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Variety
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Bloomberg
Net Neutrality Could Become a Merger Antitrust Issue. Someday.

Pennlive
Penn State games may not air on Comcast if Big Ten Network, Fox Sports One can't reach deal with cable provider

USA Today
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Philadelphia Daily News
What Bob Casey says he's most proud of



The number of Pennsylvania homes without broadband access exceeds the federal government's estimate of 800,000, early research suggests.

And not only are the cable, fiber lines and satellite build-outs a bigger problem in rural areas when compared to cities, but even the state's urban centers are digital deserts where internet access is either unavailable or too costly for residents, which is a form of mortgage redlining, a practice by some lenders decades ago to deny loans in certain neighborhoods, Penn State University researcher Sascha Meinrath said at a conference Downtown Monday. "It's willful, self-inflicted naivete," Mr. Meinrath said about government estimates, which are compiled by the Federal Communications Commission. "This [digital] divide will rapidly expand." "Why can't we seem to get this right?"

Mr. Meinrath, who is surveying broadband access and speeds in Pennsylvania for a state legislative report due in December, was a

keynote speaker at a conference sponsored by Next Century Cities, a Washington, D.C.-based nonprofit that advocates for universal high-speed broadband access. According to the FCC, some 30 million Americans do not have access to broadband that meets minimum speeds, an estimate that Mr. Meinrath disputed, calling the government figures a “map to nowhere, filled with inaccurate and useless information.”

The American shift to an industrial from an agrarian economy caused significant economic disruption in the form of high unemployment and migration to the cities, he said. And the shift now underway to a digital economy from an industrial economy will be more painful still. The shift is leaving people who live in rural areas further behind than city residents, who typically have more choice in broadband service providers and faster internet speeds than rural areas. “The on-the-ground impacts are devastating,” Mr. Meinrath said, adding that the economic changes are happening at glacial speed, making them easy to miss. But despite the pace of economic change, the impact will be significant, he said. “It’s going to hit Pennsylvania like a tsunami,” Mr. Meinrath said.

The answer, former FCC Chair Mignon Clyburn said in an earlier address to the group, is in making the business case for expanding broadband access: improved health care, economic expansion and educational advancement. She also said the FCC needs to redouble its efforts to expand broadband access nationwide, eliminating the digital divide that has left low-income people and others in rural areas offline. “Too many in our communities are waiting for 3G, 4G, when we’re talking about 5G,” Ms. Clyburn said, referring to the generations of wireless technology and speed. “The benefits of broadband-enabled technologies are vast, but the challenges, particularly for the economically disadvantaged and geographically challenged, are many. Those not able to fully adopt are often left behind and if this is not addressed, they may never be able to catch up.” — **Pittsburgh Post-Gazette**

Growth in AT&T Inc.’s new media division helped paper over deep losses in the company’s satellite-TV business stemming from a cord-cutting trend that executives have said first drove their appetite for entertainment assets. Overall, the company reported lower revenue for the three-month period ended June 30 despite getting a more than \$1 billion revenue injection from Time Warner for the 16 days that AT&T owned the business during the quarter.

AT&T acquired the owner of CNN, HBO and Warner Bros. last month in an \$81 billion cash-and-stock deal that turned the Dallas-based telecommunications company into an overnight media giant. That division, now called WarnerMedia, enjoyed gains in advertising and premium subscriptions. AT&T Chief Executive Randall Stephenson said the company’s new media assets performed well. “We’ve now assembled the key elements of a modern media company,” he said Tuesday in a conference call with analysts.

The Justice Department sued last fall to block the Time Warner deal saying it was anticompetitive, but the companies prevailed at trial. The Justice Department has appealed the decision, but Mr. Stephenson said the company was moving forward with its plans. “We’ve had a few months of distraction,” he said. “That is behind us.”

The country's second-largest wireless carrier by subscribers reported 46,000 more cellphone customers on postpaid plans, a category investors value for its predictability. AT&T ended the quarter with 93.6 million subscribers on postpaid and prepaid plans. Wireless competition has cooled in recent months as companies focus on their balance sheets and use other offers, like free video, to entice new customers. The detente helped rival Verizon Communications Inc. [add 199,000 postpaid phone customers](#) in the recent quarter without cutting prices. AT&T [raised the administrative fees](#) it charges postpaid customers to \$1.99 a month, which boosted revenue.

Television viewers continued to seek cheaper video packages. AT&T's DirecTV lost 286,000 satellite-TV customers during the second quarter, ending with just under 20 million connections. The cheaper online DirecTV Now business posted a net gain of 342,000 customers, ending the quarter with 1.8 million accounts. The DirecTV satellite unit has lost more than 1 million customers after five straight quarters of declines. AT&T has offered free HBO to certain wireless subscribers and recently rolled out a \$15-a-month streaming package to attract "cord cutters" abandoning more expensive traditional TV plans. WarnerMedia helped offset the weakness in TV distribution. Revenue in its Turner division grew by about 4%, helped by stronger ad revenue. Its premium HBO division posted 13% more in revenue as subscriptions climbed.

