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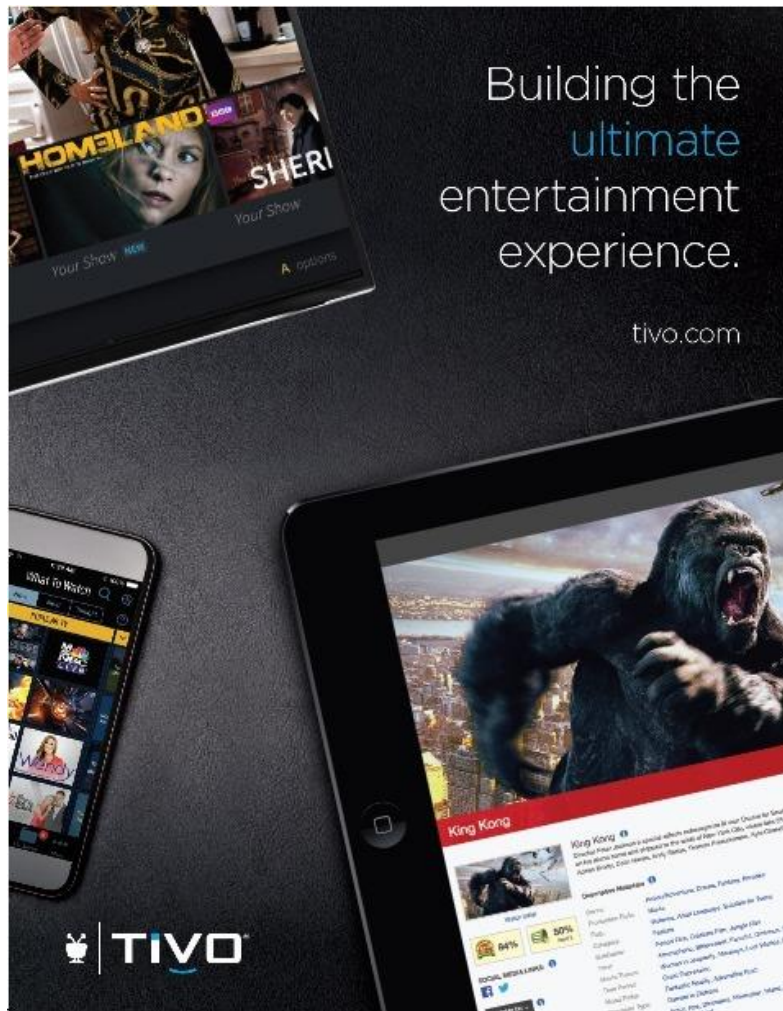
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**Harrisburg Patriot-News**

Top Idaho state legislative leaders said Tuesday they are no longer optimistic that the \$8 million they put aside last year will be used as a settlement in the state's ongoing broadband legal disputes.

However, House Speaker Scott Bedke and Senate President Pro Tem Brent Hill said that they are still waiting on key rulings before making any final decisions. "The cautionary approach is to make sure that minor amount of money is available if we need it," Hill said. "We don't know what the outcome is going to be. The state could end with a windfall, or we could end up owing something."



A consortium of telephone companies called Syringa Networks sued the state over the broadband contract in 2009, contending the Idaho Department of Administration illegally handled the contract to install the broadband infrastructure in public schools. The goal of the program was to contract with vendors to provide urban and rural schools with high speed internet and help facilitate students who take classes with video teleconferencing equipment.

A district judge ruled in February 2015 that the broadband contract was illegal and violated the state's procurement laws. Idaho then lost its appeal to the state's highest court. After the contract was voided, schools were left on their own to develop their individual contracts with vendors to maintain services.

Last year, Bedke and Hill told lawmakers that they had been negotiating with the two main vendors involved in the now defunct broadband program. Even though the \$60 million statewide contract had just been deemed illegal, legislative leaders wanted

to compensate the companies for work provided but not yet paid for under the contract.

Those settlement talks have since dissolved after the companies, Education Networks of America and Qwest, and Attorney General Lawrence Wasden's office disagreed over who deserves compensation. All three have filed separate lawsuits that are currently awaiting judicial rulings. Those decisions will determine if the state will be forced to pay a bill.

The taxpayer money put aside so it can be used for a possible settlement has not been returned to the state's general fund. Gov. C.L. "Butch" Otter did not ask lawmakers to return the funds in his annual State of the State address on Monday. State budget writers haven't been asking for those state dollars either.

"We don't normally have little pots of money sitting around, but that's because these past few years we didn't have the money to do so," said Rep. Maxine Bell, a Republican from Jerome, who co-chairs the powerful Joint Finance Appropriations budget committee. "We finally have some extra money, so we can set some of it aside."

The designated settlement funds were placed in a little-known account called the Legislative Legal Defense Fund, which was first created in 2012. Only the House speaker and Senate president pro tem

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can approve spending from the fund. So far, it has been used to pay for outside legal advice instead of relying on the attorney general's office. It has never been used for settlements or court fees. Bedke said that he has not been asked to return the money to the general fund or funnel the dollars to a separate project. – **Associated Press**

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Liberty Media Corp. Chairman John Malone said the Trump presidency could open a new era of consolidation and raised the possibility that three major cable TV companies could join forces and enter the wireless business by acquiring T-Mobile US Inc.

