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Marketplace
That AT&T-Discovery deal is about the battle for broadband

Philadelphia Inquirer
Does AT&T's deal with Discovery put pressure on Comcast? Analysts weigh in.

Tupelo (MS) Daily Journal
Low broadband access hinders modern producers

Bloomberg
The Streaming Wars Are Now the Takeover Wars

Washington Post
Google announces new privacy features for Android phones — but stops short of limiting ad tracking

Fierce Video
Amazon in talks to buy MGM for about \$9B: report

The Hill
Advocates warn 'homework gap' likely to persist after pandemic

Once it sheds its media business, AT&T Inc. will be a smaller, less-indebted company devoted to selling cellphone plans and broadband internet access. In other words, customers and investors will see an AT&T much like the one that existed before its foray into streaming video and satellite TV. But its rivals haven't been sitting still. "AT&T has a lot of catching up to do," said Craig Moffett, a longtime telecom analyst at industry research firm MoffettNathanson LLC. "They're almost certain to be a third player in a three-horse race."

Mr. Moffett said company leaders made the right decision by refocusing their attention on AT&T's core strengths, though the business will face challenges getting an edge over rivals. But they must still contend with business units facing high costs and shrinking revenue. An AT&T spokesman disagreed, saying the company's wireless spectrum position "has never been stronger" and still has slack capacity to serve more data to wireless customers. The company told investors it expects to increase its overall revenue and adjusted per-share earnings in the long run.

AT&T shares fell 5.8% Tuesday, after slipping nearly 3% on Monday in the wake of the deal announced with Discovery Inc. to combine their media assets into a new, publicly traded company. The stock has gained about 3% so far this year, while the S&P 500 climbed 10%. The deal earned praise from former SBC Communications Inc. boss Ed Whitacre, who stitched together the landline and wireless assets that formed the modern AT&T before his retirement in 2007. Randall Stephenson, who as CEO from 2007 to 2020 led AT&T's attack on the entertainment business, wasn't immediately available for comment. "I'm happy to see us move back into a different type of company," Mr. Whitacre said in an interview. "The wireless, the broadband—the businesses that we're used to....It's a very wise move for AT&T."

AT&T won't own an equity stake in the newly formed media company with Discovery, though its shareholders will get a 71% share of the new business. AT&T will receive about \$43 billion through cash, debt securities and other debt shifted to WarnerMedia. The smaller telecom company will mean less cash returned to investors. AT&T predicted it will pay out about \$8 billion to \$8.6 billion of its cash flow as dividends, down from roughly \$15 billion paid last year. AT&T declined to quantify the size of its per-share dividend after the Discovery deal closes. The new media business formed with Discovery is expected to prioritize stock-price growth over dividends.

AT&T is still the country's No. 3 wireless carrier after falling behind a newly enlarged T-Mobile US Inc. in 2020. It serves more than 83 million cellphone customers and many more Wi-Fi hot spots, connected cars and other mobile

Associated Press
Voters back bid to
ban race
discrimination in
Pennsylvania
constitution

devices. The company also connects 14 million residential internet users through its network of fiber-optic cables and copper wires, the latter a legacy of its Ma Bell heritage.

Wireless-industry analysts say timing will be especially important as telecom operators catch the next wave of mobile technology called 5G. The fifth-generation specifications allow cellphone carriers to serve many more devices in a cost-effective way, opening up a broad market of vehicles, industrial machines and corporate campuses to wireless service. AT&T had an early advantage in 2007 when its wireless service, then called Cingular, secured exclusive U.S. rights to carry Apple Inc.'s new iPhone. The coup drew millions of subscribers to its network and helped fuel AT&T's steadily growing dividend.

The company later lost ground to Verizon Communications Inc., the country's largest wireless carrier in terms of subscribers. Verizon invested heavily in its 4G network over the past decade, allowing it to advertise a superior network for streaming videos and other data-heavy services that thrived on the next-generation network's fast speeds.

Over the past five years through Tuesday, AT&T has generated total shareholder returns, a measure of share-price changes and dividend income, of 3%, compared with more than 232% for T-Mobile, 42% for Verizon and 122% for the S&P 500, according to FactSet. Some Wall Street analysts consider T-Mobile in the best spot to capitalize on 5G technology hitting the market this year. The Bellevue, Wash., company's 2020 merger with former rival Sprint Corp. [gave it a cache of wireless spectrum](#) that supports the ultrafast mobile service.

To catch up, Verizon and AT&T spent \$45.5 billion and \$23.4 billion, respectively, [to secure "C-band" spectrum licenses](#) from the Federal Communications Commission. The companies will spend several billion more dollars to compensate satellite operators shifting their operations from those valuable frequencies. T-Mobile spent \$9.3 billion on the licenses, which will add to a cache of similar assets it already bought from Sprint.

