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Comcast Corp. made an unsolicited offer to buy most of 21st Century Fox Inc. for roughly $65 billion, kicking off a bidding war with Walt Disney Co. as the two media titans jockey for position in a business undergoing tumultuous change.

Comcast on Wednesday bid $35 a share in cash for the assets, which range from a storied Hollywood studio and international pay-TV distribution to cable networks and a stake in streaming company Hulu. That is a premium of nearly 20% to Disney's all-stock offer for the same set of assets. Neither bid includes Fox News, Fox Sports 1 or the Fox broadcast network and its TV stations, which will be spun off into a new company.

Fox confirmed it received Comcast's offer and said it would "carefully review and consider" the proposal. Disney had no immediate comment on the offer. Disney is lining up financing in the event it chooses to counter Comcast's offer with new terms that include cash, according to a person familiar with the matter.

The Comcast offer **follows a federal court ruling Tuesday that approved AT&T Inc.'s acquisition** of Time Warner Inc., a decision that appeared to allay antitrust concerns regarding a Comcast bid for Fox. Fox's board last year rejected an earlier Comcast bid in favor of a deal with Disney, fearing regulators might block such a deal or require the sale of valuable assets. The AT&T ruling emboldened Comcast to relaunch its bid for Fox with an offer that isn't much higher than what it had earlier proposed. Comcast had offered an **all-stock deal valued at $34.41 a share as of November**, according to a Fox regulatory filing in April and a person familiar with the matter at the time.

Disney's deal, reached in December, valued the Fox assets at $29.54 a share based on the last trading day before it was announced. The bid is now worth $29.18 as of Wednesday's close. In a letter to 21st Century Fox Executive Chairman Rupert Murdoch and his sons disclosed with the new bid, Comcast Chief Executive Brian Roberts said a deal with Comcast "is as or more likely to receive regulatory approval than the Disney transaction." He added that an antitrust review of a Comcast acquisition shouldn't take much longer than the Disney review. "We firmly believe that the truly great media companies of the next century will be integrated global entities," Mr. Roberts said on a call with investors Wednesday afternoon.

Whether Comcast succeeds in winning over Fox will turn largely on whether Fox officials agree with Mr. Roberts. People close to Disney say Comcast may continue to have regulatory issues, given it is the largest high-speed broadband provider in the U.S. and could, as the owner of the Fox assets, have the incentive to make life difficult for rival content companies or streaming providers that depend on its pathway into customers' homes. Comcast's broadband concentration caused regulators to throw up roadblocks to its ill-fated attempt to buy Time Warner Cable in 2015.

It is now up to Fox to determine whether it wants to present the proposed Comcast deal to its shareholders. If it does, Disney has the right to counter with a new offer. Fox has set a July 10 meeting for shareholders to vote on the sale to Disney, but that meeting could be postponed. Should there be a new round of bidding, the back-and-forth could stretch on for weeks, if not months, people close to the process say.

The **fight for Fox is part of a scramble** by media, telecom and cable companies to get bigger as the superpowers of the technology industry, from Netflix Inc. to Facebook Inc., have disrupted old ways of doing business. Increasingly, the old guard is focused on merging content with distribution and technology, betting that such combinations could help them aggregate valuable consumer data to appeal to advertisers and create streaming options for viewers rejecting the cable bundle. The deal between AT&T, the largest U.S. pay-television company and the No. 2 wireless carrier, and Time Warner, owner of HBO, CNN and the Warner Bros. studio, is a clear example of that.

The industry is moving toward “an end state maybe five years from now where three or four large, vertically integrated conglomerates with presence in wireline, wireless and content potentially compete with each other” and the Silicon Valley giants, Barclays analysts said Wednesday. The battle for Fox includes some of media’s biggest power brokers, pitting Mr. Roberts against Disney CEO Robert Iger for businesses long part of Mr. Murdoch’s empire. The Fox assets are seen as prized entertainment properties, and Mr. Murdoch’s willingness to sell them came as a surprise to many in the media industry. (21st Century Fox and Wall Street Journal-parent News Corp share common ownership.)

The rare acquisition opportunity, combined with the need to significantly expand overseas and acquire new distribution and content, is adding a dimension of urgency for both Comcast and Disney. Comcast is dealing with a declining pay-TV market at home. It could find new growth with Fox’s international assets, including European and **Indian streaming services**.

For Disney, winning Fox would be a hedge against Silicon Valley companies like Netflix that have taken on Hollywood by marrying technology with piles of cash to spend on production. Immediately, it would give Disney majority ownership in Netflix competitor Hulu and access to a new, deep library of Fox’s movies and shows, including franchises like “Avatar” and “The Simpsons,” to make available on its planned streaming service.

Last week, Makan Delrahim, the Justice Department’s antitrust chief, seemed to indicate that Disney’s transaction didn’t raise major concerns. “They had good advice and carved out surgically…a transaction that might be doable,” he said on CNBC. Still, Disney’s amassing of content and two powerful Hollywood studios under one roof could raise some concerns. Both companies already have gamed out regulatory concessions they would be willing to make. Comcast and Disney are willing to divest Fox’s array of regional sports networks in the U.S. if necessary. Comcast is willing to match any other assets Disney offers up as regulatory carrots and would be willing to divest

Fox's Hulu stake if it became a flashpoint, people close to Comcast said.

