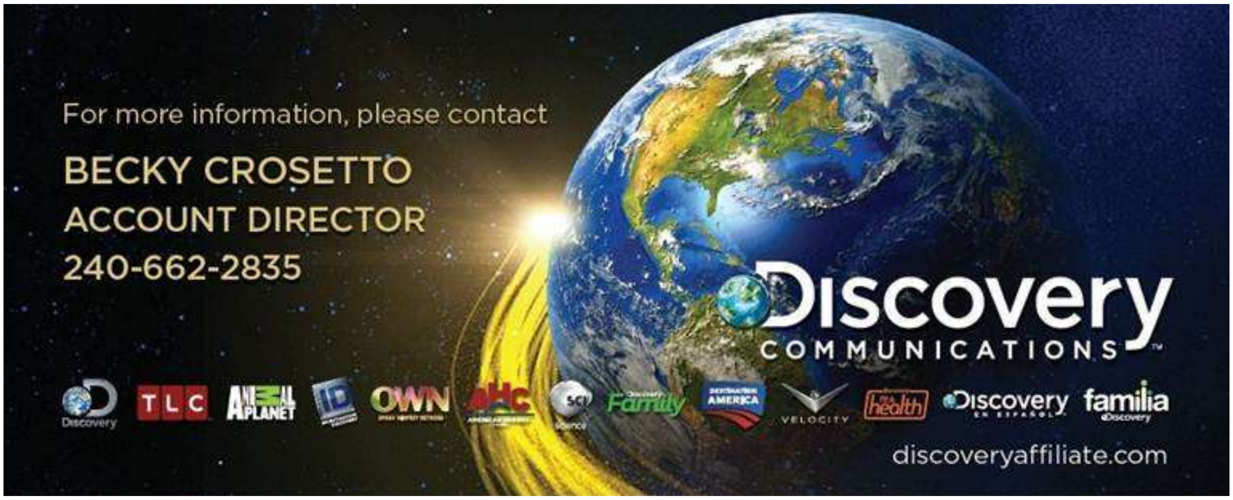

BCAP NewsClips

June 4, 2015

WCAU-TV (Philadelphia)
Delco Lawsuit Accuses Telephone Companies of Cutting 911 Fees

Delaware County Daily Times
Vote sparks controversy over future of Lower Merion Township's (Montgomery Co.) channel

Washington Post
The NFL will change football and TV forever by letting Yahoo stream a game online

New York Times
Showtime to Introduce Net Streaming Service in July

Wall Street Journal

Cable providers can raise customer rates without approval from local governments under a change adopted by the Federal Communications Commission over opposition from broadcasters. States, cities and other localities lost oversight of basic programming packages on a 5-0 vote by the FCC led by Democratic Chairman Tom Wheeler said an agency official briefed on the matter who requested anonymity because the result hasn't been made public.

Currently, cable companies seek FCC approval to escape local rate-setting. Requests are almost always granted: the agency says it approved all but four of 224 since 2013. With the change, the FCC will assume cable companies deserve to escape local rate regulation. It falls to jurisdictions to ask for permission to retain that power.

The FCC said it was changing its 22-year-old rule because the market has changed, with nationwide competition from satellite television. Neil Grace, an agency spokesman, in an e- mail called the proposal "a common-sense update for today's video marketplace to reduce regulatory burdens on all cable operators -- large and small." Grace declined to comment on the vote because the result hasn't been announced.

Comcast, the nation's biggest cable provider, said only about 17 percent of its subscriber base was subject to rate regulation by local government. Most U.S. jurisdictions today have power to regulate rates for basic programming packages, according to policy groups including Common Cause and Free Press. Consumers Union told the FCC that "there is little evidence to suggest that today's cable marketplace is a competitive one" given subscription rates rising faster than inflation.

Cable companies backed the move, saying it eliminates needless red tape. Broadcasters fear cable companies can now assign TV-station signals to pricier tiers, cutting the audience for local programming, said Dennis Wharton, spokesman for the National Association of Broadcasters trade group. The change cuts requirements for uniform rates across a locality, and lets cable companies offer any number of programming tiers before customers can order premium and pay- per-view offerings, said an FCC advisory panel.

Congress asked the FCC to simplify procedures for small cable companies, and Wheeler's change provides "unnecessary regulatory benefits to large cable companies,"

Dish Network, T-Mobile in merger talks, sources say

St. Louis Post-Dispatch
Editorial: The Charter-Time Warner deal is not in the public interest

Los Angeles Times
Editorial: Can Lifeline close the digital divide?

