

June 12, 2018

Recode Next year, people will spend more time online than they will watching TV. That's a first.

Reuters AT&T, Justice Department await decision that could determine future of media

CNBC Comcast is preparing to announce bid for Fox on Wednesday if AT&T-Time Warner is approved, sources say

Digiday Amazon gets serious about streaming live sports

Politico The Trump appointee making Silicon Valley sweat

Pittsburgh Post-Gazette Pa. to test security of voterregistration system in time for 2020 elections Blue Ridge Communications announces the completion of its 12-month Gig project to bring 1 Gig Internet speed to its entire service area. It is the only provider offering 1 Gig Internet speeds – the fastest on the market – in the majority of the areas it serves.

Since its founding in 1950, Blue Ridge's mission has been to bring state of the art technology and services to its local communities – northeastern and southeastern Pennsylvania – including many rural areas underserved by other providers.

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"Our 1 Gig launch represents our commitment to continued investment in our network and infrastructure. In Q1 of 2017, we doubled our speeds. In Q3, we introduced HomeFi[™] and in doing so became the first MSO to offer a whole home wifi solution with eero[™], and now we are excited to offer a new tier of service deploying Docsis 3.1 technology. The Blue Ridge community is home for us," says Mark Masenheimer, VP of Operations for Blue Ridge. "We are deeply invested in this region and the people who live and work here."

One Gig or 1,000 mbps is the latest upgrade from Blue Ridge to make sure its customers – families and businesses alike – have the very best. One Gig is the speed of the future. With the ability to download an HD movie in just 40 seconds, it's faster than many customers need right now, and stands ready for the demands customers will place on it in years to come with more devices, bigger files, and an insatiable need for 24/7 connectivity without slowdowns.

Masenheimer adds, "We don't ever want our customers to feel like they're missing out because of where they live. If you want it, Blue Ridge has it and you can too."

Always looking to the future, Blue Ridge continues to explore opportunities to launch new technologies and build up the local infrastructure, keeping its customers and community at the technological forefront. – Blue Ridge news release

AT&T Inc. and Time Warner Inc. have spent nearly two years planning and defending their tie-up, a marriage of necessity designed to take on bigger digital rivals.

A federal judge will only need a short time Tuesday afternoon to make it official or—<u>if government</u> <u>antitrust enforcers prevail</u>—block the deal, sending both companies back to the drawing board. U.S. District Judge Richard Leon's decision will come down through the most analog medium: He's planning to announce it in open court at 4 p.m. ET, the culmination of a 20-month legal slog that's absorbed both companies' time and attention while their industry changes around them.

A win for AT&T and Time Warner will vindicate their leaders' survival-of-the-biggest philosophy, <u>creating</u> <u>a vertically-integrated giant</u> with movie studios, television channels, satellites, cellphone networks and fiber optic cables all under the same roof. The roughly \$275 billion combined market capitalization would top traditional peers' and narrow a wide gap with technology companies like Google owner Alphabet Inc. and Facebook Inc., which have themselves spent billions of dollars dabbling in telecom and entertainment.

Beyond the two merger partners, the decision will be felt throughout the telecom and media industries, where several potential deals—including Walt Disney Co.'s and Comcast Corp.'s pursuit of 21st Century Fox—hang in the balance. It will also help shape antitrust enforcement under President Donald Trump, whose pick to run the antitrust unit of the Justice Department decided to bring the case. "This decision will likely serve as the litmus test for other potential M&A and has broad implications for stocks in the cable, telco and media space," said UBS analyst John Hodulik.

The companies faced minimal visible adversity <u>during the six-week trial</u>, which saw Judge Leon ask tough questions about the Justice Department's antitrust case against the deal. Litigation, however, is difficult to predict and some of the judge's questions were expected, because the department has the burden of proof in the case. It argues the deal would harm competition and likely lead to higher prices for consumers.

Altoona
MirrorAs the trial wore on, the government argued that Judge Leon didn't necessarily need to block the whole
deal, saying it would be enough if, for example, the judge blocked AT&T from owning Time Warner's

Editorial: Redistricting reform starts to show focus

Delaware County Daily TImes Op-ed from Rep. Frank Dermody (D-Allegheny): Dems want to hear your views on Pa. budget Turner networks. AT&T said any ruling along those lines would be a deal killer. (See the *Journal's* complete coverage of the trial.)

A loss for the companies would come as a stinging defeat for AT&T CEO Randall Stephenson, who bet the company's future on media ownership instead of doubling down on the wireless business. AT&T's stock has dropped 15% over the past two years and growth in wireless and pay-TV subscribers has stalled.

