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Washington Post
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How do you know when a budget offer is rejected? It's hard to tell in Pa.

Carlisle Area (Cumberland Co.) School Board Thursday authorized staff to post a $200,000 security deposit towards a future project to install six miles of fiber optic cable under borough streets to connect eight of the 10 school district buildings.

Board members voted 8-0 to have President Nancy Fishman and Secretary Shawn Farr execute, when appropriate, two agreements with Carlisle Borough related to the installation and upkeep of a fiber optic network that would greatly expand Internet bandwidth capacity. Board member Bruce Clash was absent. One agreement would grant the district and the vendor hired to do the work a permanent easement within the right-of-way of the affected streets so that cable could be installed, maintained and repaired. In exchange for the easement, the district agrees to pay the borough a one-time fee of $1.

The other agreement would issue a Street Cut Permit to allow the placement of cable underground in exchange for the district posting the security deposit to cover any damages that may occur. The borough also made the permit conditional on the district paying the cost to conduct close-circuit television inspections of the sanitary sewer mains and laterals located within the path of the network.

The Street Cut Permit agreement requires the district to conduct the inspections both before and within 30 days after the cable is installed to confirm that no damage had occurred to buried sewer facilities. The district will also be responsible for documenting on video the pre-construction and post-construction of streets, curbs, sidewalks, trees and landscaping along the cable route. The district must also provide a plan detailing the steps it would take to notify property owners along the route of the network about the installation of the cable.

The cost of the television inspections and video documentation will be included in the bid of the vendor hired to install the cable, said Shawn Farr, who is district director of finance. Bids are due by Sept. 30 on the project to run a fiber optic network from the high school on the main campus to both middle schools and five of the seven elementary schools. Only the North Dickinson and Mount Holly Springs buildings are not included because of distance.

Philadelphia Daily News
Voter cards prove 'aliens' live in Philly

Pittsburgh Tribune-Review
Montgomery detectives search Pa. attorney general's office

Authorization to execute the agreements would be delayed pending approval of the borough council and the receipt of bid documents from the contractor. It is conceivable the board property committee could review the bids at its Oct. 8 and submit a recommendation to the full board for consideration at its Oct. 15 meeting.

The permit agreement calls for the security deposit to be reduced to $30,000 for a period of 18 months upon completion of the installation, Farr said. He added the vendor selected by the board to do the work would be required to post a bond so that any damages claimed by the borough involving this project would ultimately be the financial responsibility of the vendor.

The bid specifications for this project include work to extend a fiber optic line to the Bosler library in downtown Carlisle. This was done to improve the quality of a grant application the district has pending before the Universal Service Administrative Company, which manages the E-Rate reimbursement program for schools and libraries. A cost savings of up to 60 percent could occur if this project is deemed eligible for E-Rate funding, said board member Brian Guillaume, property committee chairman. The school board in April 2013 set aside $560,000 towards this project in its capital reserve budget.

District buildings are connected already through a hybrid system of district-owned wireless equipment and ethernet lines leased by the district at an annual cost of about $50,000 from the general fund budget, said Stephanie Douglas, director of digital learning and technology. She added that this project would be a capital investment to develop a district-owned fiber optic network that would provide greater capacity and more efficient access to online resources and content to help prepare students for the 21st century workplace.

Pending board approval of a bid, work to install the 32,000 ft. of cable could begin any time after January with completion expected in late May. – ***Carlisle (Cumberland Co.) Sentinel***

Governments at all levels have squandered billions of dollars on wasteful and unnecessary projects. At the federal level pork-barrel earmarks funded everything from indoor rainforests to tattoo removal programs to gigantic subsidies for the solar energy industry. At the state and local level, Boston taxpayers watched as Boston went $10 billion over budget for the “Big Dig,” one of the biggest transportation infrastructure boondoggles in U.S. history.

Today some of the most egregious cases of taxpayer waste are government-owned broadband networks. In fact, Kentucky is working to secure $324 million for a government-owned network (GON) that the state will, despite a partnership with an Australian financial firm, maintain and operate. State taxpayers will contribute $30 million to this project while federal taxpayers will kick in another $23.5 million. This project is a bad idea for five reasons: the state’s partner on this project, the likelihood of cost overruns, consumer cost considerations, privacy concerns and the weight of competing government spending priorities.

