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The top 17 ISPs added nearly 1.2 million broadband subscriptions in the first quarter, according to Leichtman Research Group, with cable companies accounting for 86 percent of that growth. The LRG report comes as Comcast, the No. 1 cable company, is seeing broadband subscribers surpass video customers for the first time. Comcast added a whopping 407,000 Internet users in Q1, accounting for the lion's share of the more than 1 million broadband subs added by cable operators in Q1.



Leichtman's survey tracks the top ISPs covering 94 percent of the market. The 1.2 million net adds were on par with Q1 2014. The leading ISPs now control 88.5 million subscribers, the research company says, and cable operators own 53 million of those customers. Telco providers, led by AT&T, Verizon and CenturyLink control the other 35.5 million. "This was the first quarter with over a million net broadband

adds for cable since 1Q 2008," said Bruce Leichtman, president and principal analyst for LRG.

"Cable also accounted for 90 percent of the 3 million broadband additions over the past year, growing their market share versus telcos back to 60 percent for the first time in nearly a decade." – **Fierce Cable**

AT&T and DirecTV appear increasingly optimistic that their \$48.5-billion marriage soon will win the blessing of federal regulators. On Friday, the two companies agreed to extend their merger agreement, which had been scheduled to expire Monday. "Each of AT&T and DirecTV has elected to extend the ... 'termination date' of the merger agreement for a short period of time to facilitate obtaining final regulatory approval required to close the merger," AT&T said in a filing with the Securities and Exchange Commission.

The merger agreement was signed May 18, 2014. At that time, the companies did not anticipate such a lengthy review by the Federal Communications Commission and the U.S. Department of Justice. AT&T's acquisition of DirecTV, based in El Segundo, would create the nation's largest pay-TV company with more than 25 million customers in the U.S. AT&T has said it anticipates completing the merger by the end of June. It recently told investors that it expects substantial cost savings after the consolidation of the two companies -- as much as \$2.5 billion in savings.

In recent weeks, other companies, including Netflix and Dish Network, have lobbied the federal government to apply several conditions to the merger, if the government gives its consent, to encourage competition. The FCC's review of the merger has accelerated in

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the last week. Last week, a federal appeals court ruled on a related lawsuit brought by CBS Corp., Walt Disney Co. and other programmers that had objected to the proposed dissemination of information from their confidential contracts. The appeals court ruled in favor of the programming companies. The lawsuit had acted as something of a speed bump, slowing down the FCC's review of the AT&T-DirecTV merger. — *Los Angeles Times*

Google Inc. will launch buy buttons on its search-result pages in coming weeks, a controversial step by the company toward becoming an online marketplace rivaling those run by Amazon.com Inc. and eBay Inc. The search giant will start showing the buttons when people search for products on mobile devices, according to people familiar with the launch.

The buttons will accompany sponsored—or paid—search results, often displayed under a “Shop on Google” heading at the top of the page. Buttons won't appear with the nonsponsored results that are driven by Google's basic search algorithm. If shoppers click on the buy buttons, they will be taken to another Google product page to complete the purchase, the people explained. On that page, they will be able to pick sizes and colors and shipping options, as well as complete the purchase, one of the people said. The products will still be provided and sold by retailers, rather than by Google. Retailers including Macy's Inc. are in talks with Google about taking part in the launch, the people added. A Macy's spokesman didn't respond to a request for comment on Friday.

Google won't show buy buttons when shoppers search on desktop computers, and the company is starting the program with a small percentage of the search traffic it handles. But the move marks a major and potentially risky strategy shift that will turn the company into more of an online transactional business, rather than simply a provider of links to information elsewhere on the Internet. Some retailers said they worry the move will turn Google from a valuable source of traffic into a marketplace where purchases happen on Google's own websites. The retailers, who wouldn't voice their concerns publicly, fear such a move will turn them into back-end order takers, weakening their relationships with shoppers.

Retailers currently send Google data feeds on the products they are selling online, and then pay Google when shoppers click through to their websites. To mollify retailers' concerns, Google will allow consumers to opt into the same marketing programs that they would be exposed to had they made the purchase on the retailers' own websites, one of the people said. That means retailers will get address information and likely email addresses for future marketing efforts as long as shoppers opt in.

