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Comcast Corp. lobbed an official $31 billion proposal to buy European pay-TV operator Sky – but it may have a much bigger deal in mind down the road.

Comcast's official bid to buy Sky tops an **existing offer from 21st Century Fox** , which already owns a 39% stake in Sky. Comcast said **it was considering** such an offer in February. The official Comcast offer sent Sky shares more than 2% higher—and above the Comcast bid, suggesting investors are positioning for a bidding war. The formal bid kicks off what has been a long-expected corporate takeover battle pitting Comcast against Rupert Murdoch's 21st Century Fox over the European TV giant. Sky said in response to the offer Wednesday that it was terminating its previous pact agreeing to the 21st Century Fox takeover. It said its board would also withdraw its recommendation for the Fox bid. 21st Century Fox, meanwhile, said Wednesday it remained committed to buying all of Sky.

Separately, Comcast is weighing whether to play interloper on the pending Walt Disney Co. **acquisition of** 21st Century Fox's

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entertainment assets, people familiar with the situation say. Comcast is gaming out the possibility of making a public case to the company's shareholders that they should reject the Disney deal, which is expected to come to a vote this summer, and opt for a Comcast tie-up instead, people familiar with the situation say.

Comcast lost out to Disney in December when Fox rejected its bid, which was 16% higher, **according to a Fox regulatory filing** last week. Fox cited concerns about regulatory risk. The assets in play include Fox's film and TV studio, cable networks and international properties including Star India and the Sky stake.
Comcast may choose to leave the Disney-Fox deal alone, and it doesn't expect to make a decision in the near term, the people familiar with the situation said. The company's pursuit of potentially transformative deals comes as the company posted strong first-quarter earnings growth, despite continuing cable TV subscriber losses.

Comcast reported 21% profit growth compared with the year-earlier period. Revenue at its NBCUniversal media unit rose 21% to $9.5 billion, boosted by its Winter Olympics and Super Bowl broadcasts, which offset a weak performance in the film division. Comcast lost 96,000 cable TV customers, compared with a gain of 42,000 in the prior-year quarter, as it continues to feel the impact of rising competition from streaming services. This was its fourth consecutive quarter of subscriber losses.

If Comcast chooses to go hostile for the Fox assets, Comcast would need to woo Fox investors, which may not be easy. Comcast has had conversations with several shareholders in the wake of its Sky bid, including British investor TCI Fund Management, known for its activism, people familiar with the situation said.

TCI has been building a significant stake in Fox, people close to the situation say. As of December, the firm held 0.7% of Fox's class A common shares. Including Class B shares, its voting power on a merger proposal would have been 0.46%. The size of its current stake isn't clear; the next disclosure would likely come in a May filing. As of December, TCI also was among the top holders of Comcast shares, with a 1.5% stake, according to FactSet.

In recent weeks, TCI founder Chris Hohn spoke on the phone with Comcast Chief Executive Brian Roberts and probed about Comcast's interest in launching a public bid for Fox's assets, people familiar with the situation said. Mr. Roberts didn't respond, the people said. Other TCI officials have also had conversations with Comcast's investor relations team that left Comcast executives with the clear indication that TCI wants the cable giant to continue its pursuit of Fox, the people said. In an email, Mr. Hohn said he didn't urge Mr. Roberts to go hostile in pursuit of Fox's assets.

Mr. Hohn is one of the best-known activists in Europe and has historically not shied from being aggressive with big companies and significant shareholders. In 2016, Mr. Hohn took a stake in SABMiller PLC and got Anheuser-Busch InBev to up its **offer for the brewer** even when more than 40% was in the hands of two investors. Rupert Murdoch and his family have a 39% voting interest in Fox. Their economic interest, which is what would count in a shareholder vote on the Disney-Fox merger, is roughly 17%. (The Murdoch family is also a major shareholder in The Wall Street Journal's parent company, News Corp .)

Besides lining up investor backing, there are other considerations for Comcast in whether to go to war over the Fox assets. One is its stock price, since its shares would likely be used to help pay for a major acquisition, the people familiar with the situation said. Comcast shares have declined 22% since late January, wiping out more than $40 billion in market value. Comcast is also watching closely the government's antitrust case against AT&T and Time Warner , which is **playing out in court**. If AT&T wins, Comcast would feel more emboldened to make a move, the people said.

