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AT&T Inc. is considering an unusual bid to seek testimony from the Justice Department's antitrust chief in the coming trial over its $85 billion purchase of Time Warner Inc., part of the companies' effort to challenge the legitimacy of the government's lawsuit.

In the months since the **Justice Department sued to block the deal** last November, AT&T has publicly questioned the department's motives in light of President Donald Trump's campaign pledge to disallow the deal and his repeated disparagement of CNN, a unit of Time Warner. AT&T and Time Warner have drafted a list of people they may put on the witness stand at trial, and, according to people familiar with the matter, the roster includes Justice Department antitrust chief Makan Delrahim, a Trump nominee who made the decision to challenge the deal in court.
AT&T could choose not to call Mr. Delrahim at trial. But if he is called, it could escalate tensions in a dispute that already has seen its share of tense moments and is shaping up as a pitched legal battle between a corporate giant and an unorthodox administration whose president is given to off-the-cuff comments.

The trial is scheduled to begin March 19, representing one of the biggest antitrust cases in a generation. Legal observers said they couldn't recall a situation in which merging companies sought court testimony from the government official who made the decision to sue them. "It's quite remarkable that they listed him," said Wayne State University law professor Stephen Calkins. Legal impediments could arise to obtaining testimony from Mr. Delrahim especially on internal government deliberations that led to the lawsuit.

In their initial answer to the lawsuit, AT&T and Time Warner listed six defenses to the government's claims, including touting cost savings and benefits for consumers. Another of the defenses argued the case reflected "improper selective enforcement of the antitrust laws." AT&T has been combative in public, saying the lawsuit defies logic.

Time Warner has kept a lower profile, but in a meeting between top company officials and the Justice Department before the lawsuit was announced, its general counsel Paul Cappuccio told Mr. Delrahim and his colleagues to be ready for a "shit show" if they challenged the deal, people familiar with the

Allentown Morning Call
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Philadelphia Daily News
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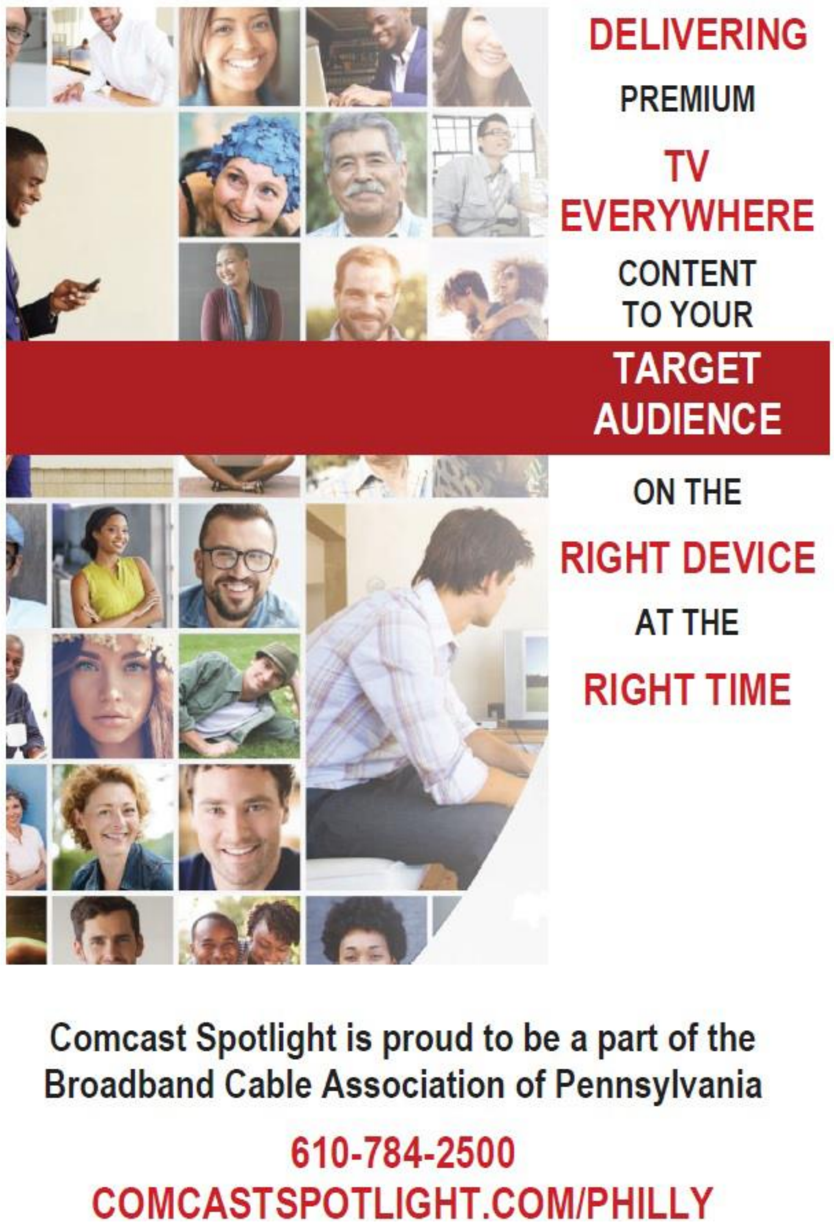
matter said. Mr. Delrahim, for his part, has offered veiled criticisms of AT&T's claim that it needs the deal to compete effectively.



