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High-profile media analyst Craig Moffett doesn't believe Sling TV, Sony's PlayStation Vue or Apple's upcoming pay-TV service will be revolutionary enough have a profound impact on the indigenous cable, satellite and IPTV industry. With the limitations of these services in mind, Moffett writes in a Thursday report, "the market has quickly come to a consensus that these services will be only a blip for traditional pay-TV. Our own base case forecast reflects a similar view; we expect a continuation of the slow and steady drip, drip, drip of cord cutting that has left pay-TV subscribership essentially flat despite steady growth in new household formation.

Just to keep things interesting, however, Moffett pondered the unthinkable, entering into the money portion of his report by pondering, "what if we're wrong?" His conclusion is that cable companies aren't quite as insulated from video business declines as they were a decade ago, when serious IPTV competition emerged. This time around, broadband services aren't growing as explosively.

However, video services aren't as important as they were to cable companies 10 years ago, Moffett notes. "It will likely come as a surprise to many cable investors that the impact of a significant worsening of video subscribership trends would have such a small impact on cable industry financial results," the analyst added, after kicking the tires on the impacts to individual MSOs. "It shouldn't. We have argued for at least a decade that cable companies should be thought of as infrastructure providers, not media companies." – ***Fierce Cable***

AT&T Inc. knew it was buying a melting ice cube when it agreed to acquire satellite-TV company DirecTV last year for $49 billion. But recent moves by HBO, Apple Inc. and the National Football League have turned the temperature up a few degrees.

A wave of new TV services delivered over the Internet allow Americans to get prime programming like the hit HBO series "Game of Thrones" and ESPN sports without paying a big cable or satellite bill. That, in theory, means fewer customers for bundles of TV channels like those sold by DirecTV. And unlike cable companies, DirecTV doesn't have a significant broadband business to fall back on. AT&T is aware of the risks.

Chief Strategy Officer John Stankey says the telecom giant figured when it did the deal that demand for traditional bundles of TV channels probably had peaked. But AT&T is betting the decline will be slower than many people think—a gradual 34-degree melt, as opposed to a 75-degree one— and that it will be able to milk the cash produced by the declining satellite business in the meantime to fund upgrades in its networks.

"The world is going to be broadband—wireless and fixed—and that is where we want to be," Mr. Stankey said. AT&T announced the DirecTV deal last May. Since then, the agreement's value has fallen by about 4% to about $46.5 billion, due to a decline in AT&T's stock, which DirecTV shareholders will get in addition to some cash. AT&T expects the deal to close by the end of June.

Randall Stephenson, the company's chief executive, said at the time of the deal that AT&T would benefit from the satellite broadcaster's scale in TV. That would bring down the cost of programming for AT&T's

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own U-verse service and give the company more clout to negotiate content deals for over-the-top services of its own. AT&T also committed to extending broadband service to another 15 million households. The carrier had 16 million broadband connections at the end of 2014.

DirecTV rival Dish Network Corp. has since launched its Sling TV service, which offers a slim package of channels, including Walt Disney Co.'s ESPN and Time Warner Inc.'s CNN, over the Internet for $20 a month. HBO, also owned by Time Warner, is launching an Internet version of its channel that will cost $15 a month on Apple TV. Apple itself is talking with content companies about a service of its own, people familiar with the matter have said. And, the NFL said Monday that it will broadcast one game this coming season only over the Internet.

Telecom and cable analyst Craig Moffett of MoffettNathanson says the new services pose very little threat to traditional pay TV, which will keep losing customers at a very slow rate. But he also says the new offerings from companies that control content have made the industry's trajectory harder to forecast. The conventional wisdom is that such services aren't comprehensive enough for most households and will take a long time to catch on. Still, developments signal that the companies that make the TV shows and control big-league sports are ready to start experimenting with services they had to this point largely held at bay.

The NFL's experiment bumps up against DirecTV's main asset—its Sunday Ticket package, which promises complete coverage of out-of-market professional football games for about $250 a season. The service is so critical to the satellite broadcaster that AT&T negotiated the right to walk away from its deal if DirecTV's agreement with the NFL wasn't renewed.

Last year, the NFL renewed its deal with DirecTV for eight years, with the broadcaster reportedly paying about $1.5 billion a year. That gives the league an incentive to move slowly with any Internet offerings to avoid upsetting a rich vein of revenue. In regulatory filings, DirecTV identifies over-the-top products as a risk to its business. It also says its inability to offer broadband or telephone service helped drive it to seek a merger with a partner that could diversify its business.

