

CNN

Comcast shows swagger: revenue, subscriber trends beat expectations

Wall Street Journal YouTube Chief Pushes Ahead with Subscriptions Despite Questions

Deadline Hollywood With DirecTV, Will AT&T And Peter Chernin Create A Streaming Video Power?

Wall Street Journal Comcast Slashes the Value of Its Weather Channel Investment

USA Today Online video biz is in a celebratory mood

Politico How to read the MSNBC news

pennlive.com No budget, no pay: Lawmakers discuss merits of that idea

Philadelphia Inquirer Wolf taps insider as new chief of staff

Below are articles inadvertently left out of yesterday's bcapsules.

“Survey Says” Toomey videos are winners

We know that the early-evening syndicated game show hour (7:00 – 8:00 pm) is a favorite for political ads, and Sen. Pat Toomey

Lancaster city's efforts to bring free Wi-Fi to public areas as part of a larger municipal broadband network are highlighted in a recent report on Internet access. The report by PublicSource says at least 1.1 million homes lack Internet access. That's about 23 percent of Pennsylvania households. Often, it's poor people and people in rural areas without access, the report says.



The report highlights examples around the state where places are trying to increase Internet access. The report singles out cities with a population greater than 65,000 and lists percentage of Internet access. Lancaster city's population is about 59,300.

But the report spends several paragraphs on the city's efforts: "As an exception, Lancaster, Pa., is taking the digital divide into its own hands. The city plans to offer free Wi-Fi in parks and to provide low-income residents with free or low-cost Internet in conjunction with the installation of a smart water metering system over the next year."

According to a recent **School District of**

Lancaster survey of parents, 91 percent said they could access the Internet at home. Free Wi-Fi in public areas is a side benefit of the municipal broadband program the city is building to improve city services, such as remote water-meter reading. Residential and business Internet subscriptions will also be offered, according to city officials. Charlotte Katzenmoyer, the city's public works director, said free Internet access will be offered to students who need it. She pointed about about 10 percent of the district's students are homeless and about 40 percent of residents living south of King Street are below poverty levels.

Recently, the city debuted the first free public wireless hotspot in Binns Park. Other public hotspots will be added, but Katzenmoyer didn't have a timeline. Overall, she said, the project is on schedule, but it had slowed a bit because the city is adding Lancaster Community Safety Coalition cameras onto

definitely does. So much so that his re-election campaign is mocking one of that hour's iconic entities – "Family Feud." Two new web videos by Toomey's campaign clearly emphasize that challenger Joe Sestak's own party isn't thrilled with its candidate. We offer both [the first](#) and [the second](#) versions of "Democrat Family Feud." Toomey now has another subject to mock as Katie McGinty announced she'll challenge Sestak for the Democratic nomination.

C-SPAN poll: Put cameras in SCOTUS

Seventy-six percent of people believe the Supreme Court should allow cameras in the courtroom – the highest level of support in at least six years – [according to a poll commissioned by C-SPAN](#). Forty-three percent said cameras would increase the public's respect of the oral arguments, while 35 percent said it would not change. Another 22 percent said it would decrease the public's respect.

Doxed by The Donald [Sen. Lindsey Graham](#)

(R-SC) on Tuesday became a high-profile victim of "doxing" – when someone widely releases identifying information online about an individual – after GOP presidential candidate Donald Trump read out Graham's mobile phone number during a televised

the system. That will save the coalition money in terms of maintaining their own network and allow them to expand, she said. – *Lancaster Intelligencer Journal*

Comcast Corp.'s NBCUniversal is scouting out several companies in the world of new media for potential deals as the cable giant tries to court young consumers who are watching less traditional television. The company has engaged in preliminary discussions with several online publishers including Vice Media, BuzzFeed and Business Insider, and has discussed increasing its roughly 14% stake in Vox Media, according to people familiar with the matter. Those companies publish a mix of news, business and culture articles that generate a large amount of Web traffic.

The talks are all at an early stage and it isn't clear which, if any, of the deals might come to fruition. Many of the new-media companies are having discussions with a range of potential strategic investors and are as interested in entering the television world as traditional media companies are in reaching their younger audiences. Walt Disney Co. and 21st Century Fox also have aggressively been hunting for investments in digital media.