The case isn't a typical antitrust dispute. Mr. Trump has been a relentless critic of CNN and referenced the news network when he vowed as a candidate to block the deal, saying, "AT&T is buying Time Warner, and thus CNN, a deal we will not approve in my administration because it's too much concentration of power in the hands of too few."

Mr. Delrahim **was a private practice lawyer in October 2016 when the deal was announced** and Mr. Trump made his remarks. He appeared on Canadian television at the time and said the deal didn't seem to be "a major antitrust problem," though he did say it could raise some concerns. AT&T has sought to make use of Mr. Delrahim's 2016 television interview. The company played the clip during a press conference last November. Nothing would appear to prevent the companies from playing the video in court unless U.S. District Judge Richard Leon disallows it.

In a CNBC interview Friday, AT&T Chief Executive Randall Stephenson cited Mr. Delrahim's previous remarks on the deal as well as Mr. Trump's opposition, saying, "Those are all the kinds of things that everybody looks at and says, 'What's going on?'" Last July, Mr. Trump tweeted a video of himself punching a figure with the CNN logo. In December, after the network issued a correction on a story, the president tweeted that "Fake News CNN made a vicious and purposeful mistake." In January, Mr. Trump included CNN and other news organizations as recipients of his "Fake News Awards."

Mr. Delrahim has pledged to keep politics out of enforcement decisions and has said he didn't talk to the White House about the deal. Roughly 30 career staffers at the Justice Department signed the lawsuit. The Justice Department's review of the AT&T-Time Warner transaction had been under way for about a year when Mr. Delrahim took the helm as the department's antitrust chief. He had previously served as a deputy White House counsel.

The Justice Department is alleging the AT&T-Time Warner deal would create a giant firm that could hobble rivals, force higher prices for video programming and slow innovation in the age of cord-cutting. Advocates for strong antitrust enforcement have argued the government's concerns are legitimate, though some also say Mr. Trump's comments were ill-advised. "No good can come of it, and you just give the defendants something to talk about," said Cleveland State University law professor Chris Sagers. Mr. Sagers, who supports the lawsuit, said a content creator like Time Warner "will feel more free to raise its prices once it's integrated into a big distribution network.

Likewise, AT&T seems very likely to intend to use control of Time Warner content to stall the threat posed to its most profitable video business—subscription cable—by the new streaming-video firms."

Mr. Sagers said Mr. Trump's criticisms and Mr. Delrahim's comments before he joined the Justice Department aren't necessarily relevant in the case, absent some hard evidence that the administration targeted the deal because the president doesn't like CNN. AT&T and Time Warner's main defense will likely focus on what they see as the deal's potential benefits to media consumers and advertisers. They say integrating AT&T's video and wireless distribution with Time Warner's movie and television content will allow the newly-combined company to compete with disruptive firms like Netflix , Google and Amazon that are offering video content in nontraditional ways.

AT&T also emphasizes that its deal is a "vertical" merger of complementary companies, rather than one that eliminates a direct competitor. The Justice Department hasn't litigated a challenge to a vertical merger in decades, though it came close to doing so during the Obama administration and has imposed conditions on some vertical deals, including Comcast Corp.'s takeover of NBCUniversal.

AT&T is deploying a rarely used legal defense with its claim that the Justice Department is improperly enforcing the antitrust laws against the deal. One of the few instances experts could cite dates to the 1970s. That involved a Nixon-era lawsuit alleging that the then-Big Three television networks were monopolizing prime-time entertainment programming. The networks claimed improper motives by the administration and sought documents related to Richard Nixon's communications on the matter.

A California judge dismissed the case after Mr. Nixon left office and the government said it was unable to turn over some of the former president's materials. But the judge allowed the Justice Department to refile the case under new leadership, which it did. The case ultimately settled. – ***Wall Street Journal***

In the latest sign of the **escalating battle for talent in the entertainment industry**, Netflix Inc. signed producer Ryan Murphy to a multiyear, multimillion-dollar deal to create content exclusively for the streaming service starting this July.

Terms of the pact weren't disclosed, but people familiar with the matter said the production agreement runs for five years and has an estimated value of $300 million. Mr. Murphy is currently based at 21st Century Fox Inc., which bid aggressively to retain his services as he has created many hits for both Fox Broadcasting and the FX cable channel. Shows that Mr. Murphy has produced include "Glee," "American Horror Story," "American Crime Story" and "9-1-1."

