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pcntv.com**Los Angeles Times**

[Leslie Moonves helped make CBS a TV juggernaut, but the brawl over a Viacom merger could lead to his exit](#)

As empires hang in the balance, two hardened commanders engage in tug of war on an epic scale.

It could be the plot of a summer blockbuster — the latest “Star Wars” movie, perhaps. Instead, it may soon play out in real life, with Comcast, led by Brian L. Roberts, trying to pry the bulk of 21st Century Fox away from Disney and its chief executive, Robert A. Iger. “It will be a bloody battle,” said Michael Nathanson, a longtime media analyst.

Bloomberg
[FCC chair defends weakening net neutrality despite Senate vote](#)

The Walt Disney Company struck a \$52.4 billion, all-stock deal in December to buy most of 21st Century Fox, the global conglomerate controlled by Rupert Murdoch. Regulators are now scrutinizing the transaction; Fox and Disney shareholders are expected to vote on the agreement sometime this summer.

Denver Post
[What's next for online TV services may be ironically familiar as companies aim to simplify the viewer experience](#)

Comcast had also pursued Fox, making a proposal in the fall that exceeded Disney's bid by 16 percent on a per-share basis. The Fox board cut off talks over antitrust concerns. At the time, the Justice Department had just filed a lawsuit to block AT&T's \$85.4 billion offer for Time Warner.

But Comcast, which owns NBCUniversal, thinks it has a new opening.

Media and legal experts believe that AT&T will win its fight for Time Warner. The government did not appear to prove its case that a bulked-up AT&T would harm consumers and stifle competition. A judge will rule by June 12.

Montgomery News
[Comcast tower's dress rehearsal being staged in Horsham](#)

If the outcome is favorable to AT&T, Comcast intends to mount a campaign to snatch Fox from Disney, according to two people briefed on the strategy who spoke on the condition of anonymity to discuss private conversations. Comcast is likely to offer roughly \$60 billion for Mr. Murdoch's assets — in cash — while matching other terms of the Disney deal (laid out in a recent securities filing) and making a public case to Fox shareholders that regulatory concerns have vastly lessened.

Cue the battle royale.

Here is what you need to know as the tension mounts.

Los Angeles Times

[The fear is now: How HBO's 'Fahrenheit 451' measures up against TV's most recent dystopian dramas](#)

How serious is Comcast about a potential hostile bid?

Extremely. Contrary to the belief of some in Hollywood, this is not about casual rumblings from the Comcast camp as a way to torment Mr. Iger. Comcast is mobilizing. It has already lined up bridge financing with investment banks, for instance, according to the people briefed on the company's strategy.

Wall Street Journal

**Fox News Names
Suzanne Scott as its
First Female CEO
(subscription
required)**

At the same time, it's possible nothing comes of that maneuvering. Comcast, which declined to comment, is waiting for the outcome of the AT&T case to make up its mind.

Exactly what are the Fox assets?

Under his deal with Disney, Mr. Murdoch is selling stakes in two behemoth overseas television providers, Sky of Britain and Star of India; a portion of Hulu; the cable channels FX and National Geographic; a chain of 22 regional cable networks dedicated to sports; a television studio with more than 30 series in production; and the 20th Century Fox movie studio, which controls the "Avatar" and "X-Men" franchises.

Fox News, the Fox broadcast network, a chain of local television stations and the FS1 sports network are not for sale. Mr. Murdoch is building a new company around those.

Why does Comcast want the Fox assets so badly?

It boils down to this: Comcast, like Disney, wants to add bulk as a counterattack against Netflix and other tech giants that have aggressively moved into the entertainment business.

"There will only be a handful of global, scale players," Todd Juenger, an analyst at Bernstein Research, wrote in a research report on May 9. "We think Disney and Comcast increasingly view Fox as the seminal defining point, and this the moment in time, in determining which company ascends to that role."

Comcast, the largest cable and broadband provider in the United States, wants Mr. Murdoch's overseas businesses in particular — so much so that it made a \$31 billion offer last month for the 61 percent of Sky that Fox doesn't already own.