Intense interest in media assets and a soaring stock market mean Time Warner's value <u>could suffer less</u> in the event of a court defeat. Still, a ruling in the government's favor could scare away other potential suitors in telecom, potentially limiting the New York company's options. Judge Leon could also bless the deal but impose his own merger conditions governing the behavior of the combined firm. Tougher limits on AT&T's operations could hamstring the company for years and put it on uneven footing with Comcast, which will have rules over its ownership of NBCUniversal lifted later this year.

The losing side could have to decide in a matter of days whether to appeal Judge Leon's decision. The companies' merger agreement is currently set to expire on June 21. Both the government and the companies have been considering appellate options in case they lost, according to people familiar with the matter. Mr. Stephenson has described the purchase as a crowning piece of his strategy to keep the heir to Ma Bell from losing ground to newer entrants in its own market. He testified in the trial that the current pay-TV landscape reminded him of his company's landline telephone business, which coasted along until it didn't. "We used to kid ourselves into thinking, you know, it's not declining that fast, and before long, it was gone," he said, adding that AT&T's video-delivery business was showing the "same trajectory."

Time Warner likewise faces an existential challenge. TV watchers are growing less patient with the increases to their already hefty monthly bills, making providers like Comcast and AT&T's own DirecTV less willing to pay billions of dollars to carry the media company's channels. Revenue from traditional TV ads, meanwhile, is falling industrywide. "It is a double whammy," Time Warner CEO Jeff Bewkes testified in April. "It means that the financial support for all this programming on all these different channels gets pushed over toward subscription prices. And that's a problem, because we think consumers are up to here with subscription prices." – *Wall Street Journal*

About three dozen advocates gathered Monday in the Capitol Rotunda to push for legislative approval of a bill offering citizens greater say in how Pennsylvania's congressional and state legislative district lines are drawn. The gathering was held as the state Senate tries to settle lawmakers' and advocates' concerns on Senate Bill 22, introduced last year by Sen. Lisa Boscola, D-Lehigh. "I'm a little nervous," Sen. Mike Folmer, R-Lebanon, who is leading the negotiations, said during the rally. "I just want to make sure we get this done."

In its current form, the bill would partially pass the Legislature's map-making powers to an independent commission created with the blessing of lawmakers. The bill would require the 11 commissioners to be confirmed by a two-thirds majority of the House and Senate. Then, following six public hearings, preliminary and final redistricting plans for Congress, state House and state Senate districts would have to be approved by at least seven commission members, including two from each of the major parties and two from minor political parties. If the commission fails to agree, the vote would bounce to the Legislature.

An amendment is expected to be added Tuesday giving the Pennsylvania Supreme Court a tie-breaking vote if the commission and lawmakers cannot agree on any of the maps. The justices would pick among three proposed maps in each category. The amendment also is expected to re-instate a ban on commission members having financial or personal ties to lobbyists and government staffers.

No piece of legislation is perfect, said Carol Kuniholm, leader of the advocacy group Fair Districts PA. But the amendment Folmer is working on, she said, seeks to appease all sides for the betterment of all voters in a democratic society. If the amendment is adopted, the Senate could vote on the bill a final time Wednesday. However, its fate is doubtful in the GOP-led House.

Speaker Mike Turzai, R-Allegheny, and Rep. Daryl Metcalfe, R-Butler, are opposed to any bills that would take redistricting from the hands of lawmakers. Metcalfe chairs the House State government Committee, where state election bills are first vetted. This year, Metcalfe led a GOP charge to change House bills that would create an independent commission in favor of keeping lawmakers in charge of map-making, and eliminating the Supreme Court's role in the map-making process. "We'll take a look at anything that comes from the Senate," said Steve Miskin, spokesman for the House GOP caucus.

But, Miskin noted, his chamber lacks consensus on the topic. Multiple bills have been filed. The U.S. Constitution gives state legislatures the right to draw congressional and state district lines based on 10-year U.S. Census changes. Pennsylvania's constitution does the same thing. Most states follow those constitutional rules, but some states have opted to take lawmakers out of the process. Thirteen states have set up commissions to draw legislative district lines and six state use commissions to draw congressional lines, according to the National Conference of State Legislatures.

A national push has been afoot to create more commissions because of fears computer algorithms have made the map-making process too partisan in favor of one of two major parties. Nearly 90 bills seeking the creation of map-making commissions have been introduced in 29 states since 2017, NCSL data shows. The U.S. Supreme Court may weigh in this month on how much political gerrymandering is allowed before unfairly tipping the scales of democracy. One case involves Wisconsin's map that favors Republicans and another case involves Maryland's map that transformed a GOP-leaning district into a Democratic one.

The high court this year opted not to get involved in a Pennsylvania gerrymandering case. Instead the state Supreme Court, using the state constitution, struck down the 2011 congressional map as too partisan in favor of Republicans. The majority Democratic justices redrew the maps themselves. – *Allentown Morning Call*; more in *Harrisburg Patriot-News*