For Netflix, Mr. Murphy is the latest in a string of high-profile signings. Last August, it wooed away Shonda Rhimes, the creator of ABC hits such as "Scandal" and "Grey's Anatomy," away from Walt Disney Co. It has been equally aggressive in signing up on-camera talent as well. David Letterman returned to television with a series of specials for Netflix, and many big name stand-up comedians left HBO for Netflix including Chris Rock, Amy Schumer and Dave Chappelle.

Netflix has already been something of a second home for Mr. Murphy. His drama "Nip/Tuck" for FX about fast-living plastic surgeons was the first series Netflix licensed episodes for, and it has since bought rerun rights to several other of Mr. Murphy's shows. Before this new deal, Mr. Murphy already had two original programs in the works for Netflix. "Ryan Murphy's series have influenced the global cultural zeitgeist, reinvented genres and changed the course of television history. His unfaltering dedication to excellence and to give voice to the underrepresented, to showcase a unique perspective or just to shock the hell out of us, permeates his genre-shattering work," said Ted Sarandos, Netflix's chief content officer.

Although Mr. Murphy is moving to Netflix, he is still committed to his current series on Fox and FX, some of which have several seasons left to run. He also has a new show in the works for FX, "Pose," a drama set in New York in the 1980s about the transgender community. Mr. Murphy's decision to jump to Netflix comes just over a month after Disney **struck a deal to acquire the bulk of the entertainment assets** of 21st Century Fox, including FX and the television-production studio he has called home for many years. Soon after the Disney-Fox deal was announced, Mr. Murphy joked at a press conference that he had asked Disney Chief Executive Robert Iger if he was going to have to put Mickey Mouse into his dark drama "American Horror Story." He said Mr. Iger assured him that wouldn't happen.

Still, Mr. Murphy **made clear after the deal was announced** that the sale to Disney shook him up. He said before that, he thought he would "literally be buried on the Fox lot" and that he was "not prepared for what happened." A Disney spokesman didn't respond to a request for comment late Tuesday.

At Fox, Mr. Murphy had virtually unchecked freedom to pursue his creative vision and enjoyed a very close relationship with Dana Walden, chairman of the Fox Television Group. Ms. Walden's own future in the wake of the Disney deal has become a source of speculation as well. She may be in line for a senior position at Disney if the deal is approved by regulators. There is also speculation from people close to her that she may opt to join Mr. Murphy's production business. Ms. Walden didn't respond to a request for comment. A spokesperson for 21st Century Fox's television studio declined to comment on the departure of Mr. Murphy next year. 21st Century Fox and Wall Street Journal parent News Corp share common ownership. – ***Wall Street Journal***

TiVo Corporation, a global leader in entertainment technology and audience insights, today announced that Service Electric Cablevision Inc., serving internet, TV, phone residential and commercial services to Pennsylvania, has chosen TiVo's Next-Gen Platform to bring cutting-edge entertainment solutions to its customers.

"With TiVo's Next-Gen Platform, our customers will now enjoy a superior, feature-rich, and personalized user experience, that they can take along with them across their devices," said Scott Young, director of marketing, Service Electric Cablevision Inc. "Service Electric Cablevision remains committed to bringing the best entertainment experiences to our subscribers, and TiVo's future-proof solutions give us the flexibility to rapidly address the evolving needs of our customers and to grow with our user base."

Service Electric Cablevision subscribers will get TiVo's award-winning user experience, including hyper-personalization, advanced search and recommendations, conversation voice control, as well as seamless integration of content across linear, on-demand, DVR and over-the-top (OTT) platforms on any screen. With versatile deployment options across QAM and IPTV, TiVo's solutions will power a host of clients including managed set-top boxes (STB), iOS and Android mobile devices. Additionally, TiVo's Flex-Mode Software on hybrid STBs will allow Service Electric Cablevision to leverage their current infrastructure while seamlessly integrating IP video and OTT content.

"We are excited to bring our game-changing entertainment solutions to Service Electric Cablevision subscribers," said Michael Hawkey, senior vice president and general manager, User Experience, TiVo. "As a trusted partner, TiVo is laser-focused on helping operators stay ahead of the competition in an ever-changing video market with our robust product portfolio that provides flexibility, scalability and rapid feature-velocity."

TiVo's Next-Gen Platform features a flexible, diversified portfolio of products supported by a cloud-based backend and powered by the ultimate entertainment experience. With a range of deployment options across IPTV and traditional QAM, the platform enables operators to deliver content to customers where they want to watch it, whether on managed set-top boxes, including Android TV; unmanaged bring-your-own devices, such as Apple TV and Amazon Fire; as well as mobile and web. Operators benefit by shorter time-to-market and faster scalability, while subscribers enjoy a greater level of personalization across content sources and devices. – ***TiVo news release***

BCAP

Broadband
Cable Association
of Pennsylvania

127 State Street Harrisburg, PA 17101
717-214-2000 (f) 717-214-2020
bcapa.com

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