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A former state lawmaker and attorney with longtime political connections has been nominated by Gov. Tom Wolf to serve on the Pennsylvania Public Utility Commission.

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[David Sweet] joined the administration in April 2015 as senior advisor to the governor with a focus on energy and economic development issues. "David's expertise in finance law, his knowledge of state government and economic development, and his depth of work on energy issues make him an important fit for the PUC," Wolf said. "It is imperative for our economy to harness Pennsylvania's abundance of energy resources and to ensure we have the infrastructure in place to further develop the natural gas and other energy industries," the governor added.

Sweet previously was a partner at two major Pennsylvania law firms, Pepper Hamilton and the Harrisburg office of Buchanan Ingersoll & Rooney. His focus was on administrative and regulatory matters, legislative advocacy and public finance. A Democratic state representative for Washington County from 1977 to 1988, Sweet served on a number of key committees, and was Ed Rendell's campaign manager during his successful 2002 run for governor. Among his assignments under Wolf was liaison to the Philadelphia Regional Port Authority and the governor's designee on the Banking and Securities Commission. –

Central Penn Business Journal

It's beginning to look like cord-cutting may not lay waste to the traditional pay-television providers as many expected.

After 2015, when the entire industry lost only about 385,000 customers, signs continue to mount that the trend may peter out. That's especially good news for Charter Communications, which just became the No. 2 cable company in the United States with the Federal Communications Commission's (FCC) recent approval of its purchase of Time Warner Cable.

In a broad sense, Charter has actually been bucking the overall industry trend where a slight decline has been the norm. The company gained 11,000 customers in 2015, according to data from **Leichtman Research Group**, while its new purchase Time Warner Cable did even better, adding 43,000. That positive momentum continued into Q1 when Charter added 15,000 video subscribers. The news was also good in broadband where the company added 155,000, a slight improvement on the 135,000 it gained in the first quarter of 2015.

"Our products, service, customer growth and financial results continue to improve, as we deliver more value to our residential and business customers," said CEO Tom Rutledge in the **earnings release**. "The operating, service and financial benefits of our strategies are as we expected and demonstrate the growth opportunity that our consumer-friendly practices can drive on a larger set of underpenetrated assets through our pending transactions with Time Warner Cable and Bright House Networks." In addition to growing its user base, Charter also inched up its revenue per customer by 1.4% to $111.04. Overall Q1 revenue climbed to $2.5 billion, up 7.1% from the same period in 2015.

The company reported that its cost to service customers "remained virtually unchanged year-over-year despite year-over-year residential and SMB customer relationship growth of 5.9%." Charter did, however, see its programming costs rise by $37 million over 2015, and its "other" expense category also rose by $34 million "reflecting higher corporate and administrative labor costs, including the insourcing of IT and software development resources, property taxes and insurance."

So, despite adding customers and mostly keeping costs in check, the company lost $188 million in Q1 2016, an increase from its $81 million loss the previous year. Charter attributed the bigger loss to a $165 million increase in interest expense, driven by the financing of the deal to buy Time Warner Cable and Bright House. The loss works out to $1.68 per share compared to $0.73 during the same quarter in 2015.

Really, the only thing that can be taken from Charter's first-quarter numbers is that growth prospects look good for the about-to-be-No. 2 cable and broadband provider. Cord-cutting does not seem to be decimating the pay television side of the business, and it's possible the trend has already plateaued. On the broadband side, there's a clear growth pattern with no real reason to think demand will subside anytime soon.

The new bigger Charter, which will be called New Charter, still has a number of hurdles to clear. Integrating a company that is bigger than itself on a subscriber basis presents plenty of challenges, and the company does risk losing customers during the transition. Still, these numbers are encouraging for Charter, which if you subtract the financing charges, more or less broke even for the quarter. Going forward -- as long as it can manage the transition well with Time Warner Cable and Bright House customers -- Charter should, eventually, be able to translate efficiency into profitability. – ***Motley Fool***

Cable networks powered revenue and adjusted profit growth for 21st Century Fox Inc. in the March quarter, as increases in subscription fees and ad dollars offset higher programming expenses. The company's cable network division continued to log solid revenue growth, rising 9.8% to $3.94 billion in the latest quarter.

Carriage payments from pay-TV providers increased 7% while higher ratings at Fox News and professional basketball coverage by Fox's regional sports channels helped drive up ad sales 17%. At the broadcast TV unit, revenue was up 5% due to higher carriage fees and political advertising. The film-studio segment, which has been a weak spot for Fox the past few quarters, showed some improvement as revenue fell 2.8%—a sharp moderation from the 14% decline in film studio revenue the company had posted in the December quarter. Adjusted operating income from the segment jumped 23%. Fox is the owner of Twentieth Century Fox studio, cable channels Fox News and FX and the Fox broadcast network.

Rupert Murdoch split his media empire in 2013, with entertainment assets going to 21st Century Fox and the publishing assets, including The Wall Street Journal, going to News Corp. Mr. Murdoch stepped down as chief executive of 21st Century Fox last summer, handing the reins to his son James. The elder Mr. Murdoch stayed on as executive chairman at Fox. His older son, Lachlan, was named executive co-chairman.

In an earnings call with analysts, 21st Century Fox Chief Executive James Murdoch focused on the company's digital efforts, including its agreement to license its channels to a new online cable TV-style service that Hulu announced earlier on Wednesday. Hulu is co-owned by 21st Century Fox, Walt Disney Co. and Comcast Corp. "Over the long term, but approaching quickly, all video entertainment will be consumed over IP streaming networks," he said, adding that this environment would be a much more competitive one that would demand better content. Fortunately, he said, due to investments in content in the last few years, "We are in a better place in almost all of our business creatively."

