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You can tell a lawyer is losing a case when he offers the court an exit ramp even before a verdict. That's how the Justice Department is trying to save its floundering antitrust case against an AT&T - Time Warner merger, and we hope federal Judge Richard Leon doesn't fall for it.

The six-week trial brought by the government ended with final arguments on Monday, and it hasn't gone well for the feds. This tends to happen when would-be trust-busters bring a case divorced from economic reality.

The AT&T tie-up would unite distribution and content, and the last time Justice tried to block such a "vertical" merger was 1977. It lost, and courts have held since that trustbusters must present real-world evidence that vertically integrated companies would reduce competition and harm consumers. The feds didn't come close to making that case.

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AT&T and Time Warner want to merge so they can better target ads and content to viewers—something neither can do on as well on its own. The goal is to make companies more competitive in the fast-evolving and consolidating media market. Justice claims that AT&T would use Time Warner's "valuable and highly popular networks" like CNN and HBO as leverage to raise carriage fees. If competitors didn't pony up, the government claims, Time Warner would go dark, thus pushing more customers to sign up for DirecTV. Prices would supposedly rise.

But such content blackouts cost networks hundreds of millions of dollars in subscription and advertising revenues. Time Warner executive Coleman Breland, who previously oversaw cable fee and satellite TV negotiations, testified during the trial that going dark on Dish Network cost it \$150 million. To drive a significant increase in customers, AT&T would have to withhold Time Warner content from all its rivals, which would be even more costly. That's especially true as new entrants vie for eyeballs. Silicon Valley giants are drawing cord-cutters by creating and distributing content. Google's YouTube boasts 1.6 billion monthly viewers. Netflix has 125 million subscribers, and Amazon Prime counts 100 million members.

About 3.3 million U.S. households dropped traditional pay-TV subscriptions last year. AT&T's DirecTV lost 188,000 of its 20 million satellite subscribers during the first quarter, which contributed to a \$660 million decline in video revenue. Why would a combined company risk losing more revenue? Justice relied at trial on an economic study by University of California, Berkeley, professor Carl Shapiro, who was deputy antitrust chief in the Obama Administration. Mr. Shapiro calculated that the merger would cost consumers \$286 million using a model that Judge Leon called a "Rube Goldberg contraption."

Several economists dispute Mr. Shapiro's assumptions. University of Chicago economics professor Dennis Carlton noted that the study overestimated the number of people who would become DirecTV customers if AT&T withheld Turner networks from competitors while underestimating cord-cutters. Mr. Shapiro acknowledged that "the real world is messy," which Justice seems to deny. AT&T has offered to arbitrate content fees with other pay TV distributors, which would obviate Justice's concerns about anti-competitive behavior. And Justice seems to know it is losing because in closing arguments it offered AT&T the same condition for approval it made before suing: Divest Turner networks.

But this would sharply reduce the value of the merger and help rivals that might want to scoop up Turner's supposedly "must-see" content for the same reasons AT&T does. Would Justice sue to stop Charter or Dish Network from buying Turner networks? What about Apple, which showed interest in Time Warner before AT&T's offer? Justice is trying to pick winners and losers in a market that has plenty of choice and competition. A government victory would mean full employment for the antitrust bar, but it would do nothing for consumers. Judge Leon should send the Trump trust-busters back to their law books for remedial study. — **Wall Street Journal editorial**

T-Mobile and Sprint are making big promises to sell their proposed \$26.5 billion merger. They assert that the merger — which would reduce the number of national wireless companies from four to three

— would give them the scale they need to build a high-capacity wireless network with 5G, or fifth-generation, technology. If the Federal Communications Commission and the Department of Justice approve the deal, T-Mobile and Sprint say, the company won't raise prices and it will hire more people rather than reduce the workforce, which is more often the case in such mergers. And they say all this will be done while costs are cut by \$6 billion a year and profits rise substantially.

All that's missing from this list of promises is permanently blue skies. Together, Sprint and T-Mobile would have more than 125 million customers, putting the combined company, which would keep the T-Mobile name, just behind Verizon and AT&T. Before this latest deal was agreed to on Sunday, the four companies had discussed several possible mergers in recent years. Indeed, the wireless business is already very concentrated, and a deal that would further consolidate power is troubling. Having fewer competitors emboldens businesses to raise prices and force consumers into long-term service contracts because they know that people don't have many options. That's why the FCC and the Justice Department successfully blocked AT&T's proposed acquisition of T-Mobile in 2011 — and why regulators should be skeptical this time around as well.

It isn't clear that T-Mobile and Sprint need this deal to roll out a 5G network. Executives of both companies have previously said that they would offer such service across the country and that their networks would be the best in the industry. That sounds great, but there is a long history of telecom executives failing to deliver on grand promises about abundant and cheap broadband.

