BCAP NewsClips

January 13, 2016

Christian Science Monitor
A year later, FCC is still working out kinks in net neutrality policy

New York Times
Why Parallels Between Netflix and Amazon Should Worry Media Titans

The Hill
GOP report slams FCC on open records

TV By The Numbers
Cable Top 25 for Week Ending January 10

Pittsburgh Post-Gazette
Partisan bickering continues in Harrisburg over unfinished state budget

pennlive.com
Should legalizing sports betting be left up to states? Pa. lawmakers think so

pennlive.com
Rendell on Kathleen Kane's removal proceeding:

Pitcairn (Allegheny Co.) officials plan to revisit next month whether it's worthwhile for the borough to continue providing cable and Internet services as they face the need for costly repairs to the systems and struggle to keep up with competitors. “We need to take a good, hard look at it,” said John Prucnal, council vice president and head of the cable and electric committee.

Prucnal said the borough is going to have to put nearly $100,000 into the cable system to bring it up to date, and the Internet system requires another $30,000 to $50,000 in upgrades. “It's a lot of work; a lot of money,” Prucnal said. He questioned whether it would be worth it for the dwindling amount of subscribers the borough has for each service. There are about 160 people who use the Internet services and about 470 who get cable through the borough. Prucnal said there are about 1,500 residences in Pitcairn.

Even Prucnal, who said he has used the borough's cable service for more than 30 years, said he is considering changing to a different provider because he's not happy with the quality and channel options. Council President Jack Bova said that 20 years ago, the cable system was state-of-the-art, but as other options became available and the way residents get television has changed, the borough has struggled to keep up. “We are in a far different world now,” Bova said. “We have no ability to match what Verizon offers.” – ***Monroeville Times Express***

The owner of The Philadelphia Inquirer, the Philadelphia Daily News and Philly.com announced Tuesday he’s turning over the media company to a nonprofit institute. Local philanthropist H.F. “Gerry” Lenfest says he hopes that a new business model will help them survive. Here’s a look at Lenfest:

How did he make his money? In 1974, while working as a lawyer for media mogul Walter Annenberg, Lenfest borrowed money to pay $2.3 million for Suburban Cable, which then had 7,600 subscribers. It grew into the largest cable system in the Philadelphia area. Lenfest and his wife, Marguerite, made about $1.2 billion when they sold the company to Comcast Corp. in 2000. The Lenfests immediately set out to give away the fortune. By June 2014, Gerry Lenfest estimated he had given away $1.1 billion.

Why is he giving everything away? His three children didn’t need the money, because they were given stakes in Lenfest’s cable company when it wasn’t worth much. Lenfest has said he disliked the idea of a permanent foundation that, he thought, would be more interested in perpetuating itself than helping others. He said he wanted to control how his wealth was spent, so it could do the most good.

How did he come to own these news outlets? Lenfest, 85, unexpectedly became the sole owner of the two newspapers and the news website in June 2014 after his business partner, Lewis Katz, died in a plane crash. Lenfest actually bought the struggling newspapers twice. The first time came in 2012 as part of a six-person local ownership group. When feuding factions developed, he and Katz paid $88 million to outbid rival co-owner George Norcross in a May 2014 auction. Katz died five days later.

What else has Lenfest given money to? The Lenfests’ philanthropy has touched arts organizations, schools, hospitals, museums and conservation groups. Recipients include the Philadelphia Museum of Art, Barnes Foundation, Kimmel Center for the Performing Arts and Lenfest’s alma maters: Mercersburg Academy, Washington and Lee University and Columbia University. Wilson College, Marguerite’s alma mater, also received funds.

About $150 million went to a foundation named for the Lenfests, but it must give away every penny it has within 20 years of the last one’s death. “Money is a responsibility when you have that kind of wealth,” he said Tuesday of his fortune. “I’ve tried to do right by it.” – ***Norristown (Montgomery Co.) Times-Herald***; **and, praise for Lenfest from the editorial board of the *Philadelphia Inquirer***

Time Warner Inc. isn’t even on the block yet, but Apple is staying extra close to any possible movement on this front, The Post has learned.

'Do it the right way. Impeach her'

Philadelphia Daily News

Rendell (sorta) sides with Kane

The tech giant is among a handful of companies, all possible suitors of the entertainment company, which has recently come under pressure from activists to sell itself or spin off assets, sources familiar with the situation said Tuesday. With Time Warner shares closing at $71.06 on Tuesday — well below the $85 offer from 21st Century Fox that its board rejected 18 months ago — the New York company is seen as a sitting duck among media companies because it, unlike its peers, doesn't have a dual-class shareholder structure.

In addition to Apple, AT&T, which now owns DirecTV, is also seen as a possible Time Warner suitor, as is Fox, which Bloomberg noted would still make a good partner for the Jeff Bewkes-led company. A Fox spokesperson declined to comment.

Apple is eyeing Time Warner's assets to ease the launch of a stand-alone streaming TV service, a senior tech insider suggested on Tuesday. Cupertino, Calif.-based Apple has struggled to create a skinny bundle of programming from existing content partners. A deal with Time Warner would give Apple most of what it needs: CNN news, Turner Sports and such hugely popular shows as "Game of Thrones" and "Sesame Street" from HBO — not to mention Warner Bros. movies and TV shows. Eddy Cue, one of Apple Chief Executive Tim Cook's top lieutenants, in charge of content deals, has been keeping tabs on proceedings at Time Warner, a source close to Apple said.

In May, Apple partnered with HBO to help it launch HBO Now, an Internet-delivered TV service, on Apple TV, a box that connects TVs to Web programming. Reps for Apple and Time Warner declined comment. Meanwhile, the pressure is growing on Bewkes to agree to a sale — or tame antsy shareholders and activist investors threatening a proxy fight. Bewkes met investors in a series of closed-door meetings on Monday and Tuesday, telling them, according to sources familiar with the talks, **that he's against a sale or a spinoff of HBO** — although he hinted a sale of his media giant could be entertained.

Splitting off HBO or the company's Turner Broadcasting cable-TV division doesn't make sense in a media world where, increasingly, scale matters, Bewkes said, according to people briefed on the meetings. "Splitting up can destroy value," he told an investor in one meeting, citing the breakup of Viacom as an example. Viacom shares have struggled since Chairman Sumner Redstone divided up his media empire a decade ago.

The Post reported Sunday that two of the media giant's largest longtime investors are running out of patience and would support a sale or a breakup of the company. Time Warner is worth $100 a share broken up — 40 percent more than its Tuesday close, according to one analyst. As for Fox, BTIG analyst Rich Greenfield told The Post: "I continue to believe that a merger of the two is in both their best interests — no matter what management says." He added: "They would have the finance to do it. It would involve selling down satellite TV service BSkyB in the UK and may require other spinoffs." – ***New York Post***

BCAP
Broadband
Cable Association
of Pennsylvania

127 State Street, Harrisburg, PA 17101
717.214.2000 • bcapa.com

First in Broadband.
The Future of Broadband.®