AT&T says it is still investing in its future. Annual capital spending will rise to \$24 billion because of the Discovery deal, up from a projected \$22 billion in 2021 after accounting for certain adjustments for equipment financing and reimbursements from its FirstNet public-safety network. The Dallas company projected its ramped-up spending will allow it to reach 200 million people with C-band 5G service by the end of 2023, up from its previous 100 million-person target. The company also said it would broaden its network of fiber-optic cables to cover 30 million locations. — ***Wall Street Journal***

A group of congressional Democrats ramped up calls for Facebook to abandon a plan to create an Instagram for kids platform, alleging that the company failed to adequately address concerns the lawmakers raised. The controversial plan, which has drawn the ire of advocacy groups and bipartisan attorneys general nationwide, was also the target of questioning from senators across the aisle at a Tuesday Senate Commerce Committee hearing on children's online data privacy and manipulative marketing. "I have no trust, none, that Facebook will keep these young users safe. It has failed far too often," Sen. Richard Blumenthal (D-Conn.) said at the hearing. "Facebook should stop this additional intrusive and potentially dangerous interference in kids' lives and abandon plans for Instagram kids," he added.

Blumenthal, along with Sen. Ed Markey (D-Mass.) and Reps. Kathy Castor (D-Fla.) and Lori Trahan (D-Mass.), wrote to Facebook in April pressing the social media giant on how it plans to protect children's privacy and safety as it plots a new platform for children under 13 years old. The lawmakers issued a joint statement Tuesday joining the calls from advocacy groups and attorneys general for the company to drop the plans, with the senators calling Facebook's response to their questions inadequate. "Facebook has a clear record of failing to protect children on its platforms. In its response to our

recent letter, the company refused to make meaningful commitments about how it will ensure that its proposed Instagram Kids app does not harm young users' mental health and threaten their privacy," they said in the joint statement.

Markey, who has been outspoken in pushing for an update to the Children's Online Privacy Protection Act (COPPA), during the hearing emphasized the need for swift action to protect kids. "Unfortunately, when it comes to putting children ahead of their profits, Big Tech always fails. They forfeited the benefit of the doubt on this issue," Markey said. "It is time for this Congress to pass comprehensive privacy legislation to protect children."

Last week, Markey introduced a bill with Sen. Bill Cassidy (R-La.) to update COPPA by prohibiting internet companies from collecting personal information from anyone ages 13 to 15 without the user's consent. The Children and Teen's Online Privacy Protection Act, among other measures, would also establish a Youth Privacy and Marketing Division at the Federal Trade Commission (FTC), which would be responsible for addressing the privacy of children and marketing directed at them.

The experts on the panel — Angela Campbell, a Georgetown Law professor; Serge Egelman, a research director at UC Berkeley; and Beeban Kidron, founder and chair of 5Rights Foundation — also all testified in opposition to Instagram launching a platform for kids. "Facebook has not earned our trust to start doing children's services in this way," Kidron said. "I think unless you have standards, unless you have agreements about what is a fitting platform for children, then of course they shouldn't go ahead and do this new platform. They cannot be trusted with children until we set out what that looks like."

Republicans on the committee also expressed concerns about Facebook's policies around children and the potential for the new platform for kids. "As time moves forward, children will be at the forefront of technology with each generation being more connected than the last. That's why it's so important that we get this right we must ensure children aren't being taken advantage of and molded into something they are not," Sen. Marsha Blackburn (R-Tenn.) said at the hearing, noting that Tennessee was among the states with an attorney general signing on to the letter calling for Facebook to drop the plans.

Similarly, during a House Energy and Commerce Committee hearing with Facebook CEO Mark Zuckerberg and other tech CEOs, Republicans pushed back on the plans for the kids' Instagram platform. Republicans in Congress, however, have not been as forthright in calling for the platform to abandon plans completely. "As every parent knows, kids are already online. We want to improve this situation by delivering experiences that give parents visibility and control over what their kids are doing," a Facebook spokesperson said in response to the Democrats' call for the company to nix the new platform. "We will develop these experiences in consultation with experts in child development, child safety and mental health, and privacy advocates. We also look forward to working with legislators and regulators."

The company has also committed to not show ads in any Instagram experience it develops for users under 13. In addition to Instagram's plans for a kids platform, senators on the committee took aim at the popular video sharing app TikTok. Blumenthal said TikTok representatives were invited to attend the hearing, but declined. Blumenthal noted that TikTok settled with the FTC over allegations that TikTok, formally known as Musical.ly, violated COPPA. The penalty was \$5.7 million, which at the time was the FTC's largest ever under COPPA. Advocates have since filed a complaint with the FTC alleging TikTok still fails to follow the law, Blumenthal noted.

Blackburn also raised concerns that TikTok has been accused of using algorithms to "keep kids scrolling indefinitely." A TikTok spokesperson defended the company's policies regarding safety for young users. "TikTok is deeply committed to the safety of minors and we continually work to strengthen our safeguards to protect teens on our platform, including through

our Family Pairing features, strong default privacy settings, and age-restricted access to features like direct messaging or livestream. We look forward to a continued dialogue around our shared priority of keeping youth safe online with this committee," the spokesperson said in a statement. — ***The Hill***

Pennsylvania's primary election featured nationally watched questions stemming from Republican dissatisfaction over shutdowns ordered by Gov. Tom Wolf during the pandemic and worries over whether federal judges appointed by former President Donald Trump will roll back civil rights protections.