Discussing Hulu's planned service, Mr. Murdoch called it a "precedential move" that it would help it pave the way for working with other new entrants and "grow our direct-to-consumer capability." Asked how Fox would get feeds from its local TV station "affiliates" up on the service—a task that has proved challenging for other streaming players—Mr. Murdoch said "we would be able to anticipate substantially national coverage pretty soon," but added that "each affiliate group is different."

In the quarter, the company reported a steeper loss from Hulu, though it didn't offer specific figures. Overall, 21st Century Fox reported a net profit of $841 million, or 44 cents a share, down from $975 million, or 46 cents a share, a year earlier. Net income from continuing operations attributable to stockholders was $844 million, down from $990 million in the year-earlier period. Excluding certain items, per-share profit rose to 47 cents from 42 cents. Revenue rose 5.7% to $7.23 billion. Analysts had projected 47 cents in adjusted earnings per share on $7.18 billion in revenue, according to Thomson Reuters. – ***Wall Street Journal***

AT&T Inc. is unwinding a 15-year partnership with Yahoo Inc. that has spanned the evolution of the Internet, from competing against AOL dial-up service to jockeying against cable companies to selling high-speed broadband.

AT&T said Wednesday that it has awarded the contract to host its Web and mobile portals to Synacor Inc., a company little-known outside of telecom circles. The deal effectively moves a major chunk of AT&T's business away from

Yahoo. "We have agreed to have Synacor manage our next-generation att.net portal, AT&T-branded applications, and search," AT&T said in a statement. Yahoo will continue to host email for AT&T customers, though a person familiar with the deal said that is a fraction of its prior business with the telecom giant.

A Yahoo spokeswoman said AT&T is still a "valued partner" but declined to comment further. The revenue-sharing alliance between a telecom giant and an Internet pioneer had lost much of its cachet over the years amid a shifting Web landscape. But the partnership's demise is ill-timed for Yahoo, which is in talks to sell itself to bidders including AT&T's fiercest rival, Verizon Communications Inc. Sameet Sinha, an analyst at B. Riley & Co., estimates the AT&T partnership generated about $100 million in annual revenue for Yahoo.

The deal had given AT&T broadband customers access to Yahoo's search engine and other media services on the default AT&T website. AT&T and Yahoo had been splitting the search and display ad revenue from the site.

For Yahoo, the partnership brought in hundreds of millions of dollars in revenue over its life, a significant portion of which went straight to the bottom line, Mr. Sinha estimates. That is because the arrangement required minimal resources from Yahoo, leading to strong profit margins, he said. Yahoo doesn't break out its revenue from AT&T or broadband partners, but they contributed to the company's shrinking search and display ad revenue. Search revenue, excluding commissions paid to Web partners, declined 21% in the first quarter to $347.7 million. Display revenue, excluding commissions, fell 1% to $380 million.

AT&T is backing away from Yahoo at a critical time for the struggling Internet company. A handful of potential buyers, including Verizon and private-equity firm TPG, last month submitted bids for the core Web business, people familiar with the matter have said. The sale process is casting uncertainty around Yahoo's future, and that could deter advertisers and other business partners, said Youssef Squali, an analyst at Cantor Fitzgerald. The loss of the AT&T deal is "another indication that Yahoo is losing appeal with its partners," he said. Any loss of revenue could, in turn, diminish interest from potential suitors or lower the price they are willing to pay. Most of Yahoo's preliminary bids came in the range of between $4 billion and $8 billion, a person familiar with the process said last month.

Another long-standing Yahoo deal is set to expire next year. Japanese tech giant SoftBank Group Corp. pays about $200 million annually in licensing fees for its Yahoo Japan unit, of which Yahoo is still a stakeholder. About half of those fees expire in August 2017, though a separate licensing agreement involving the Yahoo brand has no expiration date. Advertisers have continued to shift budgets away from Yahoo to online-ad rivals Alphabet Inc. and Facebook Inc. This year, Yahoo will claim 1.5% of the global market for online ads, down from a 2.4% share last year, estimates eMarketer Inc.

The original purpose for the AT&T-Yahoo deal, struck in 2001, was to help AT&T better compete for high-speed Internet customers against America Online Inc., which had just merged with Time Warner Inc. Over its course, the relationship has taken many twists and turns, including with AT&T and Yahoo once contemplating jointly buying Walt Disney Co. and later choosing to simply focus on providing search and media services for AT&T's customer Web and mobile portals. Synacor Chief Executive Himesh Bhise said the deal will bring in an additional $100 million a year for the company once it has fully deployed its services for AT&T over the next 12 months. It will help the phone giant customize its own Web and mobile portals. On Wednesday afternoon, Att.net still had a co-branded logo saying "powered by Yahoo!"

Many other cable and broadband operators have shifted to choosing white-label vendors or developing the expertise in-house for their customer Web and mobile sites, Mr. Bhise said. That is because service providers no longer want a "broad-based consumer portal" but want to "craft their own digital presence." Synacor will split the search and advertising revenue with AT&T. Unique visitors to www.att.net have stayed fairly constant over the past three years, according to comScore Inc., though it is down from a year ago by 8.7% to 8.4 million in March.

The three-year deal is a coup for Synacor, which has struggled over the past few years under pressure from investors. "It puts the company on a trajectory to be three times its size in three years," Mr. Bhise said. News of Synacor's deal sent its shares skyrocketing in late trading Wednesday to $3.30 a share, more than double their price of $1.41 at market close. – ***Wall Street Journal***