First, Macquarie Capital, the Australian company that will provide a portion of the funding for this network, has a shady history when it comes to U.S. GONs. This company is the same one that discussed taking over a failing 11-city network in Utah. As part of the deal, Macquarie wanted all residents in the cities that supported the network to pay a $20 monthly fee on their utility bills regardless of whether they got service from the government ISP.

Second, like Boston’s “Big Dig,” GONs generally cost much more to build and operate than policymakers assume. For example, according to a **New York Law School study** released last summer, a city-owned GON in Monticello, Minn., encountered “ongoing operational costs and unanticipated expenses” that were “substantial and in excess of initial estimates.” Incredibly, some supporters still argue GONs actually make money for taxpayers. However, according to University of Denver municipal network expert Ronald Rizzuto, 75 to 80 percent of all GONs fail to make an annual profit. Some cities have been driven so far into debt because of their networks that they've sold them at huge losses. **Provo, Utah sold its network to Google** for just one dollar after spending $39 million in taxpayer money on it.

Next, as Jim Waters from Kentucky's Bluegrass Institute **recently pointed out,** it's unclear how a statewide network would affect consumer privacy. There is no telling what the state will do with the data transferred over its network. It's bad enough that the federal government wants to compel private providers to hand over information about consumers' phone calls and emails, what happens when government is the one holding that data?

Finally, Kentucky simply has better things to spend its money on than on a service the private sector ably provides. The state of Kentucky faces a $14 billion deficit in its teacher pension program. Allocating the money earmarked for this GON to the pension system won't solve that problem, obviously, but that's no excuse for not preserving $30 million for more vital priorities. Private sector broadband providers have invested more than $1.4 trillion into our nation's broadband infrastructure and they are investing more every day. We should leave this job to them, especially since 98 percent of Americans have access to broadband already.

This week the Taxpayers Protection Alliance (TPA) has been in Lexington for an event sponsored by the Fiber to the Home Council. Participants have been discussing the importance of broadband to economic development, education, health care and public safety. It is assured that Kentucky's statewide government-owned network will be discussed, and TPA plans to explain why attendees should oppose this idea. This network is bad for taxpayers, consumers, anyone concerned about privacy – and even Kentucky teachers. It's time for Kentucky to do the right thing and reconsider this taxpayer-funded network. – ***Louisville Courier-Journal*** **op-ed**

In May, Cablevision Systems Corp. Chief Executive James Dolan publicly implied that his family-controlled company could be a prime acquisition candidate amid needed cable-industry consolidation. Nobody on Wall Street or in the media world knew how seriously to take the comments, made at an industry convention. After all, the Dolans had been at the altar in the past, but price was an obstacle and it wasn't clear if the family would part with its core asset.

As the summer progressed, Cablevision's prospects for finding a dance partner dimmed, as the most obvious buyers— Time Warner Cable Inc. and Charter Communications Inc. —had agreed to combine and regulators had signaled there are limits on the domestic consolidation they will allow. Moreover, Cablevision had become expensive: its stock price had run up on deal-mania even as its growth stagnated.

But Mr. Dolan and his father Charles, who started the company in 1973, found their exit route in the form of French billionaire Patrick Drahi, who is on a mission to expand his telecom footprint in the U.S. and was willing to pay up for a chunk of the prized New York market. Mr. Drahi's Altice NV on Thursday said it agreed to pay about $10 billion to buy Cablevision, which generated $6.5 billion in revenue last year. The Long Island, N.Y., company has 3.1 million customers, making it the No. 5 U.S. cable operator by subscribers. The $34.90-a-share offer represents a 22% premium to Cablevision's closing price Wednesday, in a deal that values the company at $17.7 billion including assumption of debt. The companies expect the deal to close in the first half of 2016.

The Wall Street Journal reported Wednesday evening that the companies were in advanced talks. The Dolans have controlled Cablevision through a 72.3% voting stake, according to the latest proxy filing, and several family members hold executive positions. "I never thought I would see the family sell that business," said J.C. Sparkman, a cable-TV pioneer. It helps that Mr. Drahi is paying "top dollar plus for anything he buys."

