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MediaPost
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TVNewsCheck
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Comcast Corp. and AT&T Inc. have made audacious moves to become media distribution and content conglomerates, but one of the industry's most powerful players is skeptical of that approach and doesn't plan to follow suit: cable tycoon John Malone.

In an interview this week, Mr. Malone, a pioneer of the cable industry who owns significant stakes in No. 2 U.S. cable operator Charter Communications and cable-channel owner Discovery Inc., said he doesn't plan to consolidate his empire into a vertically integrated content and distribution player any time soon. "Why would I put Discovery together with Charter? Apples and oranges," Mr. Malone said. "If you are just forming a conglomerate by putting everything in the same bucket, it eliminates your flexibility, you've got tax problems, regulatory problems and a lot of problems that these companies operating autonomously don't have."

Mr. Malone said there may be smaller content opportunities for Charter, including teaming up with other distributors in a joint venture to own content companies. It could also buy regional sports networks, regional news or Spanish-language assets, he said. AT&T's acquisition of Time Warner Inc. is on the brink of closing after the companies **defeated an antitrust lawsuit** this week. Comcast, which already owns NBCUniversal, **is bidding for 21st Century Fox Inc.** entertainment assets against rival Walt Disney Co. The two companies have said that marrying content and distribution will help them create streaming products and give them access to consumer data that will allow them to better compete against tech giants for ad dollars.

Mr. Malone, a deal maker guru whose ideas carry weight in the industry, said AT&T and Comcast face a challenge in deriving financial benefits from such deals. He said AT&T would have an easier time reaping benefits because of its national footprint, which would allow it to use Time Warner's entertainment content, including cable channels like HBO and CNN, to drive revenue growth in its wireless business. Comcast, in contrast, still only operates in some regions of the country. "If I was [Comcast Chief Executive] Brian Roberts, I would probably have a content company and a cable company instead of one company. Maybe I would have done better, maybe not," he said with a laugh. Charter, like Comcast, is regional. It is only available in "maybe 30% of the U.S.," while the content business today requires global scale, he said.

Targeting Spanish-language media would make sense for Charter, he said, because Hispanics are "heavily concentrated" in the company's markets. One such asset is Univision Communications Inc., the largest Spanish broadcaster in the U.S., whose private-equity owners have been eager for an exit. Univision is "a valuable asset," Mr. Malone said. But "is it worth what people will sell it to you for?" Last year, Mr. Malone and Discovery Chief Executive David Zaslav made an unsuccessful run at Univision, offering more than $12 billion for the company, which Univision rejected, ***The Wall Street Journal* has reported**.

Other U.S. content companies, including Viacom Inc., CBS Corp., AMC Networks Inc. and Hollywood studio Lions Gate Entertainment Corp., are ripe for a roll-up, Mr. Malone said. "How do these companies evolve in this world of giants…where Disney can buy this piece of Fox and they are still tiny compared to Facebook and Apple?" Mr. Malone helped shaped the modern media and cable industry, helping fund the creation of networks such as CNN and BET. Though he sold his then-No. 1 cable company Tele-Communications Inc. in 1999 to AT&T, he has made a comeback in recent years, including by orchestrating Charter's acquisition of Time Warner Cable Inc. in 2016.

Besides Discovery and Charter, he also has interests, personally and through various holding companies, in companies including Hollywood studio Lions Gate, international cable operator Liberty Global PLC, Sirius XM, Formula One, internet-radio service Pandora and home shopping channels. "There are some synergies amongst companies that we have a stake in that we're still exploring" that could lead to deals, Mr. Malone said.

Last year, Verizon Communications Inc. and Japanese conglomerate SoftBank Group Corp. made merger offers to Charter, which Charter rebuffed as too low. Verizon bid in the $350-a-share range while Softbank's offer was at $540 a share in cash and stock, which included contributing Sprint shares at roughly $10 a share, people familiar with the matter said. Now, Charter's shares have fallen sharply on cord-cutting worries and are trading at around $295 a share.