Vice, which has become a force in the media industry thanks to its edgy online content and TV programming, isn't interested in selling, people familiar with the company's thinking say, though it may seek additional strategic investment. Comcast could potentially take an equity stake in Vice as part of a deal that would turn one of the networks in its NBCUniversal cable division into a Vice channel, one of the people said. In another potential arrangement, Vice could actually be the buyer, taking on a cable network from NBCUniversal, the people said.

If Comcast took a stake in Vice, it would join rival media giants that are already among its backers. 21st Century Fox owns a small stake; A+E Networks, which is co-owned by Disney and Hearst Corp., invested \$250 million last year, an action that crowned Vice with a total valuation of \$2.5 billion. Vice's other investors include Technology Crossover Ventures, WPP PLC, Raine Group and veteran media executive Tom Freston. Because of Vice's multilayered ownership, there are many potential roadblocks to a deal, some of the people said. Comcast is still exploring the landscape, and may choose to make strategic investments or acquisitions, or do nothing. Like other big media companies, Comcast is coming to grips with the maturation of the U.S. cable-TV business. Consumers are cutting the cord or scaling back their monthly packages in greater numbers, many of them opting for online viewing options.

Comcast, the largest U.S. cable operator and owner of cable channels including USA, Bravo and E!, has as at much at stake as any industry player as that change unfolds. On Thursday, the cable networks division reported a 1% drop in revenue to \$2.45 billion. Operating cash flow, a measure of profitability, declined 4.6% amid continued ratings pressure. On the earnings call, NBCUniversal Chief Executive Steve Burke reflected on the recently completed advance-ad sales season, calling it a "challenging time for the industry" while noting NBCU networks gained market share. Overall in the quarter, NBCUniversal's revenue shot up 20% thanks in large part to blockbuster hits from its film studio including "Jurassic World."

The bleak reality is that younger viewers, in particular, simply aren't watching as much TV as did past generations. The median age of prime-time TV viewing rose from 46.3 to 50.5 in the five years ending in June 2015, according to a Horizon Media analysis of Nielsen data. About a quarter of adults ages 18 to 34 watch prime-time TV, compared with 53.1% of people over 55, the data show. While viewing in older demographics has been more stable, "certainly with kids, teens

speech. Trump encouraged people to try the number amid a feud between the two candidates. Graham, who is known to use a flip phone, joked on Twitter he would likely get a new phone, instead of just changing numbers. He asked his followers "iPhone or Android?"

Cruz put Web transition bill on hold

Sen. – and presidential candidate – **Ted Cruz** (R-TX) has placed a hold on legislation designed to increase congressional oversight of the transfer of the domain name system out of U.S. control. Under the bill, Congress would have 30 legislative days to review the plan to transfer control of the Internet domain system away from the Department of Commerce and to a group of international stakeholders. Cruz tried and failed to amend the bill in committee to include a provision requiring Congress vote to approve the transition plan.

and young adults, there's been a noticeable falloff," said Brad Adgate, director of research for Horizon Media, a media buyer. "It's happened so quickly." Some TV executives blame part of the ratings declines on inadequacies in measurement of TV viewing on mobile devices.

Most media conglomerates have venture arms that routinely make investments in digital-media companies. But lately, there has been stepped-up interest in companies ranging from online publishers to fantasy-sports sites—not just from Comcast, but also Disney, Fox and others, people in the media industry say. Last year Disney bought Maker Studios, a maker and distributor of YouTube videos, for \$500 million plus an additional payment contingent on performance. (21st Century Fox and News Corp., owner of The Wall Street Journal, were until mid-2013 part of the same company.)

There are some risks for Comcast. Several of the potential targets on its list are fast-growing but unprofitable and could run into systemic issues of their own, such as pressures in the online advertising marketplace. And it is unclear how the buccaneer-style culture at many of these new media outfits would fare inside a relatively conservative conglomerate like Comcast. In the case of Vice, the major attractions for Comcast are that it creates programming that appeals to young men, an audience coveted by advertisers, and that it has been able to complement its online advertising revenue with revenue from licensing TV shows in the U.S. and overseas, the people familiar with the matter said. Vice's programming runs the gamut from war reporting to music reviews to documentaries about the global drug and sex trades.