Associated Press
Pennsylvania senators to introduce Internet gambling bill

Pittsburgh Tribune-Review
By 2-to-1 margin, Pennsylvanians with opinion say AG Kane should resign

Harrisburg Patriot-News
Editorial: Fix Pennsylvania's redistricting 'goofiness' now, before it's too late for change

13 U.S. senators, all Democrats along with one independent, said in a May 12 letter to Wheeler. Consumers may see higher rates and fewer channels in the lowest-cost program packages, said the senators including Al Franken, of Minnesota. There is competition in "virtually every community," the National Cable & Telecommunications Association said in filings. Comcast is a member of the trade group. – ***Bloomberg***

The phone rang and Wilkes-Barre resident Mike Young picked up the receiver. Susan Colwell, a Pennsylvania Public Utility Commission administrative law judge, asked Young if he was ready to testify about PPL Electric Utilities' proposed distribution rate increase. He was.

Young was sworn in over the phone Tuesday afternoon as part of the PUC's new experiment with a form of virtual public hearings it calls "smart hearings," allowing utility customers to testify about rate increases via phone and watch the proceeds via webcast. The goal is to increase customer engagement in the hearings, which typically have been held in person at various sites around each utility's service area before anemic audiences.

Young told the assembled audience both at the live hearing held in the PUC meeting room in Harrisburg and those watching online that he opposed the $168 million rate hike, which would increase the fixed costs on customers' bills by about $10 a month to pay for infrastructure. "I am against the court approving any rate increase for PPL customers," he said.

Young was one of eight callers who took advantage of the new format to phone their comments into the hearing. The list included Bethlehem resident Agnes Ruyak, who said she's on a fixed income and struggles to keep her electricity bill in check. "We live in a modest condo, for 22 years, it's all electric," she said. "There is no gas. Our bills are so out of sight."

Three others testified in person in Harrisburg. All but one opposed the increase, many saying the rate hike will hurt low-income customers because it will increase flat levies that can't be reduced by conserving energy. Eight more callers were scheduled to phone a second smart hearing Tuesday evening, PUC spokesman Nils Hagen-Frederiksen said. A third, traditional in-person-only hearing is scheduled for Muhlenberg College's Seegers Union in Allentown at 6 p.m. today. The PUC is expected to make a final decision on PPL's request at its December meeting. – ***Allentown Morning Call***

Billionaire John Malone, fresh from helping engineer a mammoth cable-TV merger, is examining ways to consolidate studios and smaller channels to better compete as the traditional TV bundle begins to unravel.

The 74-year-old mogul said Lions Gate Entertainment Corp., a studio where he is a director and owns roughly 3%, could play a significant role in any roll-up of companies that produce or distribute programming. Indeed, he believes a union between Lions Gate and Starz, the premium cable channel in which he has a big voting stake, could be in the mix, he said Tuesday, speaking both during a private meeting with investors and in remarks to The Wall Street Journal. "Lions Gate could buy Starz and potentially other free radicals in the industry," Mr. Malone said in a brief conversation on the sidelines of the annual meeting in Englewood, Colo., of his investment holding companies, including Liberty Media Corp. and Liberty Broadband Corp.

Liberty Broadband backs Charter Communications Inc., which recently struck a deal to acquire Time Warner Cable Inc. for $56.7 billion and buy the small cable operator Bright House Networks for $10.4 billion. After that deal closes, Liberty will have a voting stake of about 25% in the combined company. Asked if TV channel owners including Scripps Networks Interactive Inc. or AMC Networks Inc. could be among the potential targets for

Lions Gate, Mr. Malone said they could, but said coming to terms with the controlling shareholders in those companies could be difficult. Scripps and AMC declined to comment.
Mr. Malone said in the annual meeting that new Web-based TV offerings and “skinny” TV packages will put pressure on the traditional cable TV bundle. “The bundle will come apart,” he said. As consumers get more flexibility, TV channels will have to work harder to win them over.

Lions Gate has repeatedly approached Metro-Goldwyn-Mayer Inc., the 91- year-old studio that controls the James Bond series, about a merger. But the hedge funds that control MGM believe their company is more valuable than Lions Gate does, people with knowledge of the talks said. Lions Gate also continues to be interested in buying overseas TV companies, the people said. Lions Gate, Hollywood’s largest independent studio and maker of shows including AMC’s “Mad Men” and the “Hunger Games” film franchise, is still relatively small—with a $4.9 billion market value. But senior media executives and analysts say that larger assets could be available to Lions Gate with the backing of Mr. Malone, who has a reputation as a master strategist and can easily raise money.