Mr. Malone said "there was a logic" in a Verizon-Charter combination to accelerate the deployment of the next-generation wireless broadband technology called 5G. He said Verizon hasn't recently made another approach. SoftBank, he said, was offering a "a complex transaction" and in the end it required Charter to acquire wireless carrier Sprint Corp., which is controlled by SoftBank. "There were real questions about the value of Sprint," he said. While Charter's internet business is strong, Mr. Malone said its challenge is managing through cord-cutting and developing direct-to-consumer streaming products beyond the big cable bundle. "The big question is: How does the video part of their business evolve?" Mr. Malone said. – ***Wall Street Journal***

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When semiconductor-maker Micron Technology Inc. approached economic-development officials in Virginia about a tax-incentive package for a $1 billion expansion of its Manassas site, it got the cold shoulder. The state was too busy preparing its bid for Amazon.com Inc.'s second headquarters project, according to a person involved in the discussions. Now, the company is negotiating with officials in New York about taking the project—and the 500 new employees it would require—there, said the person.
Economic development officials in Virginia and New York declined to comment on Micron.

Boise, Idaho-based Micron's predicament underscores the time, money and potential lost opportunities that are at stake as finalist cities and states compete ferociously to win Amazon's $5 billion project. The Seattle-based online-retail giant **announced in September** that it was accepting proposals from cities looking to host its second headquarters, dubbed HQ2, which could hire up to 50,000 well-paid employees. With the public process came **eye-popping tax incentives**. New Jersey and Newark **offered $7 billion** in tax breaks, while Maryland proposed $5 billion.

In addition to those financial incentives, cities and states have spent hundreds of thousands of dollars on site-selection consultants, quirky stunts and **highly produced videos and graphics** to win Amazon's attention. Economic-development agencies can be privately or publicly funded, or some combination of the two. Some tapped private funds to help finance their HQ2 pitches. Economic-development groups in Pittsburgh, another of the 20 finalists, approved spending close to $360,000 in consulting fees, according to public records. Washington, D.C., **also a finalist**, paid $140,000 in consulting fees for website design, marketing and other services.

The time, money and projects that had to be set aside to focus on HQ2 proposals are the result of a highly unusual and public bidding process that some site-selection experts say puts too much pressure on cities to compete. "Amazon expected too much from too many communities and drove a process that was unusually expensive, unusually large, and put communities behind the 8-ball unnecessarily," said Jeff Finkle, chief executive of the International Economic Development Council, whose members include thousands of economic-development organizations.

After receiving 238 applications, Amazon in January **announced 20 finalists** for the HQ2 project. Executives completed visits to all 20 cities this spring. Recently, the company sent a letter to the finalist cities saying they are still working on picking a winner, according to people familiar with the matter. Christopher Steele, chief operating officer of the Boston-based consulting firm Investment Consulting Associates, faced frustrations similar to Micron's when economic-development officials in different cities told him they were too **busy with Amazon** to focus on some of his clients. He wouldn't mention specific projects but said one of the cities he had trouble with is a top-20 finalist.

Mr. Steele said he was told we're "really, really swamped with Amazon right now." At an international conference for economic developers in the fall, Amazon was the sole focus of state and city agencies, said Mr. Steele. "You start to think about the lost time and what is the opportunity cost," he said. Amazon declined to comment for this article. But the company has said in the past that many of those who didn't make the shortlist will be **considered for additional projects**, including warehouses or data centers that could create thousands of jobs. And some cities have said they've **already benefited from the process**, even if they don't win.

Barry Broome, chief executive of the Greater Sacramento Economic Council, said the nonprofit spent $200,000 of private funds on its proposal, including nearly $20,000 to produce a virtual-reality tour of

Sacramento, sent with goggles to Amazon. Despite **not making the shortlist**, Mr. Broome thinks the process gave the city good media coverage and more opportunities. “We think it was worth it,” Mr. Broome said.

With 1,800 employees, Micron’s Manassas, Va., microprocessor plant is one of the area’s largest employers. The plant is expanding to meet increased demand—particularly in the automotive industry, for which the company produces memory-storage devices, said a person familiar with the matter. Stephen Moret, CEO of the Virginia Economic Development Partnership, which is mostly publicly funded, declined to comment on the specific negotiations with Micron. In an email, he said the group heavily relied on consultants to aid it in its Amazon proposal. “Consequently, we don’t think there has been an opportunity cost to our HQ2 efforts, other than the financial investment we made in third-party support,” he wrote. He declined to say how much the state authority spent on its HQ2 bid. – ***Wall Street Journal***

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