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Over the past several weeks, the Federal Communications Commission has been hearing concerns, confidentially, from media-content companies about Comcast's proposed acquisition of Time Warner Cable. The private meetings, reported in this newspaper on Aug. 29, come after the public-comment period ended, and are one of many indications that the commission could block the acquisition. Yet the agency has not appeared to give the same signals about the near-identical proposed merger between AT&T and DirecTV, perhaps because AT&T has far fewer cable subscribers than Time Warner does. But both of these mergers, which must be approved by the FCC and the Justice Department, are a continuation of the industry's logical progression, and both deals should be approved.

The consolidation of the media-content-distribution industry began in June 1998 when AT&T announced its intention to acquire Tele-Communications Inc. (TCI), and it has continued. No one can prove that any such mergers have harmed American consumers.

To the contrary, the U.S. now has the most robust television industry in the world thanks to the operating efficiencies these mergers have afforded. Broadband deployment is near-ubiquitous, and though it's hard for some to admit it, the pricing models have never been fairer. Viewers, employees and shareholders have all benefited. The decades-long era of "vertical integration," wherein a media company owned material amounts of both content and distribution capacity, is essentially over. There are now only nine large companies in the U.S. distributing content and just six companies— CBS, Disney-ABC, 21st Century Fox, NBCUniversal, Time Warner and Viacom —producing most of the nation's TV-based and movie-theater content.

The two proposed distribution company mergers—Comcast and Time Warner, and AT&T and DirecTV—are appropriate next steps. These mergers will likely produce the same positive effects for consumers. And the deals would do no harm provided that the approving government agencies require Comcast and AT&T, and other major content distributors, to treat fairly independent channels that are not aligned with one of the six dominant TV-content producers. This safeguard should be part of the FCC and Justice approvals.

But in practical terms, it is of no adverse consequence to consumers if the cable-television operator in Philadelphia and San Francisco (Comcast) is tomorrow also the cable operator in Manhattan and Los Angeles (now Time Warner). Nor is it of any adverse consequence if one of the nation's premier satellite providers (DirecTV) materially enhances its consumer offerings by merging with one of the two premier wireless and growing cable providers (AT&T). Media-content companies are telling the FCC that the Comcast deal—but somehow not the AT&T deal—should be denied because the combined company will be

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too big, consumers will pay more and the amount of quality programming will shrink.

None of these objections is valid, if, again, Justice and the FCC properly do their jobs. This mostly means protecting, but not overprotecting, independent programmers and assuring Internet neutrality. The media industry—both distribution and content production—is an indisputable beneficiary of economies of scale, to the onward benefit of consumers and shareholders alike. Big cost-savings in equipment and technology would accrue to Comcast and to AT&T from their proposed mergers.

The confidential contentions by many of the biggest entertainment companies that these mergers, especially the Comcast merger, might also diminish the amount of quality content being produced is even more absurd. Content companies are all about producing ever more and better content, not about reducing production or devaluing programming. And looking ahead, nothing can curtail the proliferation of Internet content. Consumers and viewers won't gain a thing from regulators blocking the media-distribution industry's natural evolution. – *Wall Street Journal* op-ed by Leo Hindrey Jr., president and CEO of TCI, Liberty Media and later AT&T Broadband. He is now an investor in independent programmers.

Regulating internet providers more like public utility companies could hurt the Internet and the U.S. economy, more than two dozen network technology and equipment makers have told U.S. Commerce Secretary Penny Pritzker.

Thirty-three companies including Cisco Systems Inc, Intel Corp and International Business Machines Corp joined the chorus of citizens, activists, lawmakers and companies debating how the U.S. government should regulate Internet service providers (ISPs). Other companies signing a letter to Pritzker published on Tuesday included Alcatel Lucent SA, Ericsson, Nokia Oyj's network arm NSN, Panasonic Corp of North America and CommScope Holding Co Inc.

The Federal Communications Commission (FCC) is considering so-called "net neutrality" rules that would determine how ISPs such as Comcast Corp and Verizon Communications Inc manage web traffic on their networks. FCC Chairman Tom Wheeler has proposed rules that would allow ISPs to charge content companies to ensure their websites or applications load smoothly and quickly, as long as such deals are deemed "commercially reasonable."

Critics, including popular video streaming service Netflix Corp and numerous advocacy groups, argue the plan would threaten less deep-pocketed content providers by potentially relegating them to "slow lanes" on the web. Instead, they call on the FCC to reclassify broadband as a telecommunication service rather than the less-regulated information service it is now, saying the move would give more power to the FCC to stop potential violators of net neutrality. ISPs and Republicans, both in Congress and at the FCC, have rejected the idea.

On Tuesday, 33 telecom network and tech makers, who are members of the Telecommunications Industry Association and the National Cable and Telecommunications Association and who depend on ISPs for business, spoke out against the reclassification idea as well. "A sudden shift from the existing light-touch approach — which has been an unqualified success and the basis for billions of dollars in investments — to the prescriptive regime of Title II would be extremely disruptive to the broadband marketplace," they wrote, referring to the legal authority the FCC would use to reclassify ISPs.

Experts have disagreed on whether or how reclassification would adequately prevent pay-for-priority deals. Wheeler has not proposed reclassification as the solution, but has not taken it off the table as a potential option. FCC is collecting public comment on the tentatively proposed rules until Sept. 15 and will hold several public workshops on various aspects of the regulations in the following weeks. Senate Judiciary Committee Chairman Patrick Leahy will hold a hearing on the issue of net neutrality on Sept. 17. – *Reuters*

In the event you missed it, a couple of rulings -- one by the feds, one by the NCAA -- just might help soften some opposition to Gov. Corbett's reelection. And in a year where voter turnout is expected to be low (and the Guv's approval ratings are low) any softening of anti-Corbett votes could prove beneficial to the embattled incumbent.

The first break came at the end of August. The Obama administration approved **Corbett's alternate plan** to Obamacare. Corbett, as state attorney general and governor, opposed the president's national health care reform but then successfully negotiated a variation to expand coverage for hundreds of thousands of uninsured Pennsylvanians. While some still criticize Corbett for parts of his plan and the delay in getting coverage, Corbett did, as one Democratic analyst tells me, "something no Republican in Congress was able to do, which should help with his conservative base," and managed to get better coverage for those in need, which should help take some sting out of his critics.

The second break came this week with the **announcement by the NCAA** to remove some sanctions against Penn State football. One obstacle to Corbett's reelection is that many members of Nittany Nation fault Corbett for his handling of the PSU/Sandusky scandal, claiming either he foot-dragged the investigation for political purposes or was too quick to judge and dismiss Joe Paterno. But NCAA action restoring PSU to bowl-eligibility this season and restoring all football scholarships next season just might cool some anti-Corbett ardor among the bleeding-blue faithful.

Neither one of these developments alone is likely to sway an election. And it is, let's be honest, still hard to see a Corbett path to victory. But in a cycle where Republicans are expected to vote at higher levels than Democrats even small pluses can, well, be pluses. –
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