



# 16<sup>th</sup> Annual Skeet, Trap & Pheasant Shoot



October 22 & 23, 2014 Whitetail Preserve, Conyngham, PA

Confirm your registration and sponsorship. More at [bcapa.com](http://bcapa.com)



## NewsClips

August 25, 2014

[stateline.org](http://stateline.org)  
[Cities, states face off on municipal broadband](#)

Wondering where Philly will get the money to pay for a visit from Pope Francis and to host the Democratic National Convention?

[Denver Post Comcast sinks millions into boosting Denver's innovation profile](#)

David Cohen, vice president of Comcast, isn't worried at all. "We're the fifth largest city in America," Cohen told [KYW Newsradio](#), "and I think our civic leadership has the capacity to be able to raise the money to host these two pretty special events in consecutive years in Philadelphia." The pope's visit would be in 2015, as part of the World Gathering of Families. The DNC meeting would be in 2016, to nominate the party's next candidate for president.

[Washington Post Political ads on satellite TV tailored to individual voters](#)

He said individual giving for both events is likely to be high, and institutions will donate to the events expecting Philly to see a return on its best efforts. "I think, measured over any relevant period of time, there's going to be a net positive for anyone if we are successful in attracting the Democratic National Convention," he said, "and if in fact the pope does join us for the World Meeting of Families." *phillymag.com*

[Los Angeles Times FCC gears up review of Comcast takeover of Time Warner Cable](#)

An effort to improve access to broadband Internet in rural Iowa failed in the Legislature this spring, but Gov. Terry Branstad is optimistic that a revised proposal can succeed next year.

[Washington Post "Orange Is the New Black" is now the second-most pirated TV show in the world](#)

Branstad, who is running for a sixth nonconsecutive term, has offered a rebooted version of his broadband proposal, which he'll pursue if re-elected. It's dubbed "Connect Every Acre," and among its goals is to focus on farmland and provide incentives to get broadband infrastructure into areas with profitable agricultural operations. "We hear from farmers and manufacturers that Iowa lacks cell coverage in the fields," Branstad said, noting that modern farming tools utilize the Internet. "This equipment today is so sophisticated. If we don't have high-speed Internet for every acre in Iowa, we're missing out on opportunities."

Legislation seeking to expand Internet access in underserved parts of Iowa suffered a surprising defeat in the Republican-majority state House last session. The bill was designed to entice telecommunications companies to increase broadband service to unserved and underserved areas through income and property tax breaks. It failed in a 51-44 vote, with nine Republicans and 42 Democrats voting against the proposal. Lawmakers raised concerns that the bill offered too many tax breaks to telecommunications companies without setting enough specific requirements. "There was a bunch of other things that would have provided tax credits or tax incentives without anybody having to do anything," said Rep. Guy Vander Linden, a Republican from Oskaloosa, who opposed the bill even though he said rural Iowa needs better

[philly.com](#)  
[Colleges cut Comcast deal for TV through cloud](#)

[Pittsburgh Post-Gazette](#)  
[Bill to overturn discrimination against gay employees stalled in Harrisburg](#)

[Associated Press](#)  
[Job No. 1 for the next governor? A huge budget gap](#)

[Philadelphia Daily News](#)  
[Corbett, Wolf run against history when talking taxes](#)

connectivity.

Tax breaks included in that bill would have cost the state an increasing amount over the years, starting at \$1.4 million in lost revenue in the fiscal year that started July 1, 2014, and rising to \$7.5 million by in the fiscal year that starts in July 2020. Local governments also would have lost tax revenue. Democratic Rep. Scott Ourth of Ackworth voted for the bill. He said it was a good start to help people like him who can't get broadband Internet. "I wanted to get the process started because I think it was a really good idea for rural Iowa," Ourth said. Both Ourth and Vander Linden said they were prepared to work on this issue in the next session. Branstad said he didn't have specifics on how the bill would be structured but that it could include similar tax breaks and perhaps more incentives. "Big change like this doesn't happen easily," Branstad said.

