



The Friday Report

August 5, 2016

INDUSTRY NEWS

- Media reports this week indicate that the Pennsylvania Turnpike Commission is hiring some expertise to advise on how to build, finance, and operate a fiber communications network along the state's 550-mile highway. Stay tuned.
- Are access to broadband and your health inextricably linked? The FCC answers that question with a resounding yes and, on Tuesday, unveiled a web-based mapping tool that displays broadband access/adoption next to health measures such as obesity, diabetes and physician access. The Commission created the Connect2Health Task Force to pursue this initiative and the group notes that in counties where more than 60 percent of households lack access, the rates of diabetes and obesity are significantly higher (35 percent and 25 percent respectively).

LEGISLATURE

- The House Consumer Affairs Committee has scheduled an informational hearing on broadband Internet services for August 17th in Waynesburg. PTA and Windstream are currently scheduled to testify at the event which will be held at Waynesburg University.

THE DAILY NUMBERS

- 2,400,000,000

Verizon announced earlier this week that it will purchase Fleetmatics for \$2.4 billion. The Irish company provides fleet and mobile workforce management technologies to more than 37,000 customers and is presumably valuable to VZ for its "Internet of things" lines of business.

- 50

Speedtest's mid-year broadband report indicates that, for the first time ever, the U.S. average climbed over 50 Mbps. Speedtest conducts approximately 8 million daily tests and the latest 54.97 Mbps is 42 percent higher than the same period last year.

QUOTABLE

- *“Early next year, the FCC will find that broadband is not being deployed “in a reasonable and timely fashion.” This sham is a shame. We should treat this proceeding as an annual status report on our efforts to promote digital infrastructure. The statute requires us—the government—to “encourage [broadband] deployment on a reasonable and timely basis . . . to all Americans” using a variety of regulatory tools. And so we should be asking, what has the FCC done to encourage broadband deployment? What barriers to infrastructure investment have we removed? How have we reformed price cap regulation? How have we exercised regulatory forbearance? What measures have we taken to promote competition in the local telecommunications market? What have state commissions done that we can learn from? And focusing on the future, what should the FCC be doing? What barriers to investment can be eliminated? What regulatory obstacles stand in the way of investment, innovation, and entrepreneurship and how can we get rid of them?”*

The FCC yesterday released its Notice of Inquiry for the 12th Broadband Report, and skeptics like Commissioner Ajit Pai wasted no time blasting the now notorious document in the excerpts above. Fellow Republican Commissioner Michael O’Rielly didn’t have much good to say about the parameters of this year’s effort either; saying that “...even if this year’s inquiry resulted in a finding that 100 percent of consumers had broadband at 25/3 Mbps speeds, which it won’t be able to do, what would it matter if we were only on a partial trajectory to some arbitrary aspirational goal to be achieved at a future date?”