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Time Warner Inc. Chief Executive Jeff Bewkes has boosted the entertainment company's stock price and bottom line primarily by shedding assets such as AOL, magazine publishing and cable systems. Now Mr. Bewkes will try to make the case to investors over drinks Tuesday night and during a presentation Wednesday morning that Time Warner is better off in his hands than it would be if the rest of the entertainment giant were sold. Such a case needs to be made following Time Warner's July rejection of an \$85-a-share takeover offer from 21st Century Fox .

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Swinburne. He says he believes that is possible, and that the stock should reach \$85 in a year, largely thanks to HBO's ability to get higher affiliate fees and the company's signals that it is willing to cut costs.

In the past couple of months, Time Warner has begun significant cost-cutting efforts that will include the elimination of about 10% of the 15,000 employees at cable group Turner Broadcasting, which includes CNN, TNT and TBS. Warner Bros. also is cutting about 13% of its personnel costs, according to two people close to Hollywood's largest film and television studio. Despite its strong profitability, HBO isn't expected to be immune, after Mr. Bewkes recently said that "every part of our company" is in the midst of such cutbacks. The divisions that now make up Time Warner employed approximately 26,200 people at the end of last year, according to company filings.

At Warner Bros., Chief Executive Kevin Tsujihara has ordered cuts in every department except for film and television production. Corporate operations such as information technology and finance are expected to be hit hard, said one person involved in the process. The studio isn't seeking to cut a specific number of its 8,000 employees, but is looking for annual savings that will likely total more than \$100 million, the knowledgeable

As an independent company, Time Warner is looking to a future where it is smaller and leaner. Significant cuts are in the works at its Warner Bros., Turner Broadcasting and HBO units, as well as its corporate offices. So Mr. Bewkes must convince analysts and investors that he can drive revenue growth by plowing much of the savings from the personnel cuts into content production. Time Warner shares closed flat Tuesday at \$70.64, about where they were before news of the Fox offer caused the stock to spike temporarily. "The bottom line is people want to see a higher growth outlook for the company coming out of the investor day than going in," said Morgan Stanley analyst Ben

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person said. To emphasize its growth prospects during the investor presentations, Warner is expected to unveil details of high-profile film projects springing from three of the studio's popular franchises: DC Comics, Lego and "Harry Potter," with the spinoff series "Fantastic Beasts and Where to Find Them."

After ranking first or second at the box office every year for the past seven years, Warner has slipped to No. 3, despite having released more movies than any other major studio. Box-office disappointments have included the Tom Cruise action movie "Edge of Tomorrow" and Adam Sandler comedy "Blended," although the recent low-budget horror sequel "Annabelle" has been a profitable hit. Turner's TNT just signed a new long-term deal with the National Basketball Association that increased the annual average rights fee from \$445 million to around \$1.2 billion, a person familiar with the matter said. Turner's new agreement with Major League Baseball went into effect this season and doubled the average annual rights fee to \$325 million from \$150 million.

Turner also is investing more in scripted programming, at a time when prices for such shows are rising due to increased competition. TNT has misfired on some rerun purchases as of late, including "Hawaii Five-O," which cost about \$2 million per episode. TBS spent a similar amount for reruns of the CBS comedy "Two Broke Girls," but since that acquisition the sitcom has tumbled in the ratings and it won't be the same hot property when it debuts on that network next year. "There really is a big focus on expanding with Turner and expanding with HBO, and how do we create more opportunities for growth."

Mr. Bewkes has said the TNT and TBS networks need more cutting-edge programming to better compete with FX and AMC, whose risqué fare not only gets greater critical acclaim but draws solid ratings. However, there is a leadership void among the executives responsible for finding such programs. Six months ago, Turner Entertainment Networks President Steve Koonin left to become chief executive of the Atlanta Hawks and his position is still vacant. At the end of August, Michael Wright stepped down as head of programming for TBS and TNT and a replacement hasn't been named.

Time Warner is smaller in market capitalization than competitors like Fox, Walt Disney Co. and Comcast Corp, having spun-off its cable, magazine and online businesses over the past five years. (Until mid-2013, 21st Century Fox and Wall Street Journal owner News Corp were part of the same company.)

Part of what Mr. Bewkes will try to sell to shareholders is that the slimmed-down conglomerate is more cohesive thanks to the new leadership at Warner Bros., HBO and Turner that will work more closely than the previous regimes at those units. "I think you're going to see accelerations" of collaborations between Time Warner's HBO, Turner Broadcasting and Warner Bros. divisions, Mr. Bewkes told analysts at a Goldman Sachs conference last month. Key to that effort has been Warner Bros. producing shows for Turner and HBO lately.

Part of the reason is simply personal: Mr. Bewkes now has handpicked chiefs running each of the divisions: Richard Plepler at HBO, Mr. Tsujihara at Warner and John Martin at Turner. In the past, HBO has resisted buying shows from any outside studios, including Warner Bros. While that gave it the advantage of owning and reaping all the financial benefits from hits like "Curb Your Enthusiasm" and "True Blood," it means the network missed out on popular shows like "Homeland," which aired on competitor Showtime, owned by CBS Corp., and is produced by Twentieth Century Fox television.

That changed with this summer's "The Leftovers," a drama about life in a small town after a rapture-like event that was produced by Warner Bros. and ran on HBO. The pay-cable network is developing two other projects with Warner Bros.: the science fiction thriller "Westworld," and a miniseries adaptation of J.K. Rowling's "The Casual Vacancy." "There really is a big focus on expanding with Turner and expanding with HBO, and how do we create more opportunities for growth," Mr. Tsujihara said in an interview. – **Wall Street Journal; more in New York Times**

A well-traveled first lady Michelle Obama is coming to Pennsylvania to campaign for Democratic gubernatorial candidate Tom Wolf and rally voters in the party's stronghold of Philadelphia. Mrs. Obama will speak Wednesday at the Dorothy Emanuel Recreation Center in northwest Philadelphia. The first-time candidate Wolf is leading Republican Gov. Tom Corbett in independent polls as the businessman tries to break a four-decade tradition of governors winning a second term. Corbett is Pennsylvania's former two-term attorney general from Pittsburgh. Wolf ran his family's York-based building products supply business for about three decades. Both are 65. The first lady is burning up the campaign trail, making stops this month for Democratic candidates for governor or U.S. Senate in Florida, Massachusetts, Iowa, Michigan, Wisconsin and Illinois.

President Obama is planning to travel to Pennsylvania to campaign for Democratic gubernatorial candidate Tom Wolf in the final week of the race, a White House official said. Other details are not yet available, but Obama is expected to make a visit to Philadelphia during the tour. Election day is Nov. 4. – *philly.com*

The Pennsylvania state Senate bypassed a good-government rule that it end its voting day at 11 p.m. before adjourning without any contested votes as Republicans scramble to pass pet bills in the winding-down fall legislative session. The GOP-controlled chamber voted, 25-24, before midnight Tuesday to work into the night, prompting Democrats to accuse Republicans of hypocrisy.

But session ended quietly after Republicans met privately for an hour and ultimately decided to postpone contested legislation until after 10 a.m. Wednesday, the Senate's last scheduled voting day before the Nov. 4 election. It could feature debate on National Rifle Association-backed legislation to discourage local governments from imposing illegal gun restrictions and legislation sought by conservatives and business groups to restrict government employers from automatically deducting dues or political action committee contributions from the paychecks of unionized workers. – *Associated Press*



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