Charlie Ergen, co-founder and incoming CEO of Dish, said there is no question that his company's new online-video service will cannibalize its traditional satellite service. In a March 25 interview on CNBC, Mr. Ergen said the vast majority of those who signed up for Sling TV in its first six weeks came from outside the traditional pay-TV market. But he said the new service will inevitably lure some current Dish subscribers.

AT&T rival Verizon Communications Inc. has said buying a satellite-television business wouldn't make sense for it because it is more interested in over-the-top video than in the traditional TV model. In essence, AT&T is betting on inertia. Old technologies can be slow to fade. even when newer alternatives catch on. Most Americans now carry smartphones. But about 53% of U.S. households still pay for a landline phone, according to data released in December by the Centers for Disease Control and Prevention. "This is a slow moving thing," said Moody's senior telecom analyst Mark Stodden. – ***Wall Street Journal***

Federal officials are discussing an end to the Federal Trade Commission's legal prohibition on regulating Internet providers and telecom companies — a move that could give Washington wider authority to police perceived abuses and consumer harms in an increasingly important part of the economy. If the idea moves forward, it could mean that both the FTC and the Federal Communications Commission would have the power to go after misbehaving carriers. It could also mean greater cooperation between the two agencies as the lines between telecommunications, business and entertainment continue to merge on broadband networks.

Here's why the issue is so important: When the FCC last month decided to start regulating Internet providers more closely under net neutrality, it turned them into what the agency calls "common carriers." But the FTC's congressional charter carries an exemption for common carriers — a provision that effectively prevents the FTC from taking enforcement actions against such firms and reserves that right for the FCC.

Senior FTC officials have complained that the FCC's new rules would put Internet providers out of their reach — and rob the FTC of the ability to protect consumers. "If an entity is a common carrier providing common carrier services, we can't bring actions against them," said Republican FTC Commissioner Maureen Ohlhausen in September.

The common carrier exemption has become a source of friction between the two agencies. And whether consumers are better off when Internet providers are policed by clear rules laid out by the FCC, or overseen on a case-by-case basis by the FTC, has been a core part of the wider net neutrality debate. Top officials from the FTC and FCC on Wednesday endorsed ending the "common carrier exemption" in the FTC's congressional charter. Asked by Rep. Zoe Lofgren (D-Calif.) in a House Judiciary Committee hearing whether they would support congressional efforts to end the ban, FTC Commissioner Terrell McSweeny and FCC Chairman Tom Wheeler — both Democrats — said they would.

"That idea is definitely worthy of review," Wheeler said. "We should work in tandem with the FTC. It's a great one-two punch." "There are slightly different tools in the FCC toolbox and in the FTC toolbox," McSweeny said, "which is why I support repealing the common carrier exemption in the Federal Trade Commission Act." Wheeler has also had separate conversations with McSweeny and FTC Chairwoman Edith Ramirez on the issue, he said Thursday. "I actually called [Ramirez] yesterday," Wheeler said. "She was in Berlin, and as I had also talked to Commissioner McSweeny to say, this is a topic that clearly is going to require congressional approval to get any changes."

The FCC and FTC are currently working on how to cooperate more. In recent months, the two agencies have announced a number of enforcement actions together. This isn't the first time officials have considered ending the FTC ban on regulating common carriers. In 2003, then-FTC Chairman Timothy Muris told lawmakers that the exemption "dates from a period when telecommunications services were provided by government-authorized, highly regulated monopolies."

But Republicans are warning that letting the FCC regulate the industry with rules on one hand and the FTC with antitrust lawsuits on the other could unnecessarily complicate things. "What the [FCC's net neutrality] order does is take conduct the antitrust law generally presumes is pro-competitive," said FTC Commissioner Joshua Wright during the hearing, "and declares them illegal and anticompetitive in all circumstances." – ***Washington Post***

A proposed change to the state Constitution, which aims to give legislators more power to set rules for tax exemptions, has stalled in the House after whizzing through the Senate, jeopardizing its chances of appearing on the November ballot. When the proposed amendment won the General Assembly’s initial approval in 2013, “it appeared that this was a black-and-white issue,” said Steve Miskin, spokesman for the House Republican majority, on Thursday.

But constitutional amendments require the Legislature’s approval in two sessions before they go before the state’s voters, and this time more deliberation is needed, Mr. Miskin said. “I’m not aware of any timetable,” he said. “Let’s kind of wait and see what this does and what it is, and let’s kind of gauge things.” The proposed 28-word amendment aims to cement the role of the Legislature in defining “purely public charities.” It is a response to a 2012 state Supreme Court decision that gave judges broad discretion over tax exemptions. That decision marginalized the Legislature’s Act 55 of 1997, which defined charities based on accounting measures. Since 2012, governments and nonprofits **have sparred over exemptions** in at least 10 counties. – ***Pittsburgh Post-Gazette***

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