The product pages where Google handles the purchases will be heavily branded for the retailers selling the items, and any recommendations for other things to buy will only be from that merchant, one of the people said. But Google will let shoppers input payment credentials such as credit-card numbers one time, and the company will store those and automatically load them for future purchases on its shopping pages. Google won't send those payment details to the retailers, one of the people said. After Google gets the money from shoppers it will pass the payment on to the retailer. Depending on how the consumer chooses to pay, Google or the retailer may show up on customer billing statements, one of the people said.

Google will offer a wide range of payment options, including digital payment methods from other providers, the person added. Google will still be paid by retailers through its existing advertising model, rather than taking a cut of the sales price of items—the usual way online marketplaces like Amazon's and eBay's work. In the Google program, the company will indicate on its first mobile shopping results page that items are available to buy on Google, and when shoppers click through to the product page, retailers will pay based on those clicks, one of the people familiar with the situation said.

Google is making the changes because of the surge in smartphone usage. It said recently

that searches on mobile devices now outnumber those on personal computers in 10 countries, including the U.S. and Japan. Smaller phone screens have less space for ads. On top of that, mobile ads often fetch lower prices than similar ones on desktop computers since they may lead to fewer sales. One reason: it can be a bigger hassle to navigate a retailer's page, and enter credit-card and shipping information, on small smartphone screens with error-prone keyboards. Instead, shoppers are turning to mobile apps from Amazon, eBay and other rivals where their personal information is already stored and purchases can be done with fewer clicks. That reduces the number of lucrative product searches that Google can run ads alongside.

In response, Google is making changes to its search engine and ad systems to provide information directly on its results pages, rather than giving them links to other sites. Google has told retail partners that it is adding a buy button to reduce friction for users on mobile devices, increasing the chances that they will make a purchase, known as a "conversion" in the digital ad business, two of the people said. This is a delicate balance for the company, and it is stressing to partners that shoppers will still belong to the retailer, rather than Google.

It can't upset large retailers because they are among the largest spenders on the company's search ads, according to a study last year by Ad Age and search marketing firm AdGoroo. In the past, Google executives have tried to quell talk of an online marketplace, where consumers buy goods from a variety of merchants. However, the company has been slowly adding marketplace features that mimic Amazon, such as detailed product pages with reviews, better photos, specifications and prices.

Amazon's marketplace is thriving, with more than two million merchants selling products on its site and giving a cut of their sales to the company. But most larger retailers don't work with Amazon because they want to avoid price competition, and they collect valuable customer information through their own websites. An effort by eBay to get large retailers to sell on its marketplace has produced mixed results. Google told retailers last year that it was considering a buy button, sparking concern among some companies in the sector. — **Wall Street Journal**

In all the coverage of the AOL-Verizon deal, what has not been said — perhaps because it's either too sad, scary or true — is that it signals the failure of creating value, and a monetization strategy for content-driven businesses such as AOL. Tim Armstrong was AOL's content guru — and orchestrated a variety of content acquisitions including the Huffington Post for some \$315 Million. Yet despite plenty of pronouncements about page views, Armstrong was never able to produce the revenues based on AOL content to create true value for the brand.

In this Armstrong is not alone. Yahoo has the second most visited sports site (after ESPN) and one of the most visited finance sites (after Bloomberg). Marissa Meyer has spent plenty of content including a very expensive deal with Katie Couric and the hiring of much print talent. Yet Yahoo's value has not substantially increased.

All of us who passionately believe in the value of content, who grew up with newspapers and magazines as essential to our knowledge-base and worldview, and who understood the value and recall print being a superior advertising and circulation conduit for advertising and paid subscriptions, should be very concerned and dismayed by AOL's sale to Verizon. Verizon believes that the value in AOL is its ability to create ad-supported mobile content — not there is much proof of this concept as a business model. Most think that Verizon will spin off HuffPo — leaving it to prove that there is a business model in content. — **Forbes**

Former U.S. Sen. Rick Santorum will make an announcement at 5 p.m. May 27 at Penn United Technologies in Jefferson, Butler County, about his possible candidacy for

president, a representative for Santorum said. Santorum, who previously touted that a “big announcement” was coming May 27, grew up in Butler County. Santorum, 56, of Leesdale, Va., is a Republican formerly from Penn Hills. He served in Congress from 1992 until his election to the U.S. Senate in 1994, a seat he held until Democrat Bob Casey of Scranton defeated him in 2007. The Penn United manufacturing company is at 799 N. Pike Road. – *Pittsburgh Tribune-Review*



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