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Pittsburgh Tribune-

Comcast Corp.'s second-quarter profit rose 7.3% as the movie "Jurassic World" set box-office records and revenue at the broadband and business services divisions grew, offsetting softness at the company's TV networks.

For the quarter ended June 30, Comcast reported net income of \$2.14 billion, or 84 cents a share, up from \$1.99 billion, or 76 cents, a year earlier. Revenue grew 11% to \$18.74 billion. Analysts were projecting earnings of 84 cents a share on \$18.14 billion in sales, according to estimates from Thomson Reuters.

The cable giant has been refocusing after emerging in April from 14 months in limbo, when it walked away from the ill-fated \$45 billion acquisition of Time Warner Cable because of stiff regulatory resistance. Since then, Comcast has announced plans to offer a new \$15-a-month Web TV service dubbed "Stream" for its Internet service customers and started testing a videogame streaming service over its set top boxes in partnership with Electronic Arts.

The company is trying to bolster its Internet offerings and target younger consumers as more customers opt to cut the cable TV cord in favor of cheaper video alternatives. In May, Comcast Cable President Neil Smit said the company's broadband subscribers had surpassed its video customers, a significant milestone for a firm that grew up on selling cable TV. Comcast shed 69,000 cable TV customers in the seasonally weak second quarter, an improvement from the 144,000 lost subscribers a year ago. Broadband customer growth slowed, as it added 180,000 customers, compared with 203,000 a year earlier.

While broadband subscribers may outnumber video subscribers, the video business still brings in far more revenue even as growth slows. Broadband revenue increased 10% to \$3.1 billion, while video sales rose 3.7% to \$5.4 billion thanks to higher cable bills. Business services revenue jumped 20% to \$1.2 billion, helping offset a 2.1% decline in voice revenue. Overall at the cable business—which includes video, broadband and voice connections and accounts for the bulk of Comcast's top line—revenue rose 6.3% to \$11.73 billion.

At the cable networks division, NBCUniversal's biggest segment by sales, revenue decreased 1% to \$2.45 billion. Operating cash flow—a measure of profitability—declined 4.6% amid continued ratings pressure. Revenue at the broadcast-TV segment, which includes the flagship NBC network, was flat, while its operating cash flow declined 3.7%. Television networks have spent the past few months negotiating with advertisers to lock in ad spending commitments for the coming season. While any public comments about upfront ad sales are notoriously full of posturing and fuzzy math, declines this year are likely at least as bad as last year.

For NBCUniversal, advertising revenue at its cable networks, which include USA, Syfy and CNBC, fell 3% in the second quarter, while broadcast ad revenue was relatively flat with the year prior. Total revenue at NBCUniversal shot up 20% to \$7.23 billion, following a blockbuster quarter at the filmed entertainment division and continued growth at the theme parks. Operating cash flow at NBCU increased 19%.

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Thanks to hits like "Jurassic World," "Furious 7" and "Pitch Perfect 2," operating cash flow at the filmed entertainment division more than doubled to \$422 million in the second quarter. "Jurassic World" is now third on the list of biggest box-office hits, behind only "Avatar" and "Titanic." Cash flow at the theme parks jumped 45% to \$354 million in the quarter. – ***Wall Street Journal***; **more in New York Times**

Dish Network Corp. confirmed Wednesday that Federal Communications Commission Chairman Tom Wheeler has circulated a draft order to deny \$3.3 billion in small business discounts sought by the satellite provider's affiliated entities in an airwaves auction earlier this year. In a statement, Dish Executive Vice President Stanton Dodge said "we respectfully disagree with the proposed denial of the bidding credits." He said Dish followed all the legal requirements needed to qualify and noted that the satellite provider's participation in the auction helped make it the "most successful" one in the FCC's history.

Dish said it met with the FCC's wireless bureau Wednesday and was told about the contents of the order, which was first reported by The Wall Street Journal last week. The FCC staff's analysis found that Dish does, in fact, have a "controlling interest" in its affiliated bidding entities, SNR Wireless and Northstar Wireless. Therefore, Dish's revenues were attributed to those entities, making them ineligible for the 25% bidding credit for small businesses under the FCC's rules, Dish said in the statement.

Dish provided 85% of the capital in both Northstar and SNR. But in filings with the FCC, both entities had reported revenue of less than \$15 million and said that Dish didn't control them. The two entities won \$13.3 billion in wireless licenses in the auction earlier this year. The FCC found that SNR and Northstar are still eligible to hold those licenses, Dish said in the statement.

The agency told Dish representatives in the meeting that it will not designate the matter for a hearing or refer it to the enforcement bureau or Justice Department. The draft order still requires approval from a majority of the commissioners to go into effect. An FCC spokeswoman declined to comment. – ***Wall Street Journal***

Gov. Tom Wolf is preparing to make an announcement about his administration a day after his top aide departed to run for U.S. Senate. Administration officials wouldn't provide more information about the governor's planned Thursday announcement. Press secretary Jeff Sheridan would only say that Wolf will name a chief of staff to replace the departed Katie McGinty when the governor is ready.

McGinty became chief of staff Jan. 20 when the first-term governor was inaugurated. She resigned Wednesday to run for U.S. Senate. Wolf already has hired some state government veterans in his office, including policy chief John Hanger and a special adviser on energy and manufacturing issues, David Sweet. Wolf's administration also includes top officials from his campaign, including executive deputy chief of staff Joe Shafer and legislative liaison Mary Isenhour. – ***Associated Press***



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