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Lancaster has a bright future as a technology hub, but getting there's going to take some work, according to Joel Walker. Walker, president of Lancaster-based Industrial Resolution, gave an impassioned keynote address at the Lancaster Chamber's inaugural Tech Talk on Aug. 6. "It's not an overstated, exaggerated, hyperbolic statement to stay that Lancaster's future of economic stability does depend on embracing the technology industry," he said. "Way more than we're doing now."

What Lancaster has in its favor, Walker said, is a cost of living way below that of current tech hubs like Seattle and Boston; a good, accessible location; **a coming broadband network in Lancaster city that will offer fast, cheap Internet**; the famed Pennsylvania Dutch work ethic and moral sensibility; and a growing and capable tech presence. "When I was in high school we were 10 years behind the times," he said. Now, "maybe we're not bleeding edge, but we're cutting edge across the board. But as far as tech goes, we're up there; we're on the forefront."

Add it up, he said, and tech companies considering where to put their headquarters or satellite offices have compelling reasons to consider Lancaster. That said, Walker continued, the area also has some weaknesses. Business here is siloed and secretive, a far cultural cry from the knowledge-sharing economy that tech thrives on. There aren't a lot of programmers here, so the existing tech companies keep competing for them — and even so, their wages are below industry norms, with some here making as little as $35,000 a year, according to a recent anonymous survey he conducted. And, he said, while the tech presence here is growing, it isn't thriving yet. "We need to really push it," he said. "We don't have the tech giants and startup culture that need to be here."

Patrick Millar, co-founder of Formatic, agrees. Lancaster seems to have all the right ingredients to be a tech hub, he said, but they need to be organized and encouraged to come together. His startup currently consists of himself and his co-founder, Millar said, and they're located in the Warehouse 210 co-working space on West Grant Street in

Lancaster. “We hope to grow within the next few months and start to add technologists to the team,” he said. “If we can't find them here, we will likely relocate over to Chester County.”

Millar knows Chester County because he spent about a decade there working for Chatham Financial. Growing a technology team there wasn’t easy, he said, but they ended up with about 80 local software developers — some commuters from Lancaster and York — and 40 international ones. He’s rooting for Lancaster, he said, but from his perspective Chester County is far ahead on the race to develop the tech industry. “Chester County appears to have a more committed group of business leaders when it comes to investing in technology and creating an encouraging environment,” Millar said. He also cited a business incubator and regular meetup events as key factors there that he didn’t see equivalents to in Lancaster.

Lancaster does have tech meetups, Walker said: Numerous ones started in the past year, thanks to TechLancaster.com and PubStandards.us — but they need to be more widely known and attended. As for a tech incubator, Walker thinks Lancaster’s growing co-working scene is a good step in that direction. “When engineers work near each other, they all benefit,” he said, explaining that many times he has seen weeklong roadblocks solved in 15-minute conversations.

There’s also Aspire Ventures, the Lancaster-based venture capital company that’s focused on using technology to improve lives, particularly in health care. Sam Abadir, one of Aspire’s four managing directors, also saddressed Tech Talk attendees. “I challenge you to think about how can these technologies really revolutionze your businesses and your daily lives,” he said, noting that technology has already changed lives in more ways than most people realize.

Walker said one thing he thinks is key to helping the larger community understand the importance of nurturing a tech industry is realizing how the economy is changing. He has been involved in several strategic planning processes, he said, and found compelling estimates that in 20 years the county will be out of space to develop. That has serious implications for the existing major industries here, he said: “You can’t fit many more Urban Outfitters distribution centers in the county.”

Lancaster isn’t the only community facing these realities, he continued: “Every Chamber of Commerce in the entire country would say we need more technology, we need more of that job market.” Given the tech industry’s proven propensity to cluster around existing businesses, he said, that makes the development process a race. Pittsburgh landed a game-changer when Google decided to open an office there, he said, and with the right progress and connections, he believes Lancaster could have a shot at that kind of deal.

Even if they’re not in the tech industry proper, Walker said, local businesses can help move Lancaster toward the promising future he envisions. One way is by keeping the cost of living down, he said. Another is to stop outsourcing, keeping money and jobs local as much as possible — even if that costs a little more. He also counsels businesses to look at their job development pipeline. He doesn’t believe that college degrees are always a requirement for success, he said; someone who wants to be a computer programmer can become one without spending four years in school, given the right mentors and opportunities, and businesses could profit from embracing that. Finally, he said, “if you know people in business development at big tech companies, share your network with us. We’ll invite them here; we’ll tell them what we’re doing.” – ***Lancaster Intelligencer***

A federal appeals court has twice invalidated attempts by Washington bureaucrats to regulate the Internet. The Federal Communications Commission deserves a third-time strikeout in December when the U.S. Circuit Court of Appeals for the District of

Columbia considers the agency's latest power grab. At stake is whether the Internet remains safe for permissionless innovation—so that anyone can launch a website, app or new business model—or regulators get to set rates and decide the "reasonableness" of business practices.