People familiar with the Dolans' thinking said the price was too good to pass up, and they believe Mr. Drahi will be a good steward. Another issue: Charles "Chuck" Dolan sees certain industry developments, such as utility-style "net neutrality" regulations and cable "cord-cutting," as negatives for the future, making it a good time to cash out, people familiar with his thinking said. Cablevision's other challenges include fierce competition with Verizon Communications Inc.'s FiOS unit and its already high-penetration of customers in its service area.

Despite his deep ties to the business, "Chuck is not a nostalgic guy; it's about value creation for the shareholders," said Richard Parsons, former chief executive of Time Warner Inc. and a board member at Madison Square Garden Co., another company the Dolans control. The Dolans have toyed with elling the company numerous times, people familiar with their thinking said. Time Warner Cable was a long-time suitor. "If I had a nickel for every time we met with Chuck starting in the late '80s till the time I left in 2007, I could buy a lot of candy bars," said Mr. Parsons, who oversaw Time Warner Inc. before it spun off Time Warner Cable.

Charles Dolan, 88 years old, was a cable pioneer, founding Home Box Office (now owned by Time Warner Inc.) and building some of the first urban cable systems in the U.S. in the 1960s and 1970s. Attention will now turn to what the Dolans choose to do with their other two major assets that were spun out of Cablevision in recent years: AMC Networks Inc., whose eponymous TV network is known for hits like "The Walking Dead" and "Breaking Bad," and Madison Square Garden Co., owner of the New York Knicks, New York Rangers and Radio City Music Hall.

Media executives have long said the younger Mr. Dolan, 60, who plays in a rock band called JD & the Straight Shot and is known for his involvement in managing the Knicks, appears more passionate about the sports and entertainment parts of the family business than the cable operation. The Dolans own a 68.85% voting stake in MSG, which itself is being split into two. The sports teams and venues will be a separate venture from MSG's regional cable-TV sports networks. Some merger advisers and media executives say the move could better position one or both sides of the house for a sale.

After the Cablevision sale, James Dolan is likely to focus his attentions on MSG's sports and entertainment businesses, including MSG's joint venture with music mogul Irving Azoff, Mr. Parsons said.
The Cablevision sale will net about $2 billion for the Dolans after taxes, estimates BTIG analyst Brandon Ross. BTIG said a long-term path for the family could be to stockpile cash through asset sales to take the sports-and-entertainment side of MSG private after the spin-off. AMC, meanwhile, has been a star performer but faces a strategic quandary as the cable-TV model comes under stress as subscribers cut the cord and marketers move more of their ad dollars to the digital world. The Dolans have a 65.8% voting stake in AMC.

Being part of a bigger media outfit would likely benefit AMC, giving it more weight in carriage negotiations with cable and satellite distributors, media executives and analysts say. The company has held early deal talks with premium-cable channel owner Starz LLC, according to people familiar with the matter. Bloomberg earlier reported on those talks.

As the Dolans bow out of Cablevision, the cable industry will lose a formidable contrarian voice. Because of its family-controlled roots, Cablevision wasn't afraid to take different paths from its larger cable peers. It was the first operator to deploy tens of thousands of outdoor Wi-Fi hotspots, allowing it to offer an alternative to cellular phone service that transmits calls over Wi-Fi. It also fought a landmark legal battle against major media companies that legalized the cloud-based digital video recorder. It took on Viacom Inc. in court to press for the right to "unbundle" TV channel packages, a case that is pending. – ***Wall Street Journal*; see *Christian Science Monitor* video: What does this mean for customers; and in the *New York Times*: The Dolans, the Clan That Built the Cablevision**

Empire, Say Goodbye

The Pennsylvania Senate's Republican majority is poised to pass an $11 billion short-term spending plan to break an entrenched budget stalemate with Democratic Gov. Tom Wolf, who's vowed to veto it. The Senate's Friday session was scheduled for 10 a.m. Action in the Republican-controlled House was scheduled for next week. The $11 billion is four months of funding, retroactive to the July 1 start of the fiscal year. Republicans say the measure also would release billions in federal funds. However, Democratic lawmakers oppose it, and Wolf says Republicans are trying to pretend that they're helping the schools and social services organizations for which they cut funding in recent years. With the state's spending authority curtailed, Pennsylvania's school districts, counties and nonprofit social services providers are trying to scrape by. – ***Associated Press***