

**Bloomberg**  
**While Verizon**  
**eyes cable,**  
**Comcast is into**  
**wireless**

**CNN**  
**Charter shares**  
**up on report of**  
**possible**  
**Verizon**  
**takeover**

**Dallas Morning**  
**News**  
**AT&T CEO**  
**says he is**  
**'impressed'**  
**with Trump and**  
**'specific**  
**agenda' while**  
**sharing earning**  
**news**

**Associated**  
**Press**  
**Your cable**  
**company wants**  
**to be your**  
**phone**  
**company, too**

**CNET**  
**Best smart**  
**home devices**  
**of 2017 (so far)**

**Engadget**  
**FCC approves**  
**\$170 million for**  
**New York**  
**broadband**  
**rollout**

**Washington**  
**Post**  
**Trump names**  
**regulation critic**  
**Maureen**  
**Ohlhausen as**  
**acting FTC**  
**chairwoman**

**New York Post**

Buckle up: Media companies are preparing for some whirlwind courtships in what's expected to be the biggest merger bonanza in years.

The latest corporate maneuvering has New York-based Verizon Communications Inc., the nation's largest phone company with more than 114 million wireless subscribers, possibly pairing up with Connecticut-based Charter Communications, which has more than 17 million customers in such key markets as Los Angeles, New York and Dallas.

Verizon recently approached a Charter board member to discuss the possibility of combining. The discussion was preliminary and there is no certainty that such a tie-up will occur, people close to the companies cautioned Thursday.

However, this romance and others appear to be blooming one week after President Trump took office and designated a new Federal Communications Commission chairman who favors a more hands-off approach to government regulation than his predecessor.

Traditional media companies desperate for growth don't want to get left behind as rivals bulk up in an effort to survive a more difficult environment.

"What is driving this [merger activity] is challenges in these businesses," said Matthew Harrigan, a senior analyst with Wunderlich Securities. "There are not a lot of elephants on the savanna, and when one moves, you have to move too."

Verizon's biggest competitor, AT&T, already is trying to buy one of the nation's most prominent entertainment companies, Time Warner Inc., which owns HBO, CNN, TBS, TNT, Cartoon Network and the Burbank-based Warner Bros. movie and television studio. That \$85.4-billion deal was announced in October, and must undergo a review from Trump's Justice Department and possibly the FCC.

Trump administration appointees are expected to be friendlier to corporate mergers, returning to a traditional Republican openness to approving major deals after eight years of heightened scrutiny — and some major rejections — under Democratic appointees of former President Obama.

This week, Trump designated Ajit Pai, a free-market advocate on the Federal Communications Commission, to lead the agency and its new Republican majority.

Pai has been an outspoken critic of the FCC's merger review process and has indicated he would be more willing to bless corporate deals.

The change in Washington comes as Verizon and AT&T scramble to find ways to grow their businesses. Millions of consumers own smartphones, and competitors have been offering aggressive prices for their phone and data plans to grab customers from one another.

These companies also face staggering costs to build and maintain their vast phone networks, eroding profits. Verizon and AT&T reported lackluster earnings this week.

Both companies have been searching for content to keep customers on their phones longer and paying for pricey data plans.

Verizon acquired AOL in 2015 and last summer struck a \$4.8-billion deal to buy Yahoo.

**Tribune Media  
CEO stepping  
down**

Speculation about Verizon's interest in Charter, which was first reported by the Wall Street Journal, comes as Charter rolls out its Spectrum cable TV and Internet service in key markets, including L.A., where Charter serves more than 1.5 million homes.

Combining with Charter would give Verizon a larger network of reliable fiber lines to facilitate its transition to fifth generation wireless service, known in the industry as 5G.

Charter and Verizon executives declined to comment. Charter stock soared \$22.84, or 7.4%, to \$333.15 a share. Verizon declined 65 cents, or 1.3%, to \$49.12 a share.

The wave of media consolidation has been building for several years. AT&T acquired DirecTV, the El Segundo satellite TV giant, in 2015, and last year, Charter completed its takeover of Time Warner Cable.

Philadelphia cable giant Comcast Corp. bought NBCUniversal in 2011 and last year scooped up DreamWorks Animation. Comcast is planning to begin offering wireless phone service this year, and has partnered with Verizon to use its networks to provide the service to existing Comcast customers.

These companies are betting that they would do a better job retaining customers if cellphone service was part of the bundle that they sell.

"We believe the urgency to do any deal is likely to be felt the most by companies which (a) have a limited set of choices with respect to deals and (b) could be at a strategic disadvantage if they were to be left out of the process," Barclays Capital analyst Kannan Venkateshwar wrote Thursday in a note. Dish Network, Charter and Sprint are the most motivated to pursue mergers, Venkateshwar said.

Other pairings mentioned have included a tie-up between Comcast and T-Mobile, CBS and Verizon, as well as CBS and Sony Pictures Entertainment.

Another area of expected merger activity is among TV station groups. Last year's election did not produce the huge windfall of campaign ad spending to many big market stations, and the audience for local newscasts — the profit centers for stations — has been graying.

FCC rules do not limit the number of TV stations any company can own nationwide as long as the stations collectively reach no more than 39% of all U.S. TV households. But with Republicans soon in the majority at the FCC, some executives expect the agency to relax the limits, sparking a new wave of consolidation.

"The mating dances have already begun," said one high-level station group official, who was not authorized to discuss strategy.

The new FCC chairman, Pai, is a former Justice Department antitrust official who also was associate general counsel of Verizon from 2001 to '03. Last year, he called the FCC's merger review process "badly broken."

Pai took the unusual step of voting against Charter's purchase of Time Warner Cable even though he supported the merger.

The FCC had enough votes to approve it without him. He voted against approval because he objected to conditions imposed by the FCC that he said were being used by the then-Democratic majority as "a vehicle for advancing its ambitious agenda to micromanage the Internet economy."

Pai and his fellow Republican on the FCC, Michael O'Rielly, also would like to see the agency eliminate its media ownership rules, which restrict the ownership of newspapers and broadcast stations in the same market.

Last summer, they voted against a proposal by former FCC Chairman Tom Wheeler that left the rules largely in place. Pai said the restrictions, which date to the 1970s, were "as timely as rabbit ears" antennas and that it was "about time they go the way of those relics of the broadcast world."

A new wave of consolidation troubles consumer activists.

“We are going to be left with two or three companies providing everything: broadband Internet, wireless services and the programming that we watch,” said Chris Lewis, vice president for the consumer watchdog Public Knowledge.

Trump's nominee for U.S. attorney general, Sen. Jeff Sessions (R-Ala.), said at his confirmation hearing that he would not have a problem suing to block a merger “if the finding justifies it.” But he’s expected to be more open to approvals than his predecessors under Obama. Though Trump criticized AT&T’s proposed acquisition of Time Warner, his views on other deals are a wild card. – **Los Angeles Times**



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