About 24 percent of Iowa households don't subscribe to home broadband service, either by choice or lack of availability, according to data released in October 2013 by the Connect Iowa initiative, which seeks to increase Internet access. In rural Iowa, about 30 percent of households don't subscribe. More than 113,000 school-age children don't have access at home, and 143,000 Iowans are dial-up users.

Amy Kuhlers, the Connect Iowa program manager, said expanding broadband technology in rural areas can be challenging since there are a limited number of residents and not all are seeking the service. "A lot of our rural towns have an older population that have never adopted. It's hard to make a business model when a good portion of your population is not going to adopt," Kuhlers said. She said she was hopeful the state would keep improving access, noting "broadband is a common denominator. It's the equalizer that can help make our rural communities equal on a global scale." *Associated Press*

---

For nearly 20 years, Texas has collected taxes on Internet access as a steady part of its state and local budgets, bringing in \$358 million last year. If the U.S. House gets its way, that would stop.

Last month, lawmakers voted to block Texas and six other states from collecting taxes on Internet connections. Most Texans in the House support the bill, calling it good for consumers and for innovation. In Austin, state officials say the change wouldn't be a budget buster. Internet levies account for a fraction of the state's \$25.9 billion annual sales tax revenue. But banning the taxes could block Texas and its cities from big revenue streams in the future as broadband becomes more widespread. "We're concerned," said Brett Wilkinson, the city of Dallas' managing director of intergovernmental services. "Any revenue hit to us has an impact."

It's a fight that doesn't fall neatly along party lines and, in some cases, has pitted federal lawmakers against local and state governments. "At the end of the day, this is Washington, D.C., telling states what they can and cannot tax," said David Quam, a deputy director at the National Governors Association. Federal law has blocked most states from collecting taxes on Internet access since 1998. The ban expires Nov.

1. When it adopted the politically popular ban, Congress exempted a handful of states — including Texas — that were already collecting such taxes. Currently, seven states have the fees.

With midterm elections looming, Congress is expected to extend the ban, at least in the short term. It's less certain whether Texas and the other states would be affected. A Senate bill would continue the ban but also Texas' exemption. The issue is separate from taxing online shopping purchases, though some senators — and their allies among brick-and-mortar retailers — want to link the debates.

On Internet access charges of more than \$25 a month, Texas collects a 6.25 percent sales tax. Local sales tax can add 2 percent more. The state comptroller's office estimates an average Internet bill in Texas is \$60. So Texans typically pay \$2 to \$3 per

month in tax. Statewide, that adds up. In fiscal 2013, Texas collected \$280 million from the fees, according to the comptroller. Cities and other jurisdictions took in a combined \$78 million.

The seven states with an Internet access tax collect more than \$500 million per year, according to the Center on Budget and Policy Priorities, so Texas is by far the biggest single recipient. Local government officials and advocates say they have less budget flexibility than the state, so the lost revenue could cut into cities' abilities to provide basic services, such as funding for police and parks. Dallas stands to lose roughly \$2.4 million, according to estimates based on U.S. census figures. Wilkinson said that total is significant, even compared with the \$269 million Dallas expects to collect from its sales tax next fiscal year.

At the state level, Chris Bryan, a spokesman for the comptroller, said the agency is watching the issue closely. Laws surrounding the tax date to the early stages of the Internet. Congress passed the first moratorium on Internet access taxes in 1998 to prop up the new industry and renewed it three times. If Congress permanently banned the taxes, experts say, cities would have a hard time replacing the revenue. Raising property tax rates would be unpopular, and some cities have already hit the state-set limit. "Cities would have to cut spending if they had such a big hit," said Bennett Sandlin, executive director of the Texas Municipal League.

