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Comcast Corp. opened a new tech-dispatch facility in Voorhees on Friday for the Philadelphia area, New Jersey, and northern Delaware. The region has 2.1 million Comcast subscribers and 2,000 Comcast techs.

The achievements of an organization are the results of the combined effort of each individual. ~ Vince Lombardi

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has hired 65 new employees for the facility and relocated 50 from an operation in Aston, Delaware County. With the refurbished 42,000-square-foot facility, tech-dispatch employees can coordinate and assist van-driving repair techs in the same office complex as a 400-employee Comcast call center, Bilotta said. – *Philadelphia Inquirer*

Behind the Time Warner Inc. campus in Atlanta, more than a dozen massive dishes silently stream CNN newscasts, Cartoon Network shows and Turner Sports games to satellites in outer space. They're a vital link in the media giant's global news and entertainment business. But they operate under licenses from the Federal Communications Commission, which means they also could be the biggest threat to Time Warner's aspirations to merge with AT&T Inc.

The Philadelphia-based cable giant, which has been seeking to pull its customer-satisfaction ratings out of the dumps, expects to hire dozens of employees at the "communications operations" center, which has capacity for 350 employee seats, said spokeswoman Jennifer Bilotta.

According to Comcast, 150 employees had worked in Voorhees in tech dispatch. So far, Comcast

operative in
running for
top RNC
spot?

Time Warner has dozens of FCC licenses, according to a Bloomberg review of FCC databases. Transferring them to AT&T would trigger a review by the agency, and the company is looking for ways to avoid that, according to a person familiar with the situation. Otherwise, the \$85.4 billion deal could be exposed to an agency that's been a graveyard for mergers.

In theory, Time Warner could sell its dishes to an unaffiliated third party and enter into a contract with them for the same services — but in that case, the buyer would need to ask the FCC for a license to provide services in the same location over the same airwaves, said Andrew Jay Schwartzman, senior counselor at the Georgetown University Law Center in Washington.

It's possible the FCC would accept the application without a fuss, Schwartzman said. But, he said, FCC officials also might say, "Wait a minute! We're not stupid — you are evading this review." In that case, the FCC, which regulates airwaves use, could insist on a thorough public hearing for the new license application, Schwartzman said. The likely outcome? "Maybe, maybe not, is the bottom line," he said.

AT&T believes it can "offload" licenses that would trigger an FCC review, RBC Capital Markets analyst Jonathan Atkin said in a note summarizing a Nov. 10 presentation by company executives to RBC's Technology, Internet, Media and Telecommunications Conference. Time Warner also holds a license for a television station, WPCH in Atlanta. There are well-established procedures to place such licenses into a trust while potential buyers are found, in effect removing them from a review, Schwartzman said.

According to Fred Campbell, a former chief of the FCC's wireless bureau, the company could simply surrender the TV license. Keith Coccozza, a spokesman for New York-based Time Warner, declined to comment.

AT&T General Counsel David McAtee said "AT&T and Time Warner are currently determining which FCC licenses, if any, will be transferred to AT&T." "To the extent that one or more licenses are to be transferred, those transfers are subject to FCC review," McAtee said in an email. "We take a very simple approach here: we follow the law and so whatever the law requires that's always what we'll do."

AT&T says the Justice Department, which also will review the merger, has never denied a transaction that joins companies from different industries on antitrust grounds. "So from that perspective, we're optimistic," AT&T Chief Financial Officer John Stephens told investors Nov. 9. The FCC's review is broader, and includes an assessment of whether a deal is in the public interest. In past deals it has weighed such factors as accelerating deployment of advanced services, ensuring a diversity of information sources, and managing airwaves.

In addition the FCC can send deals to a lengthy public hearing, essentially killing a deal through delay. FCC plans for a hearing helped to kill AT&T's bid to buy smaller T-Mobile US Inc. in 2011, and to end top U.S. cable provider Comcast Corp.'s deal for Time Warner Cable last year. "There is a very big political component that lies beyond the facts," said Jim Kahan, a former AT&T strategy chief. "Nobody likes big companies. It's easy for politicians to be anti-big business, and Washington's philosophy has been moving away from big deals like this."

As a candidate, President-elect Donald Trump said he would block the deal. Still it's not clear an FCC with his appointees would move to do so, as power shifts to Republicans who generally view mergers less skeptically than Democrats. "There could be a good shot at avoiding FCC review," John Nakahata, an attorney at Harris, Wiltshire & Grannis and former FCC chief of staff. "But that comes with a big caveat: What signals does the Trump administration send to the FCC on how it wants it to proceed?"

Jeffrey Eisenach, who is working with Trump's FCC transition team, has proposed stripping the FCC of merger review power, Bloomberg Intelligence analyst Matthew

Schettenhelm said in a Nov. 15 note. FCC Republicans haven't scrutinized deals as closely as Democrats, and only Trump's negative comment about the AT&T-Time Warner merger points in the opposite direction, Schettenhelm said. Eisenach declined to comment.

Both current Republican members of the FCC have time remaining in their terms and are likely to serve under Trump, who takes office Jan. 20. The senior Republican commissioner, Ajit Pai, has criticized the Democratic-led FCC for demanding too much from merging companies. Last year Pai criticized requirements placed upon AT&T to allow its purchase of DirecTV, calling it "forced tribute" like the mortal combat demanded by the despotic Capitol in "The Hunger Games" movie. Fellow Republican Michael O'Rielly faulted the same review for taking more than a year, and for imposing requirements "outside the scope of our proper role," such as having AT&T expand broadband service to more U.S. cities.