Speaking at a Lions Gate Entertainment Corp. investor event, the cable billionaire said he expects less-restrictive regulatory oversight from the incoming Donald Trump administration. Malone, 75, became one of the largest shareholders of Lions Gate, a film and TV company, through its purchase of his Starz cable networks and other deals.

As business lines begin to blur with phone providers like AT&T Inc. offering live TV over broadband, Malone said a cable industry response could be possible. AT&T, the owner of DirecTV, recently agreed to buy Time Warner Inc. for \$85.4 billion, a deal that will require regulatory approval from the new administration. "Maybe the three major cable companies get together and buy T-Mobile," Malone said. "One could contemplate in a Trump administration Comcast and Charter could merge," he said, referring to the No. 1 and No. 2 cable TV providers

Representatives for Comcast and Charter declined to comment. Cox Communications Inc., the No. 3 cable provider, said in a statement it doesn't comment on merger speculation, but remains open to investments, partnerships and acquisitions that align with its strategies. A T-Mobile spokeswoman declined to comment on Malone's remarks. She pointed to Jan. 5 comments by chief executive officer John Legere, who said cable companies that plan to enter the wireless market through network-sharing agreements with carriers, known as MVNOs, will "be in full retreat" by the end of the year.

Lions Gate, producer of the Golden Globe winning film "La La Land" and "Orange Is the New Black" on Netflix, is a new addition to Denver-based Malone's media investment portfolio, which includes Charter Communications Inc., Liberty Global Plc, Discovery Communications Inc. and Live Nation Entertainment Inc. With the Starz acquisition, Lions Gate acquired a premium pay-TV network to go with its film and TV production capabilities. "Lions Gate is wonderfully positioned to be the gravitational center of the consolidation of free radicals," Malone said. – **Bloomberg**

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Apple Inc. is planning to build a significant new business in original television shows and movies, according to people familiar with the matter, a move that could make it a bigger player in Hollywood and offset slowing sales of iPhones and iPads.

These people said the programming would be available to subscribers of Apple's \$10-a-month streaming-music service, which has struggled to catch up to the larger Spotify AB. Apple Music already includes a limited number of documentary-style segments on musicians, but nothing like the premium programming it is now seeking.

The technology giant has been in talks with veteran producers in recent months about buying rights to scripted television programs. It also has approached experienced marketing executives at studios and networks to discuss hiring them to promote its content, said people with knowledge of the discussions. In addition to TV, Apple indicated to these people that it is considering offering original movies, though those plans are more preliminary. Executives at Apple have told people in Hollywood they hope to start offering original scripted content by the end of 2017.

The shows Apple is considering would likely be comparable to critically acclaimed programs like "Westworld" on Time Warner Inc.'s HBO or "Stranger Things" on Netflix. Because it is looking at just a handful of carefully selected shows, and potentially films, it doesn't appear Apple is preparing to spend the hundreds of millions or even billions of dollars it would need to spend annually to become a direct competitor to Netflix Inc., Amazon.com Inc.'s Prime Video or premium cable networks.

Rather, it would escalate the arms race between Apple Music and Spotify, which both offer essentially the same catalog of tens of millions of songs, by adding other content that could distinguish Apple's service. Nonetheless, the entry of the world's most valuable company into original television and films could be a transformative moment for Hollywood and mark a significant turn in strategy for Apple as it starts to become more of a media company, rather than just a distributor of other companies' media.

In addition to its music-related nonfiction shows and documentaries, Apple Music already has bought the rights to a half-hour version of "Carpool Karaoke," which is currently a segment on CBS's "The Late Late Show with James Corden." It is also making a quasi-biographical series about Dr. Dre, the rap star and

Apple Music executive, which is slated to premiere later this year. But it hasn't yet bought scripted content from outside producers, a more expensive and riskier endeavor that takes it further onto the turf of entertainment companies. The series and movies Apple is now considering buying don't have any particular relationship to music, according to the people familiar with the matter.

One reason Apple hasn't yet completed a deal to buy a scripted series is because it is still working out details of its business strategy built around original content. But it has told producers that a key advantage it hopes to offer is that it would share data on how many people watch its original content and some demographic data on them. Netflix doesn't share any such information with its content creators, which has been a source of contention among some in Hollywood.

Apple has been flirting for years with whether and how it should enter the entertainment business. It held talks with television companies about offering a "skinny bundle" of networks over the internet, but was never able to reach terms. It also approached Time Warner Inc. last year about a possible merger before that company agreed to be acquired by AT&T Inc.

The move into original content comes as Apple is grappling with a slowdown in its traditional business. Last year it missed its own internal revenue targets for the first time in at least seven years as sales of the iPhone 6s fell short of expectations. Sales of the iPhone, which turned Apple into the world's most profitable company, have slowed amid rising competition, particularly in China.

Apple Music has become a key piece of the company's services business, which has been growing as iPhone sales slow. Revenue from Apple Music rose 22% in the quarter ended Sept. 24, but the service's subscriber base is still dwarfed by Spotify's. Apple Music said in December that it had more than 20 million subscribers, most of whom pay \$9.99 a month; Spotify counted more than 40 million paying subscribers in September. – *Wall Street Journal*