Vice has been ramping up efforts to distribute programming on a variety of platforms. It has been in talks with pay-TV providers to turn one of A+E's channels into a Vice network, has a daily newscast on HBO's new streaming service HBO Now, and recently signed a deal with Verizon Communications Inc. to provide content for the telecom giant's mobile video service. Vice has been frustrated by how the A+E cable channel talks have run into roadblocks, said people familiar with the situation. A deal with Comcast could offer a "Plan B," they said.

In the case of Vox and some other of the targets, Comcast has been impressed with the sleek technology they use to publish articles, people familiar with the cable company's thinking say. Vox operates seven websites, together averaging more than 50 million unique visitors a month, including the technology site The Verge and general interest site Vox.com. Vox recently acquired Revere Digital, the parent of tech news site and conference business Re/code. – **Wall Street Journal**

After an eight-year drought, AT&T Inc. Chief Executive Randall Stephenson finally has the kind of big deal for which the nation's largest telecommunications company is known. The company this week got a nod from federal regulators to complete its \$49 billion takeover of satellite-TV provider DirecTV, handing Mr. Stephenson a legacy-making transaction that could rival those of his predecessor.

The DirecTV deal isn't a slam-dunk. It gives AT&T an additional 20 million U.S. pay-TV customers, a national footprint to expand video delivery, and another \$33 billion in annual revenue. But it also pairs the carrier with a business that is past its prime as Americans increasingly disconnect from pay TV. DirecTV has endured years of sluggish subscriber growth in its core satellite business and lacks any broadband infrastructure needed for streaming television. The need for an acquisition was on display Thursday when AT&T—the country's largest telecommunications company by revenue and second-largest wireless company

by subscribers—reported second-quarter results. Revenue increased 1.4%, while the number of new mainstream wireless subscribers fell 60%. Once again, the company lost phone customers but that decline was offset by new tablet subscribers.

Wall Street analysts have evolved in their thinking about the DirecTV deal from reticence to a more favorable assessment seeing the value in the additional cash flow as well as the improved profitability from at least \$2.5 billion of cost cuts. It will also put Mr. Stephenson in the center of a changing landscape of media and telecom as television watching leaves the living room for mobile devices like tablets and smartphones. Mr. Stephenson, a three-decade veteran at the carrier, is in need of a boost. Since he took the helm in June 2007, AT&T's stock has an annualized return of about 3.2% a year, including dividends. That underperformed the S&P 500 index by about 3.5 percentage points. Annual revenue growth since 2007 has averaged just 1.6%, according to data from FactSet.

The company's shares were up 2.2% to \$34.65 in after-hours trading Thursday. The shares closed 34 cents lower to \$33.93 in 4 p.m. trading on the New York Stock Exchange. Wireless margins exceeded forecasts in the latest quarter, helped by higher monthly phone bills from customers, New Street Research analyst Jonathan Chaplin said. The company lowered its capital spending plans, he said. Overall, the company's second-quarter profit dropped 14% to \$3.04 billion, as integration related expenses from prior deals weighed on the results. Revenue edged up to \$33.02 billion.

AT&T is painting the DirecTV deal as a bet on video, which is driving the rapid growth in mobile-data consumption. The satellite-TV business is declining but AT&T is interested in the cash it gets from subscribers to help fund its other network investments. As the biggest pay-TV provider, AT&T could have more bargaining power with content companies. "We are more confident than ever about the opportunity this transaction brings," AT&T Chief Financial Officer John Stephens said on a conference call Thursday.

The strategic logic of buying what some call a "melting ice cube" was a tough sell—even internally. Several of Mr. Stephenson's top lieutenants weren't initially enthusiastic about buying the struggling satellite company, according to two people familiar with the matter. General Counsel Wayne Watts came out in early support when others preferred other options, they said. But the DirecTV deal cleared an important hurdle for Mr. Stephenson: it was unlikely to face much regulatory resistance. After regulators blocked AT&T's attempt to buy T-Mobile in 2011, AT&T took a breather from thinking big. It pursued smaller deals and repurchased almost \$28 billion of its own stock, according to financial data firm Calcbench. Mr. Stephenson kept an eye out for a transaction big enough to move the needle for a company with \$132 billion in revenue and that would pass muster with regulators. — *Wall Street Journal*



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