The FCC routinely grants satellite earth-station licenses, placing them on public notice and giving the public 30 days to object, said Campbell, the former wireless bureau chief. If Time Warner is able to spin off its licenses, "I don't see how the FCC reviews," he said. – **Bloomberg**

Donald Trump's antitrust policy is unknown, but the Obama administration has been strangely friendly toward monopolists and hostile to dynamically changing marketplaces.

Team Obama sued Apple and booksellers because they "conspired" to break open Amazon's monopoly on the e-book business. Now the Justice Department has brought a similar case against satellite broadcaster DirecTV over the L.A. Dodgers. One scratches one's head: The suit's sole purpose apparently is to make sure TV subscribers can't avoid paying for expensive local sports teams they don't watch. Everything about this case runs against the current trend of competitive "unbundling."

The saga actually begins as an early chapter in the book titled "The sports bubble is popping." In 2011, Time Warner Cable, a TV distributor covering part of the Los Angeles area, struck a wildly expensive deal with the new owners of the Dodgers to air the team's dedicated new TV network for 25 years. SportsNet LA was born. But, lo, other local cable and satellite distributors in the area balked at the exorbitant terms Time Warner Cable was asking for carrying the channel too.

DirecTV was a key holdout. In its lawsuit, Justice offers a sliver of fact: DirecTV perhaps needlessly made a habit of privately assuring local cable operators in the area (Cox and Charter) of what it was saying relentlessly in public, namely that it wouldn't buckle to a requirement that the Dodgers be carried on basic cable so that even non-fans would have to cover its whopping \$4-plus monthly charge.

To Justice, all this amounted to a conspiracy that meant "many consumers in LA had fewer—or no—means by which to watch the Dodgers Channel." Er, it actually meant that millions of TV subscribers in the Los Angeles area could avoid paying for games they didn't care to watch. It certainly didn't prevent Time Warner Cable and the Dodgers from finding other ways to reach their customers, which the internet age provides aplenty.

To the naked eye Time Warner Cable and the Dodgers were the real monopolist here. After all, they could have offered SportsNet LA as a premium channel for viewers who wanted to pay for it. They could have offered the games to fans online. They could have struck a deal with a competing satellite carrier, Dish Network.

Instead, they demanded a hoary cable-like arrangement that would tax all viewers for the benefit of a minority. In essence, Justice here is trying to prop up the traditional cable bundle by helping TWC force customers of its rivals to pay for TWC's arguably overpriced bet on the Dodgers. Naturally, Justice's Jonathan Sallet doesn't specifically

say that's the purpose. He fills his complaint with blather about how Justice is sticking up for a "beloved" local sports franchise.

But one should not fail to notice something else. While the Dodger fight was dragging on, DirecTV was acquired by wireless giant AT&T, which recently struck an even bigger deal to acquire the other Time Warner, not the cable operator but the owner of entertainment businesses like CNN, HBO and the Warner Bros. studio.

Justice is angling to be the main vetter of the deal, which, like all giant media mergers, is not only politically controversial but a juicy career opportunity for trustbusters. Donald Trump said during the campaign he would oppose it. Notably Mr. Sallet served in the Obama Federal Communications Commission while the net-neutrality fight was going on, which was about (in very similar fashion) making sure broadband subscribers who don't watch Netflix still have to pay for Netflix's bandwidth demands.

So what will be the AT&T-Time Warner deal's fate? This has become the biggest guessing game in business. If Republican antitrust prevails, it will fly through because the parties aren't competitors and, indeed, want to use wireless to break open the relatively uncompetitive market for cable TV. If Trumpian antitrust prevails, it may depend on whether CNN has lately run an unflattering story about President Trump. And if Trumpian antitrust has an affinity for Obama antitrust—which seems all too possible—then the deal is doubly in trouble.

Nobel laureate Ronald Coase once said trustbusters see monopoly lurking behind every business arrangement they don't understand. DirecTV's stance threatens a status quo in which expensive local sports rights are carried on the basic tier, forcing all subscribers to pay for the habits of professional sports addicts. And if there's one thing Obama antitrust has opposed, it's whatever threatens a well-funded status quo. — *Wall Street Journal*

The election is over, but ABC is exploring the possibility of a new 24-hour digital news channel. Our distribution tipsters say that some months ago, ABC owner Disney has been looking into such a news service channel, though it wouldn't launch until next year. ABC used to have its own stand-alone news channel, ABC News Now, which it rolled together with Univision's Fusion.

But when ABC exited the Fusion joint venture, it left the network without a stand-alone channel, just at a time when other outlets were recording sky-high ratings thanks to the election. Our sources say ABC News chief James Goldston is spearheading the effort, and is bullish on it given the election bump from recent Facebook live experiments. Before anything can launch, Disney boss Bob Iger needs to head for talks with Altice, since the Mouse House's deal with the big cable operator is said to be up in early 2017. Altice, which acquired Cablevision last year, has been making noises about keeping the lid on programming costs, and talks with Disney will be the first major test of its negotiating abilities. — *New York Post*



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