** _____ Comcast Corp., continuing to grow, is out in the Center City office market looking for some extra space. The cable company is seeking 65,000 to 75,000 square feet of additional space, according to people familiar with the matter. The company also wants the ability to expand, and that means just a few downtown office buildings can accommodate that arrangement. The short list of properties that could handle that assignment include 11 Penn Center, 10 Penn Center, Centre Square and Two Logan Square. What's more is it wants the space soon — beginning in October. Comcast would like to lease the space until the end of 2018 when its new Comcast Innovation & Technology Center is scheduled to be completed. The space need isn't related to the proposed merger with Time Warner Cable but growth the company is experiencing, said people with knowledge of the situation. This isn't the first time Comcast has needed to lease some additional room since there's no room left at Comcast Center. It occupies 200,000 square feet at Three Logan Square and 90,000 square feet at Centre Square. The company has committed to approximately 1 million square feet at the new Comcast Innovation Center and has rights to grab an additional 300,000 square feet at the building until September of 2015. – ***Philadelphia Business Journal***