NBCUniversal has been white hot — revenue soared 21 percent in the first quarter, compared with a year earlier — and its portfolio includes the fastest-growing cable network (MSNBC) and the No. 1 cable entertainment network (USA). In the longer term, however, NBCUniversal likely needs a bigger content war chest to compete against Netflix, Amazon, Apple and their ilk.

How is Disney likely to respond to a Comcast bid?

Mr. Iger has given no public indication, and a Disney spokeswoman declined to comment.

But analysts predict scorched earth. Disney could sweeten its bid, resurface horror stories about Comcast's customer service, remind Fox shareholders that Disney's regulatory process will be faster — it has a six-month head start — and raise questions about whether Comcast adhered to conditions the government put on past acquisitions, like NBCUniversal.

Comcast has some deal baggage. A 2015 attempt to buy Time Warner Cable collapsed under pressure from regulators, who found that the combined company would have had the power and incentive to inhibit the future of streaming video.

Some lawmakers have continued to scrutinize Comcast's 2011 acquisition of NBCUniversal. In a letter to the Justice Department in December, Senator Richard Blumenthal, Democrat of Connecticut, asked for a renewed investigation on the effects of that purchase, writing that it "has been roundly criticized by experts who argue that it has caused anticompetitive harm."

Comcast said at the time, in part, that it had “met or exceeded all of the commitments and obligations” set forth by the Justice Department for the NBCUniversal transaction.

If the AT&T deal goes through, does that mean easy regulatory sailing for a potential Comcast-Fox union?

No. Timothy Horan, an analyst at Oppenheimer who has expressed support for a Comcast move on Fox, wrote in a May 9 research note that approval for the AT&T deal would help open a regulatory path but that Comcast would still face a “difficult” road.

Antitrust experts note that Comcast-Fox would have more overlapping businesses than AT&T-Time Warner. Comcast-Fox would also control more of the overall entertainment supply chain — “a content and distribution superpower like we’ve ever seen,” as Mr. Nathanson put it in a phone interview.

Comcast has a bigger broadband business than AT&T, which could raise government concerns that Comcast could use that power to hurt competitors, especially as the internet grows in importance as a video pipe, some analysts say.

Disney has its own regulatory risks in buying the Fox businesses. The melding of ESPN, already owned by Disney, with Mr. Murdoch’s regional sports networks may be an issue for the government. Disney would also become a movie colossus; based on 2017 ticket sales, Disney-Fox would control about 35 percent of the domestic theatrical business.

Comcast shares have dropped 24 percent since late January. Does the apparent lack of shareholder support for a Fox bid mean Comcast will back off?

No. Comcast does not need shareholder approval for a cash offer. Moreover, Comcast executives probably see the decline as temporary and not entirely related to the hostile bid rumblings. Comcast’s cable competitor Charter has seen its shares decline about 28 percent over the same period.

Does Comcast have the money to make a hostile bid?

The company would borrow to make a cash offer, and banks are willing. Comcast has healthy financials.

It would, however, mean taking on an amount of debt — at least \$164 billion — that Moody’s last week called “staggering” and said would probably imperil Comcast’s A3 credit rating.

“That sounds like a nearly impossible level of debt to sustain,” Richard Greenfield, an analyst at BTIG Research, wrote in a recent report. But he argued that it was not as scary upon a closer look. Given Fox synergies and cash flow, “Net debt by the end of 2020 would drop to below \$130 billion — essentially in line with a combined AT&T Time Warner.”

Where does this leave Fox shareholders?

In the catbird seat. Even if Disney ultimately wins — as Mr. Nathanson predicts — Comcast can drive up the price.

For his part, Mr. Murdoch has made no public comment about a potential bid by Comcast. (His family’s share of the vote is about 17 percent.) Lachlan Murdoch, chairman of 21st Century Fox, told analysts on a May 10 earnings call, “We are committed to our agreement with Disney.”

He added, "Our directors, though, of course, are aware of their fiduciary duties on behalf of all shareholders." - ***New York Times***