State officials are less worried. Tax collections are surpassing Comptroller Susan Combs' projections, and the Legislature expects a surplus when it sets the next two-year budget next year. "The loss of this revenue would not have a dramatic impact," said state Rep. John Otto, R-Dayton, vice chairman of the House Ways and Means Committee. In the U.S. House, the bill to ban Internet access taxes passed with a voice vote, meaning the votes of individual lawmakers weren't recorded. The list of co-sponsors includes 21 Texans, including 18 of the state's 24 Republicans, and three of 12 Democrats. Reps. Joe Barton, R-Arlington, and Sheila Jackson Lee, D-Houston, have raised concerns over the effect on Texas. "Why are we barring our states from doing their good due diligence, providing resources — needed resources — for schools and infrastructure and health care?" Jackson Lee said.

Barton, an original co-sponsor of the bill, said it could hurt his district's biggest city, Arlington, which collects about \$1 million yearly from the fees. Backers of the ban say they want to help consumers. "The current moratorium protects working families who rely on affordable Internet access," Rep. Gene Green, D-Houston, said through an aide. In the Senate, lawmakers are pursuing a different strategy. A bipartisan group is trying to pair Internet access taxes with another issue: collecting sales taxes from out-of-state retailers.

Currently, states can only draw those taxes from sellers with a physical presence within their borders. "You have the government basically picking winners and losers by preventing states from requiring remote sellers to collect the tax," said Craig Johnson, executive director of the Streamlined Sales Tax Governing Board. In 2012, the loophole cost states more than \$23 billion, according to the National Conference of State Legislatures. Many cities, including Dallas, want to collect taxes from out-of-state retailers. A bill to allow that, known as the Marketplace Fairness Act, passed the Senate last year but faces resistance in the U.S. House. Sen. Ted Cruz voted against the legislation; Sen. John Cornyn missed the vote but said afterward he would have voted no.

Since 2011, Dallas has spent \$440,000 lobbying for the Marketplace Fairness Act and other federal issues, Senate records show. Opponents say the proposal would burden small businesses with a new tax collection process; supporters scoff at that complaint, noting that most retailers collect taxes of some sort. The Senate bill would ban Internet access taxes for 10 more years. It would also let states like Texas continue collecting the taxes.

Cornyn hasn't committed one way or the other on the legislation, spokesman Elliot Grimm said. Cruz supports a permanent ban on Internet access taxes. But he opposes combining it with the online sales tax bill, spokeswoman Catherine Frazier said. Some city officials say it makes sense to quickly tackle the sales tax issue, especially as more sales move online. "If you do not provide for taxation of remote sellers, it will produce tremendous inequities," said Bob Scott, chief financial officer for Carrollton. *Dallas Morning News*

---

To the Editor: Re "**President Obama: No Internet Fast Lanes**" (editorial, Aug. 14):

During the Clinton administration the utility-style approach to regulating the Internet was first analyzed and rejected. In a 1998 report to Congress, the Federal Communications Commission concluded that such an approach could "seriously curtail the regulatory freedom" that was "important to the healthy and competitive development" of the Internet. President Obama has not called for utility-style regulations under Title II of the Communications Act of 1934, and just last year the White House expressly endorsed a restrained regulatory approach. Utility-style regulations would grant the government broad authority across the Internet and could open the door to price controls and a long list of other rules from a bygone era. Further, such regulations fail to achieve their proffered goal of banning the so-called "fast lanes" — hypothetical commercial arrangements that allegedly justify such an extreme change.

Internet service providers support an open Internet. Today, there is no business case for these hypothetical "fast lanes," and Internet providers do not support them. Rather than using anachronistic rules, the F.C.C. can amply protect consumers and an open Internet (while promoting investment) with its existing authority. — John Sununu, Harold Ford Jr. (The writers are honorary co-chairmen of Broadband for America, a coalition of cable and telecom companies and organizations that support expansion of broadband. Mr. Sununu is a former senator. Mr. Ford is a former member of the House.) *New York Times*



127 State Street, Harrisburg, PA 17101  
717.214.2000 • bcaps.com

**First in Broadband.  
The Future of Broadband.®**