Followers of the net-neutrality drama will recall that the fatal flaw stems from President Obama's surprise decision last year to demand the most extreme form of utility regulation for the Internet. The White House even shocked the Democratic FCC chairman, Tom Wheeler, who complained to his staff about being bullied.

The politicizing of an agency whose independence is established by law is a good argument to invalidate Obamanet. Internet service providers argue in their brief to the court that the new regulations are 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."

The Telecommunications Act of 1996 declared the Internet an unregulated "information service," in contrast to the phone system whose innovation regulators had suppressed for decades. Congress made clear its priority was "to preserve the vibrant and competitive free market . . . for the Internet and other interactive computer services unfettered by federal or state regulation."

Legal briefs filed by broadband providers, wireless companies and free-market advocates identify numerous other legal problems, any of which should invalidate Obamanet:

• Reclassifying the Internet as a regulated utility, giving the FCC the power to decide what is "fair" and "reasonable," violates the express terms of the Telecommunications Act.

• The agency's new "Internet conduct standard," which creates open-ended regulation, exceeds the agency's authority.

• Mr. Obama's last-minute insistence on utility regulation violated the notice period required by the Administrative Procedures Act.

• The agency's claimed discretion, which could apply the broadcast era's Fairness Doctrine to broadband, violates the First Amendment's guarantee of free speech.

• Blanket bans on "fast lanes" exceed the broadest regulatory discretion under utility laws.

Meanwhile, briefs filed by entrepreneurs and economists explain how utility regulation suppresses innovation. Bipartisan economists at the Georgetown Center for Business and Public Policy credit light-touch regulation with enabling consumers "to toggle seamlessly between voice, data and video services using both fixed and mobile broadband infrastructure." They add: "Such innovation does not happen in a vacuum—it is a product of the institutional environment created by policymakers."

Law-and-economics analysts Gus Hurwitz and Geoffrey Manne note that micromanaging the Internet is even more intrusive than the 1930s-era law that oversaw the Ma Bell monopoly. Utility law "was designed to regulate hundreds of telephone exchanges, not the thousands of entities that interconnect with them or the millions of edge companies whose technical and business plans are now potentially subject to FCC review."

A group of self-described "tech elders," including futurists John Perry Barlow and George Gilder and investors Mark Cuban and Tim Draper, have convened conference calls warning that the Internet would never have been built if their generation had been subject to utility regulation. Jeff Pulver, a pioneer in Internet voice calls, said: "Having to go to the FCC for permission to be disruptive will take away the incentive for many people." Another entrepreneur, Daniel Berninger, said, "Silicon Valley could ignore the FCC when the information services category was there, and now they can't." The FCC's

Mr. Wheeler shouted, “No, no, no, no!” at an industry conference when someone asked whether the FCC would set rates, rule on tariffs, or dictate business arrangements. He knew his assurances were false because the new regulations invite special-interest pleading.

In the first month since Obamanet went into effect in June, the agency received 2,000 requests to set rates or overrule other Internet practices. The FCC responded to a Freedom of Information Act request from National Journal by sharing copies of 50 of these requests, but the agency said it “would take months to review all 2,000 cases for release.”

Internet companies must respond to each complaint within 30 days, after which the FCC’s Enforcement Bureau can demand new rules on whatever the agency deems “reasonable.” A new pamphlet, “Against the Obamanet,” by Brian Anderson of the Manhattan Institute, sums up the problem: “Pervasive uncertainty will inevitably dampen competition, investment, and innovation.” It’s up to federal judges to rescue Silicon Valley from the destructive hand of Washington politics and regulation. – ***Wall Street Journal***

The Federal Communications Commission voted unanimously Monday to deny $3.3 billion in discounts sought by two small partners of Dish Network Corp. in an airwaves auction earlier this year. The order was circulated by FCC Chairman Tom Wheeler in July and the agency had briefed the company on its recommendation. The decision led Dish Chairman Charlie Ergen to shift his tone earlier this month on possibly entering the wireless industry, saying that selling or leasing its airwave holdings might make more sense.

With the denial, Mr. Ergen had said the company had three options: refuse to buy the spectrum and pay a penalty; pay the additional $3.3 billion; or sue the FCC to overturn the decision. Dish said it was disappointed in the FCC’s decision because it had complied with all legal requirements in its bidding. “We will the review the order when it becomes available, as we consider our options going forward,” said Dish’s general counsel, R. Stanton Dodge.

An FCC official said Monday that the commission examined the complex arrangements and financial connections that created an extensive relationship between Dish and the entities—called SNR Wireless and Northstar Wireless. The analysis concluded that Dish had the power to control the smaller companies and they therefore didn’t qualify for the discounts. The management services agreements between Dish and the entities also showed Dish had control, the official said.

Dish provided 85% of the capital in both Northstar and SNR. But in filings with the FCC, both entities had reported revenue of less than $15 million and said Dish didn’t control them. The two entities won $13.3 billion in wireless licenses in the auction earlier this year. Dish’s entities already have paid about $10 billion, the FCC official said, and must pay the remaining $3.3 billion within 30 days. The entities can file a request for reconsideration or make a judicial appeal within 30 days of the FCC’s decision.– ***Wall Street Journal***