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With the money you spend renting your cable box every year, you could buy a whole separate TV. On average, Americans pay \$231 a year to use their TV providers' set-top boxes, according to new figures from a Senate study. If you break that down, it adds up to nearly 50 Big Macs from McDonald's, or 65 lattes from Starbucks, or a 32-inch LED TV from Samsung.

The finding isn't likely to sit well with consumers who believe they're already being charged too much by their cable or satellite service companies. And for Sens. Ed Markey (D-Mass.) and Richard Blumenthal (D-Conn.), that's the whole point: The two

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lawmakers are incensed by what they say is a lack of choice in the set-top box market, with 99 percent of pay-TV subscribers renting their boxes from companies like Comcast, Time Warner Cable and DirecTV. "Consumers should not be forced to rent video boxes from their pay-TV provider in perpetuity," said Markey.

The lawmakers surveyed 10 companies ranging from AT&T to Comcast to Verizon to find out how much each company charges to lease its boxes. They found that each set-top box, averaged across the industry, carried a rental price of \$7.43 a month. With the average American household using 2.6 set-top boxes (some companies require one box per TV, Markey's office said), that adds up to more than \$230 in yearly costs to consumers.

In a statement, the National Cable and Telecommunications Association said there's plenty of choice in the market for set-top boxes. "In today's competitive video marketplace, American consumers have a growing number of choices of video

providers and ways to access video content on multiple devices in and out of the home," said NCTA. "Retail devices including TiVo, Roku and Apple TV have been purchased by tens of millions of consumers."

Of course, picking a third-party box can sometimes be pretty pricey, too: A basic TiVo box will set you back \$200 and requires a separate subscription that costs up to \$150 a year. (That said, it's worth wondering if greater competition in the set-top box space could drive those costs down.)

Some in the industry, such as Time Warner Cable, are exploring ways to let consumers connect their own set-top boxes. On an investor call Thursday, company officials said they even expect such policies to save them money. Not having to provide set-top boxes to customers would allow TWC to cut costs in the long run, they said. But that's likely to be a years-long process. And until then, most of us will probably keep renting our boxes — to the tune of hundreds of dollars every year. — **Washington Post**

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Time Warner Cable is adding more customers as it awaits the government's decision on whether Charter Communications should be allowed to buy it, creating a new cable giant with 24 million subscribers. The New York company on Thursday said it added 66,000 customers — the first gain in the second quarter in seven years. Time Warner Cable is in the middle of a turnaround.

The company's revenue rose 3.5 percent to \$5.93 billion, just shy of Wall Street forecasts, as it added 172,000 Internet customers and lost 45,000 video customers. Profit declined 7.2 percent to \$463 million, or \$1.62 per share, as costs rose. The amount the company pays for the channels it pipes to customers — a big reason customers' bills rise every year — rose 8.7 per percent to \$1.4 billion. Time Warner Cable said its average monthly cost that it pays for content, per customer, rose 11.6 percent to \$42.73. Costs for sales and marketing, customer service and technical investments also rose, as Time Warner Cable tries to improve its operations. Earnings, adjusted for non-recurring gains, came to \$1.54 per share, short of the average estimate of 17 analysts surveyed by Zacks Investment Research was for earnings of \$1.82 per share.

Charter Communications has agreed to buy Time Warner Cable Inc. and a smaller cable company called Bright House Networks for \$67.1 billion. Comcast Corp. attempted a buyout of Time Warner Cable, but scrapped its proposal after regulators raised antitrust concerns. On a conference call with investors, the company said that it hopes the deal closes by the end of the year. — **Los Angeles Times**

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The Federal Communications Commission's Net neutrality rules amount to a "power grab," Internet service providers charge in a court filing Thursday. USTelecom, AT&T, Centurylink, the National Cable & Telecommunications Association, CTIA and others filed the brief in the U.S. Court of Appeals for the District of Columbia. They are challenging the legality of the FCC's Open Internet order.

Those rules, which the agency passed with partisan 3-2 vote in February, require Internet service providers to give consumers access to all legal content and applications on an equal basis, without favoring some sources or blocking others. The companies and groups that filed the brief had gone to court after the rules' passage asking for a stay, but were denied. The FCC's rules went into effect in June.

In the legal filing, they argue that the FCC acted illegally and without proper authority in creating a unwieldy new law that could negatively effect affect the economy. "It is the output of an agency determined (or pressured) to reach a particular result and visibly struggling to devise a post hoc justification for contradicting Congress's

pronouncements, the agency's own longstanding policy, and real-world facts," according to the brief. "It is, in short, a sweeping bureaucratic power grab by a self-appointed 'Department of the Internet'," using a phrase from FCC commissioner Ajit Pai, who along with fellow Republican Michael O'Rielly.

Overall, the rules subject broadband service "to to heavy-handed, public-utility-style regulation designed for 19th-century railroads and 1930s telephone monopolies," the brief says. Free Press Policy Director Matt Wood in a statement called the arguments "overheated rhetoric ... that ignores both the law and the way that Internet access actually operates." The ISPs legal filing, he said, exposes "the weakness of their case against enforceable Net Neutrality protections. Communications law is rooted in principles of protecting users of any communications network against unreasonable discrimination, blocking and interference. The FCC's Net Neutrality ruling is legally sound and puts Internet users first." – **USA Today**



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