On an earnings call last year, the CEO of Lions Gate, Jon Feltheimer said, “When there’s an opportunity to expand television or our other businesses in an accretive fashion, I think we’re going to take advantage of that.” He added, “We don’t feel that we have to do anything.” Some Wall Street analysts have begun gaming out what Mr. Malone might do next. “If our thinking is correct that none of the big content companies is going to take out the smaller ones, then maybe the obvious course of action is for all the little companies to consolidate together,” Sanford C. Bernstein’s Todd Juenger said in a research note. “They just need someone to orchestrate it. Mr. Malone is one of the few that could conceivably do it.”

At the investor meeting, Mr. Malone was asked about a bigger fish: CBS Corp. He called the broadcaster a great asset and noted that its sister company, Viacom Inc., owner of Paramount Pictures and several cable channels, is also valuable despite some of its recent challenges, according to people who attended. Mr. Malone didn’t announce any plans with respect to those companies. He noted both are controlled by 92-year-old Sumner Redstone. If Mr. Redstone were to die, a trust involving the mogul’s associates and members of his family would manage his nearly 80% voting stakes in Viacom and CBS. CBS and Viacom declined to comment. To be sure, no deals are imminent, and some media investors believe that

Mr. Malone’s content roll-up ideas won’t materialize for some time. For now, he is just a small minority stakeholder in Lions Gate. Mr. Malone is best known as a baron of cable-TV distribution—the man who built Tele-Communications Inc. into a giant operator through hundreds of acquisitions in the 1970s and 1980s before selling it to AT&T. But he has always seen the value of content. In the early days at TCI, he viewed the success of cable-TV channels as crucial for the fledgling industry, and invested in companies like BET, Discovery Communications and Turner Broadcasting—in some cases helping to rescue them from financial distress. These days, Mr. Malone’s content holdings also include a 29% voting stake in Discovery—another company that could be involved in content consolidation. Discovery and Mr. Malone’s international cable operator Liberty Global together own the studio All3Media. In addition, Liberty Global owns an interest in U.K. broadcaster ITV.

Mr. Malone and people familiar with Lions Gate’s thinking also hinted at future strategic collaboration between Lions Gate and Discovery. Mr. Malone told the Journal that Discovery, which has made its brand in unscripted TV like nature documentaries, “needs to get into scripted in a bigger way.” Lions Gate has mulled a scenario in which it would take a stake in All3Media, and that would become a vehicle for Lions Gate to work more closely with Discovery on scripted content, people familiar with the matter said. Mr. Malone's comments—and his interest in Lions Gate—mirror how he characterized Charter two years ago as a potential "horizontal acquisition machine." Soon after, Charter began a campaign to snap up Time Warner Cable.

Like Charter, Lions Gate has a management team Mr. Malone regards highly. And ithas the added benefit of domicile in lower-tax Canada. Over his four decade career, Mr. Malone has prized deals that generate tax efficiencies. Lions Gate has been focused on its growing TV business, which also produces "Orange Is the New Black" and "The Wendy Williams Show." TV production revenue rose 30% in the fiscal year ended March 31 to $579.5 million; motion picture revenue shrank 17% to $1.82 billion.
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Mr. Malone told investors in the meeting that he was introduced to Lions Gate's team, including Vice Chairman Michael Burns and Mr. Feltheimer, through media tycoon Barry Diller, his longtime friend and sometime fierce rival. Lions Gate was interested last year in pursuing a merger deal with Starz, but the two sides couldn't come to terms over valuation and tax issues. People close to both companies believe a rekindling of talks is likely. In his conversation with the Journal, Mr. Malone described his position on Lions Gate's board as "educational," a time for his "doddering" self to learn more about the content-creation business.

People close to Mr. Malone say he views scripted content as a vital building block to creating streaming services that could rival Netflix globally. Lions Gate, which has a deep library of movies and TV shows, has already made initial forays into its own subscription online video services, including one focused on independent film and another in partnership with the Comic-Con International. Smaller content companies are perceived on Wall Street to be at a disadvantage because the giant conglomerates control valuable TV rights for sporting events. But Mr. Juenger of Bernstein said if smaller content companies merge they could create a joint online video service to offer a package of nonsports programming. "The programmers have all got to think about how they are going to be found and promote themselves in that kind of a world," Mr. Malone said. – ***Wall Street Journal***

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