As it weighs big deals, Comcast is continuing to invest in areas to help its existing business offset the challenges of traditional TV. It has expanded its "X1" smart-video platform, raised internet speeds and launched a new wireless cellphone service. Though broadband customer growth slowed in the first quarter to 379,000 additions from 429,000 in the prior-year quarter, revenue for the unit grew 8%. Quarterly profit rose to $3.1 billion, or 66 cents a share, up from $2.6 billion, or 53 cents a share, a year ago. Adjusted profit per share for the latest quarter was 62 cents. Revenue grew 11% to $22.79 billion. Both figures exceeded estimates from analysts, who were projecting adjusted earnings of 59 cents a share on $22.74 billion in revenue, according to Thomson Reuters.

In its official offer for Sky, Comcast didn't change the terms of its informal offer, which it first disclosed in February. It said it is offering £12.50 ($17.46) a share for Sky, or 16% more than Fox's £10.75-a-share bid. That is the price Comcast said it would offer when it announced its intention to bid for Sky in February. Fox, which owns 39% of Sky, originally proposed buying the 61% of the British pay-TV company it doesn't already own in December 2016, but British regulators have held up the takeover bid as it examines whether it would give Mr. Murdoch and his family too much influence in U.K. media.

News Corp publishes three major British newspapers. Regulators are expected to deliver a final recommendation on Fox's proposal on May 1, and then the British government will decide whether to approve the merger outright, approve it with conditions, or reject it. Sky and Disney have both offered the U.K. government assurances that both would protect the independence of Sky News. On Wednesday, Comcast offered similar assurances. Comcast said in a statement that it would establish an independent board for Sky's news channel, and would commit to funding it for 10 years. Fox has also offered to create an independent board for the channel, which it would fund for 15 years. – ***Wall Street Journal;*** **more in *New York Times***

Smartwatches and connected cars helped Verizon Communications Inc. defend its wireless-customer base as the carrier lays the groundwork for next-generation service at the end of the year. The company added 359,000 connections for devices like Apple Inc. and Samsung Electronics Co. **smartwatches** in the first quarter. Such gadgets are typically added to existing accounts and bring in less monthly revenue than smartphones, but can help reduce customer defections.

The No. 1 U.S. cellphone carrier by subscribers still lost 24,000 postpaid phone connections in the quarter, adding pressure to its overall customer count. Wireless companies tend to prefer “postpaid” customers who pay their bill at the end of the month and rarely switch providers. The company ended March with 116.2 million wireless connections, down slightly from the end of 2017. Its introduction of **unlimited data plans** last year has slowed defections. “When you have the base of customers that we do, there’s as big an opportunity in just maintaining the base of customers that we have,” finance chief Matt Ellis said in an interview.

Verizon has stuck to its guns while rivals seek new ways to boost revenue as overall growth in the wireless sector starts to stall. T-Mobile US Inc. gave customers on its premium plans free subscriptions to Netflix Inc., while **AT&T Inc. is in court** defending a $85 billion takeover of Time Warner Inc., the owner of HBO, various pay-TV channels and a film studio. On Tuesday, Mr. Ellis acknowledged his company had looked at potential acquisitions but said the company wasn’t likely to make any big media deals any time soon. Verizon last year explored a potential deal for assets being sold by 21st Century Fox , the Journal has reported, but **Fox instead struck a deal with Walt Disney** Co. “The best approach for us at this time is to be the independent distributor of rights out there,” Mr. Ellis said during a call with analysts. “I’m not going to say never on anything, but I don’t see it being the right time to jump in.”

First-quarter revenue from the wireless business, Verizon’s largest, increased 4.9% to $21.9 billion. Revenue from a wireless agreement with Comcast Corp., which offers smartphone plans that ride atop Verizon’s infrastructure, added to the top line, as did $234 million of revenue from Verizon Connect, a new division that services connected automotive fleets and other devices. Verizon continued to report declines in Fios television. It lost 22,000 Fios video customers in the quarter, more than the 13,000 customers it lost in the quarter last year. Revenue at the wireline segment, which includes its Fios service, fell 1.6% to $7.56 billion.

