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Fortune
Comcast and Time Warner Cable: What happens next?

New York Post
Cablevision tries to woo 'cord cutters' with broadband package

MediaPost
Netflix Viewing Rises, Impacts Trad TV Trends

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Allyson Schwartz to run lobbying group

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Pennsylvania Sen. Bob Casey to endorse Hillary Clinton

Comcast Corp. on Friday ended its plans to acquire Time Warner Cable Inc., as increasing pressure from regulators prompted the end of the $45.2 billion deal.

"Today, we move on. Of course, we would have liked to bring our great products to new cities, but we structured this deal so that if the government didn't agree, we could walk away," Comcast Chief Executive Brian Roberts said in a news release Friday. In a separate release, Time Warner Cable Chief Executive Robert D. Marcus said his company remains strong. "Throughout this process, we've been laser-focused on executing our operating plan and investing in our plant, products and people," Mr. Marcus said. Shares of Comcast rose 1.2% in premarket trading, while Time Warner Cable shares slid 0.5%.

The transaction's demise is a stunning turnaround for the cable deal, one of the largest proposed media mergers in years. When it was announced in February 2014, many on Wall Street believed the deal had a strong shot at being approved, albeit with concessions to regulators. The Comcast-Time Warner Cable deal had promised to reshape the media landscape—forcing TV channel-owners and other pay-TV operators to contemplate their own mergers. As a result of the deal falling apart, companies across the industry will have to reassess their calculations.

The deal's end will raise the prospect of another suitor going after Time Warner Cable. Charter Communications Inc., which had pursued Time Warner Cable before it was snapped up by Comcast, remains interested in the company, people familiar with the situation said. Charter has been in contact with banks about a debt package in recent weeks, one of the people said.

Comcast this week sought to make last ditch efforts to save the deal. On Monday, Comcast CEO Brian Roberts spoke to Federal Communications Commission Chairman Tom Wheeler to try to persuade him of the benefits for consumers. On Wednesday and Thursday, Comcast officials met with FCC staff and were told in no uncertain terms that no matter what the company offered in terms of concessions, the deal was headed for trouble, one person close to the companies said. “They wanted to kill it.” – ***Wall Street Journal;*** **more in *New York Times***

Verizon has been banished from the Magic Kingdom.

Disney’s television networks and radio stations are refusing to accept ads for Verizon FiOS’ new slimmed-down cable-TV package. “This happens to be anti-competitive,” said a spokesman for Verizon. “The consumers are happy with the product, and we believe we’re allowed to launch it.”

Verizon’s Custom TV product, which launched Sunday and starts at $55 a month, lets subscribers sign up for a smaller package of channels and then add on niche channel packs such as sports. Disney’s ESPN and other programmers, including NBCUniversal and Fox, argued that the offering violates the terms of their agreements with Verizon.

Verizon is trying to make its TV packages more attractive to consumers who don’t want to buy hundreds of channels. Programmers, however, get paid based on per-subscriber fees and benefit from being a part of the most basic cable tier. ESPN is the most expensive channel in the pay-TV bundle, charging distributors more than $6 per subscriber a month to carry it. ESPN didn’t respond to a request for comment.– ***New York Post***

The people who keep tabs on TV viewership are throwing cold water on the idea that younger consumers are abandoning cable and satellite TV.

In a press briefing held Thursday, executives from Nielsen suggested cable subscribers who also have a subscription-video-on-demand service are more likely to drop the SVOD than they are cable. In fact, according to Nielsen data, 93% of homes who had both services were more likely to keep the cable and instead drop broadband or SVOD offerings, said Glenn Enoch, senior VP of audience insights for the measurement and data service.

“Cable may have a little more staying power than it’s actually being given credit for recently,” said Enoch.
He suggested that a younger U.S. population is increasingly mobile and prone to add and drop cable service as it moves to new locations. Nielsen has noticed a “seasonal” shift in cable-subscriber churn, with more of it taking place in the fourth and first quarters of the year, but less of it in the second and third quarters.

Recent cable-company results might not provide complete support for that theory. Comcast disclosed in its fourth-quarter earnings results, for example, that it added fewer video customers in that fiscal period – just 6,000 – compared with 46,000 in the year-earlier period. Consumers with cable may not be dropping it, but those that don’t have it yet may not be adding it. Nielsen executives suggested the company would have more to say about “cord cutting” in weeks to come. – ***Variety***

Waiting for the Minnesota legislature to act on broadband infrastructure for rural Minnesota is a lot like trying to update your operating system on a rural computer. It takes forever and halfway through you have to start over because of some stupid error message.

One thing seems readily apparent from the last few days of Minnesota's legislative session: leadership of the GOP House and DFL Senate seem prepared to drop nearly $1 billion on concrete and rebar, but a drop in the bucket for broadband infrastructure. The House has scraped together a plan to slide $10 million toward statewide broadband efforts, while the Senate has mustered $17 million. The governor's broadband task force had recommended $200 million in spending to connect rural communities to affordable high speed internet services currently unavailable to them, but even Gov. Mark Dayton only asked for $30 million. Most experts seem to acknowledge it would take an even bigger investment by state and private sources to fully connect all Minnesotans to broadband.

As I wrote recently, failure to invest in broadband at this juncture in our economic and political history would be a historically epic mistake. Some skeptics argue that physical wires aren't the future of broadband, but that seems more an excuse than anything. Cellular data and satellites can deliver internet to millions, but at great expense and not at the universal download *and upload* speeds necessary for modern commerce. Ask my wife and I; we deal with these issues daily with home-based business, freelance work and online teaching that actually pay our taxes and enroll our boys in a Greater Minnesota public school. Or don't, I guess. We're actually used to that.

The political roadblock to rural broadband is, pure and simple, control issues. Some simply refuse to acknowledge that the people, by way of their government, have an important interest in fostering access to the modern internet. These slow actors will have lots to talk about with the politicians who opposed rural electrification 100 years ago when they get to Heaven for Dummies. Meantime, the campaign continues and I know who's going to win ... eventually. The question is how much damage will be done to the economy of rural Minnesota on the way to happy victory. – ***Minneapolis Star Tribune***

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