AT&T's overall profit climbed to \$5.13 billion, or 81 cents a share, up from \$3.92 billion, or 63 cents a share, in last year's second quarter. Revenue fell 2.1% to \$38.99 billion despite a \$1.13 billion boost from media assets. Revenue in the company's entertainment group, which includes DirecTV, fell to \$11.7 billion, down about \$1 billion from a year earlier. Revenue in the wireless business slipped to \$17.28 billion. Excluding the impact of changes to revenue-recognition rules, the company said quarterly wireless service revenue rose for the first time since 2014. AT&T boosted its annual profit target, saying it expects more than \$3.50 a share, a number that reflects the expected contribution from WarnerMedia assets. – *Wall Street Journal*; [more from Dallas Morning News](#)

President Donald Trump on Tuesday night bashed an FCC decision that likely doomed conservative broadcast giant Sinclair Broadcast Group's \$3.9 billion merger with Tribune Media. "So sad and unfair that the FCC wouldn't approve the Sinclair Broadcast merger with Tribune," Trump tweeted. "This would have been a great and much needed Conservative voice for and of the People. Liberal Fake News NBC and Comcast gets approved, much bigger, but not Sinclair. Disgraceful!"

The FCC, led by Trump-appointed Chairman Ajit Pai, unanimously voted earlier this month to send the deal to an administrative law judge for review, a drawn-out process the agency has previously used to kill mergers. Pai said he had "serious concerns" about the deal. The agency was particularly troubled by station spinoffs Sinclair sought to use to come under federal ownership limits while still retaining significant ties to the divested stations.

Former Fox News host Eric Bolling told POLITICO that he talked by phone with the president on Sunday night, and used the opportunity to criticize Pai's decision. Bolling first mentioned that he and Trump had discussed FCC matters on Monday's *Morning Joe*, but did not go into any more detail. POLITICO [has reported](#) that Bolling, a former Fox

News host, has held discussions with Sinclair about joining a new conservative cable news lineup the company has been planning to launch, if the merger goes through.

The deal's failure would likely mean the end of that opportunity. "He and I had a lengthy discussion about the FCC and its role in the media M&A activity and I expressed my disappointment in Pai's decision on Sinclair," Bolling said, "because I found it anti-free market and that's something that Republicans care about and probably voted for this president because of. And I would hope that in the future, a decision like this would come down a different way." Bolling declined to characterize Trump's response, but he said the president "listened intently."

Chris Ruddy, the CEO of conservative cable outlet Newsmax and a friend of Trump's, has also been [in the president's ear](#) about the Sinclair deal. Ruddy, who wanted the deal killed, likely will ultimately get his wish, but, at least with this tweet, Bolling's argument seems to have won Trump over. Trump's tweet represents a firm rebuke for an agency that's largely flown under Trump's radar. Pai has previously sought to avoid the president's ire. When Trump last fall tweeted a call to revoke NBC's broadcast license over what he saw as unfavorable coverage, Pai waited nearly a week to comment and then offered simply a broad endorsement of the First Amendment and noted that the agency doesn't have the authority to revoke broadcast licenses over content.

Trump has in the past championed Sinclair, which requires its stations to carry Trump-boosting commentary from pundits including Boris Epshteyn, a veteran of the president's 2016 campaign. But it wasn't previously clear how he felt about the deal, which posed a competitive threat to Trump allies including Ruddy and 21st Century Fox Executive Chairman Rupert Murdoch.

The move to send the deal into regulatory limbo came as a surprise to many FCC watchers after the Pai-led agency made a number of moves easing regulatory burdens on Sinclair. Those included the restoration of the technologically obsolete "UHF discount" that lets TV station owners skirt federal limits on nationwide reach. Sinclair's bid for Tribune would have been impossible without the discount. FCC spokespeople didn't immediately respond to requests for comment. – [Politico](#); [more from Washington Post](#)

[State Senate Minority Leader Jay Costa](#) on Tuesday called on [GOP gubernatorial candidate Scott Wagner](#) to release his tax returns. Mr. Costa, D-Forest Hills, was flanked by state Rep. Austin Davis, D-McKeesport, and Darrin Kelly, president of the Allegheny/Fayette Central Labor Council, at a Downtown press conference.

Mr. Costa said Mr. Wagner, a York County businessman and former state senator, should release his tax returns so voters can examine his numerous business interests. No law requires candidates to release their returns, though it has been common practice among candidates. Democrats say Mr. Wagner is the first gubernatorial candidate not to release the information since the 1990s. "That's wrong and it needs to change," Mr. Costa said.

Gov. Tom Wolf has made his 2010 through 2016 tax returns available, and will make his 2017 information available in the fall, said Beth

Melena, a spokeswoman for Mr. Wolf's campaign. At an April 25 debate in Lancaster County — less than a month before the primary — all three Republican candidates for governor said they would not release their tax returns. "I do not intend to release my tax returns, because I'm complying with all the regulations that are in place," Mr. Wagner told a crowd gathered at Willow Valley Communities, a senior living complex.

At the same debate, Mr. Wagner said that he had filed his required financial disclosure form. Andrew Romeo, a spokesman for Mr. Wagner's campaign, said the Wolf administration has not been transparent in its handling of an Inspector General's report into Lt. Gov. Mike Stack's alleged mistreatment of staff or the secrecy surrounding state incentives being offered to lure Amazon to Pennsylvania. He also pointed to positive comments made by Mr. Costa when Mr. Wagner left the state Senate in June, praising the tone of their debates and disagreements. — *Pittsburgh Post-Gazette*



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