There is also plenty of evidence that more competition is good for consumers and the economy broadly. Just look at T-Mobile. After the AT&T acquisition fell apart, T-Mobile slashed prices and offered wireless service without long-term contracts. If AT&T had been allowed to take over, many experts believe, prices would have gone up and cellphone contracts would have become much more onerous. T-Mobile is promising that it will continue to operate as a scrappy upstart even after swallowing Sprint, which has struggled to win over customers and is saddled with \$32 billion in debt. But becoming much larger could change the financial calculus at T-Mobile, encouraging it to raise prices to lift profits and pay off Sprint's debt.

The Justice Department's antitrust division and its chief, Makan Delrahim, could play a decisive role. Delrahim has already surprised many experts by suing to block AT&T's acquisition of Time Warner, but he might only be trying to block the AT&T-Time Warner deal to please the president, who has railed against that acquisition and frequently criticizes CNN, which is owned by Time Warner. Regulators ought to closely scrutinize mergers between dominant players in any industry. That responsibility, however, is heightened when they're asked to analyze deals in industries, like telecommunications, that have high barriers to entry and few competitors. Customers count on it. — **New York Times editorial**

The President of the United States now admits he forked over \$130,000 to buy Stormy Daniels' silence about their sex. Did Trump pay this money through his attorney Michael Cohen so it didn't torpedo his chances to become president in 2016? Did he pay it in the hopes his wife, Melania, didn't know he was cheating? Or both? Did Trump lawyer Rudy Giuliani make those admissions to Sean Hannity, a

Trump friendly talk show host, to do an end-around special prosecutor Robert Mueller's investigation into various campaign issues?

With those questions hanging out there, could this new admission impact upcoming elections in Pennsylvania and other states? Should all Republican candidates for governor, state Legislatures and Congress now run very very fast away from Donald Trump? Should they put up a border wall if Trump tries to campaign for them? If GOP candidates don't, could their opponents have a field day questioning their morals, honor and honesty? Or will voters not care?

In 1998, candidates had similar political worries due to the impeachment threat and scandal hanging over Democratic President Bill Clinton for his lies about sexual encounter with intern Monica Lewinsky. The Clinton saga didn't have much, if any impact, on congressional candidates at the time. Most incumbents were re-elected. But that was in age of politics in which the partisan divide was nowhere near as wide as it is now in the country. This year, with so much of the nation's electoral politics hinging on support and hatred of Trump, a storm could be on the horizon for candidates.

Consider this: Paul Mango, Republican candidate for Pennsylvania governor, is running on a faith-based, moralistic platform to capture the vote of the GOP's social conservatives. On the campaign trail and in debates, Mango has said he'd be honored if Trump campaigned for him. Now?

What about Scott Wagner, another GOP candidate for governor. He has billed himself as a mini-Trump, trying to emulate the president's harsh rhetoric on jobs, the economy and his detractors. Now?

Then there's the GOP Lehigh Valley's 7th congressional district race. During a **debate** this week, GOP candidates Marty Nothstein and Dean Browning touted their support for the president, saying they were never a never Trumper. Now?

This election is all about Trump as evidenced by the huge number of Democrats and women running for congress and the Legislature, said G. Terry Madonna, Franklin & Marshall College political science professor and pollster. Conversely, he said, Mango and Wagner have gone out of their way to voice their support for the president. For die-hard Trump supporters, Madonna said, the Stormy Daniels affair will not matter even if those same people show an "inconsistency in the narrative" for how they view Clinton over the Lewinsky scandal. Trump voters, he added, knew about his lifestyle when they voted for him as the anti-establishment candidate.

But Democrats, Maddona said, will latch on to the Stormy Daniels affairs as yet another reason for why Trump and his followers have no place in elected office. "Democrats are going to be all over this and will be unrelenting with it," Maddona said. It's another talking point about truthfulness." – **Allentown Morning Call**

Pennsylvania will fill the empty seat of resigned U.S. Rep. Patrick Meehan in a special election on Nov. 6, the day of the general election. Wednesday's announcement by Gov. Tom Wolf also will apply to the expected resignation of U.S. Rep. Charlie Dent. That would leave a special election winner just two months in office before a

successor picked in the general election takes over for a full two-year term in Congress.

The Pa. GOP said Wednesday afternoon that Wolf's decision will maximize voter confusion. "Having seen fit to sow the seeds of voter confusion by pushing for an unconstitutional process that prematurely developed a new Congressional map, Gov. Wolf now seeks to fertilize that same ground by holding this special election at the most confusing time possible and aligning it with the General Election. "Gov. Wolf is also showing the extent to which he will work to shut out Republicans, and abandon the needs of Commonwealth residents, to advance his partisan agenda by leaving hundreds of thousands of Pennsylvania residents unrepresented in Washington D.C., as we continue to take action on major issues like national security, tax reform, and policies to improve the economy."

Still, the GOP said, it will "do whatever it takes to support our candidate in this." Meehan and Dent, both Republicans, were facing a hostile electorate in 2018 in increasingly liberal eastern Pennsylvania districts. Meehan resigned abruptly on Friday, three months after it emerged that he had used taxpayer money to settle a former aide's sexual harassment charges. Dent said last year that he wouldn't run for another term, and last month said he'd resign sometime in May. – **Associated Press**