Mr. Roberts and Mr. Iger's history together has at times been contentious. In 2004, while Mr. Iger was president of Disney, the media company spurned a **hostile takeover attempt by Comcast**. And after Disney struck its agreement with Fox, Mr. Roberts **made an informal offer earlier this year for one of the Fox assets**—European pay-TV operator Sky PLC—knowing it could muck up their deal. – ***Wall Street Journal;*** **more from *Philadelphia Inquirer* and *Los Angeles Times***

In the future, you will pay lots of money for lots of entertainment options.

Sound like what you've already got—a bundle of cable channels, voice service and internet access? The **merger of AT&T and Time Warner**, approved Tuesday by a judge after a long delay, is more proof that this reality will endure.

We've been headed in this direction for years, as AT&T acquired DirecTV, and fellow telecom giants Comcast and Verizon each beefed up on content and moved into each other's turfs. Tech companies, meanwhile, have done a fair job of destabilizing the existing players. Netflix , Amazon and Google's YouTube have redefined the TV show, while the smartphones and set-top boxes powered by Apple and its competitors have changed our viewing habits. Everything is on demand, everywhere.

But the entertainment companies, which still control the most popular brands and content, saw what happened when Apple took over the music business. So they sought refuge with big media conglomerates. This battle with tech companies was Time Warner 's primary argument in favor of its acquisition by AT&T. As a result, **Steve Jobs's famous deathbed promise** to reinvent broadcast TV hasn't happened. For now, at least, the internet will not be disrupting the bundle.

The Justice Department's chief **antitrust lawyer argued that this merger** would "greatly harm" consumers with "higher bills and fewer of the new, emerging innovative options." It's not clear that it will, as U.S. District Judge Richard Leon ruled. But the deal also will mean more of the same: bigger—not cheaper—packages of entertainment rather than the a la carte, pay-as-you-go custom content that many customers have long desired.

The classic triple play—call it the boomer bundle—included many TV channels, broadband internet and a landline. With the rise of streaming, bundles were thought to be on the way out, making way for extremely personalized offerings: You pick your internet provider, your phone carrier and the assorted video sources you like, be they channel apps like HBO Go, low-cost libraries of content like Hulu or Netflix, or full lineups from Comcast's Xfinity or AT&T's DirecTV.

Now the big bundle looks set for a comeback. Not only is AT&T about to get Time Warner, which includes HBO, CNN, the rest of the Turner channels and the Warner Bros. movie studio, but Comcast, already owner of NBCUniversal, is likely to pursue 21st Century Fox , sucking up yet more content. (21st Century Fox and Wall Street Journal-parent News Corp share common ownership.)

Internet service providers will have the opportunity to offer content produced by their entertainment divisions free to customers, or as part of competitively priced packages. (When streaming content is offered free, it is known as “zero rating.”) With the **end of net neutrality**—which would have kept the internet’s gatekeepers from abusing their power to charge other companies for carrying their data—telecom giants are more likely to aggressively pair their offerings with free content. And as usual, they’ll license content to one another.

The biggest difference between the aforementioned boomer bundle and this new millennial one is that you can access content through more devices, in more ways. Wireless is already becoming a much bigger part of entertainment delivery, and wireless providers will include more content as part of their unlimited service plans. Meanwhile, as **next-generation 5G networks** become a thing, companies such as Comcast will offer wireless service.

Competition among wireless carriers—especially pressure from T-Mobile—has helped to drive down the cost of wireless plans. Content deals will probably mean internet service providers will encourage people to opt for the premium end of their menus. (Verizon may need a studio of its own; content from AOL and Yahoo can’t compete with the output of HBO and Fox.) Standing apart from these vertically integrated entertainment/internet megacorps, Netflix is, ironically, the new HBO: the one service everyone has to offer, or at least not throttle, even if they legally can.

Netflix’s strength is its original programming, the same differentiator that’s helped HBO weather the changing cable landscape. Sure enough, in April, Comcast announced it would start including **Netflix in some cable bundles**. Like Comcast, Disney has its eye on Fox: Whichever company gets Fox ends up with a majority **ownership of Hulu**, a popular digital property in its own right. In other ways, Disney finds itself in a similar position to Netflix. Disney intends to launch a **family-friendly streaming service**, and it already has the stand-alone **ESPN+ internet offering**.

If you thought a tech columnist was going to say that, eventually, a full range of name-brand choices—from sports to late night to sitcoms to drama—will come from Apple, Google, Amazon and/or Facebook, you thought wrong. It’s not going to happen. These megamergers will probably further stymie the efforts of Apple and Google to disrupt the video market with set-top boxes and content deals. Both companies have deep pockets, but it’s hard to have leverage over competitors and consumers when your set-top boxes are nearly interchangeable and you don’t own an HBO or an ESPN. YouTube, Apple, and now even Facebook are fighting back with original and exclusive content, but in a world where there are nearly 500 scripted shows already, these nascent efforts have difficulty gaining traction.

The **tech giant least likely to break stride** is, as ever, Amazon. The company seems to view its video offerings primarily as a way to keep customers coming back to that other bundle so many of us have succumbed to: Prime. In the old days, we paid for hundreds of channels and watched only a few. In the future, we’ll pay for thousands, from a similar handful of providers. We’ll just cherry-pick our entertainment using more sophisticated tools, and enjoy it

anywhere, not just on the couch. Here's to…progress? – ***Wall Street Journal***

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