Though results had not been finalized yet, both of the ballot questions seeking to limit the power of the governor in declaring a disaster and put more power into the hands of the 253 lawmakers, were passing with more than 50% of the state's precincts reporting. With a vote of 54% to 46% as of 5:30 a.m. Wednesday, the proposed constitutional amendment — which looked to make it so that the state's General Assembly could terminate or extend a disaster declaration at any time without the approval from the governor — appeared to be passing.

If that trend stands through the rest of the vote tallying, then the Pennsylvania Constitution will be amended so that the disaster declaration power will be shared by the governor and the General Assembly. Previously, only the governor could declare the end of a disaster. According to state law, the General Assembly has the option to pass a resolution that would terminate the declaration, but the governor can still veto. If the assembly could gather support with a two-thirds majority, they could overturn the governor's veto. This exact scenario played out last summer, over the COVID-19 pandemic disaster declaration, when the state Supreme Court ruled that the Legislature could not overturn the governor's declaration without his ability to then veto.

In another close race, the second question dealing with disaster declaration also appeared to be passing at 5:30 a.m. Wednesday, with a vote of 54% to 46%. This question proposed that the time limit on a disaster declaration be shortened from 90 days to 21 days unless the General Assembly votes to extend it. If the trend in votes is sustained, a disaster declaration's time frame will be cut to 21 days unless the Legislature chooses to extend it. Mr. Wolf openly advocated against these ballot questions in a visit to Pittsburgh last week, calling them "bad news" and saying that they would politicize the government's response to disasters and emergencies.

The state is currently under three disaster declarations: one for the opioid crisis, which was originally declared in January 2018 and has been renewed 14 times; one for the COVID-19 pandemic, which has been renewed four times; and one that was declared in mid-April for the city of Philadelphia in the days leading up to the verdict of the Derek Chauvin trial. Republicans have accused Mr. Wolf of fear-mongering and said the framers of the state's constitution never intended for a governor to hold so much power to suspend regulations, order mask-wearing, and businesses and schools shut down.

The Legislature did not hold hearings on the measures, and they may end up in court if voters approve them because their effect is in dispute. Republicans claim the governor cannot order shutdowns without a disaster emergency in effect. Mr. Wolf disagrees, countering that a governor's authority during a public health emergency rests on separate public health law and is unaffected by the ballot questions. On the ballot was another proposed constitutional amendment that will add a new section to ensure the "that equality of rights under the law shall not be denied or abridged because of an individual's race or ethnicity." This measure was set to pass by a wide margin, with 71% of voters supporting it to 29% voting against it as of 5:30 a.m. Wednesday.

By adding this amendment, it "signifies that freedom from discrimination based on race or ethnicity is an essential principle of liberty and free government," the Pennsylvania Department of State said on its website. It's believed to be the

first time since last summer's protests over the police killing of George Floyd in Minneapolis that voters will decide a racial equity issue on a statewide ballot.

Constitutional law professors say it will have little practical effect because courts already consider such discrimination to violate both the state and federal constitutions. However, if the current federal protections against racial or ethnic discrimination are abolished, they will still remain within the state. State Sen. Vince Hughes, D-Philadelphia, said he originally sponsored the measure in case federal anti-discrimination case law is reversed by the Republican-majority U.S. Supreme Court or federal judges appointed by Mr. Trump.

If it passes, it would become the constitution's fourth equality provision, added to "all men are born equally free and independent," a protection from discrimination in exercising civil rights and a 1971 amendment that ensures gender equality. The last statewide ballot question was a referendum that sought to make municipal fire departments and other medical emergency services eligible for loans; as of 5:30 a.m. Wednesday, it was passing with a vote of 72% to 28%.

In creating this referendum, the state's General Assembly found that these agencies would most likely use these loans to replace outdated or unsafe equipment and buildings "to meet the increased demands for a higher level of service in the communities they serve, according to the Department of State's website.

Locally, Allegheny County residents appeared to vote to pass an ordinance that would restrict the use of solitary confinement in the Allegheny County Jail. If the ordinance passes, solitary confinement may still be used in the cases of lockdowns, medical or safety emergencies, or protective separation requests. With 99% of precincts reporting as of about 6 a.m. Wednesday, 69% of voters had chosen to support the ordinance, while 31% voted against it.

Within Pittsburgh city limits, another ballot measure was passing as of early Wednesday, this one amending the city's home rule charter to ban city police from executing no-knock warrants, where police go to present a warrant to someone without knocking or announcing themselves. With 98% of precincts reporting, 81% of voters supported the no-knock ban, while just 19% voted against the ban. In January, after Pittsburgh City Council proposed a bill banning no-knock warrants, a spokeswoman for the Bureau told the Post-Gazette that they did not use no-knock warrants, though it was explicitly stated in their policies and procedures. – **Pittsburgh Post-Gazette**