Verizon’s first-quarter profit was $4.55 billion, up from $3.45 billion in the same quarter a year ago. The new U.S. tax law boosted the bottom-line result. Total revenue increased 6.6% to $31.77 billion, including a boost from the acquisition of Yahoo Inc. The internet business, which together with AOL is now called Oath, contributed about $1.9 billion in quarterly revenue. Verizon shares rose 2% in Tuesday morning trading. – ***Wall Street Journal***

Viacom Inc. reported easing sales declines and rising profit in the most recent quarter, as the media company works to prove its turnaround plan remains on track. Viacom, like other linear-television channel providers, has been hurt when viewers cut their cable subscriptions from both lower advertising payments and a decline in affiliate revenue generated through subscription fees paid to cable companies. On Wednesday the company, whose channels include MTV, Nickelodeon and Comedy Central, said it has started to see sequential improvement in those trends.

World-wide advertising and affiliate revenue was essentially flat in Viacom’s latest quarter as international growth offset domestic declines. Revenue has also benefited from the growth of streaming services that carry its channels and typically pay higher rates than traditional distributors. The company said its Paramount Pictures studio returned to profitability under new management during the period due to the success of “A Quiet Place.” Film and entertainment sales fell 14% to due fewer titles, but the segment swung to a profit on an adjusted basis.

Overall for its second quarter the company reported a profit of $256 million, or 64 cents a share, up from $121 million, or 30 cents a share, a year earlier. On an adjusted basis, earnings rose to 92 cents a share from 79 cents a share a year earlier. Revenue fell 3.3% to $3.15 billion. Analysts polled by Thomson Reuters had forecast earnings of 79 cents a share on $3.04 billion in revenue. The company didn’t give an update on its **potential tie-up** with CBS Corp in its earnings release Wednesday. Viacom shares, inactive in premarket trading, have inched 0.4% higher so far this year while the S&P 500 has dropped 1.5%. – ***Wall Street Journal***

The Department of Motor Vehicles is advertising, with the goal of getting Pennsylvanians to sign up for identification cards and drivers licenses that meet new, stricter federal “REAL ID” standards. PennDOT started airing the new television ads Monday reminding residents that, starting in October 2020, they'll need new ID cards to fly on commercial flights or enter federal facilities that ask for identification under a 2005 law that Pennsylvania's legislature resisted for years.

Now, faced with the prospect of issuing up to 10.7 million new ID cards - each requiring more stringent documentation and more secure printing and distribution than the state used to have - PennDOT is urging as many people as possible to sign up early through its “pre-verification” process. That's where the commercials come in, said PennDOT spokeswoman Alexis Campbell. “As we prepare to make REAL IDs available in Pennsylvania, it is critical that we communicate with our customers so that they can decide whether they want or need a REAL ID and understand what they need to get one,” she said.

The first phase of the ad campaign includes radio ads - both over the airwaves and on streaming services such as Pandora - and video ads airing across the state, both on networks and cable TV stations, Campbell said. The cost for the first phase of ads was about $675,000; they will run through June 30 before they are adjusted or renewed.

Residents who got their first Pennsylvania license after September 2003 may already have given the state all the required documents - a valid U.S. passport or birth certificate; a Social Security card; proof of any name, birthday or gender changes; and a proof of a Pennsylvania address. Those people can fill out a pre-verification request to the state , which will have a PennDOT employee check their scanned documents and determine whether everything is sufficient to issue a REAL ID-compliant card when they become available next spring.

Since March, the department sent out 3.5 million postcards to everyone who could be eligible, and so far, about 80,000 have applied for pre-verification, Campbell said. Of the applications processed so far, about 90 percent have been cleared and can get a compliant ID mailed to them as soon as they're available. The 10 percent who weren't pre-verified - often because of poorly scanned or missing documents in their files - and the other 7.2 million cardholders who signed up before late 2003 will have to bring their required documents to a driver license center to be verified in person starting in September, though the cards themselves still won't be mailed out until 2019.

With such a large backlog - and a long lead-time for getting official duplicates of some vital documents such as birth certificates, marriage licenses or Social Security cards - the state started urging people to gather their paperwork late last year, and is pressing for as many people as possible to get pre-verified. Not all PennDOT driver's license centers will be able to meet the law's security standards for issuing the new cards over the counter, so their customers will also have to wait to get their cards in the mail. Some existing centers are being retrofitted with the extra security, and PennDOT is adding several new centers around the state that are able to meet the standards when they open.

Pennsylvania was among a handful of states that had long resisted the REAL ID rollout, even passing a law in 2012 that made it illegal for officials to comply with what opponents called an unfunded federal mandate until that ban was overturned last year. People who don't get a REAL ID-compliant card after the deadline can still use a valid passport or other federal ID to board flights or enter secure facilities. – ***Pittsburgh Tribune-Review***

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