BCAP NewsClips **August 5, 2015**

Philadelphia Inquirer
Comcast expanding Internet access to low-income seniors in Fla., eventually in Phila. area

Washington Post
Why Apple would be incredibly dumb to launch its own cellphone service

Variety
Discovery Communications Q2 Profit Falls 25%

zap2it.com
Nielsen Top 25 Cable Program Ratings for Week Ending August 2

pennlive.com
Ongoing budget negotiations put Israel trip in flux for Pennsylvania lawmakers

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Newly-elected state representative excited to get to work

pennlive.com
Op-ed: Politicians love to claim mandates they don't really have

Pittsburgh Tribune-Review
McGinty officially a candidate for Democratic U.S. Senate nomination (watch McGinty's new campaign commercial)

State flags at the Capitol Complex in Harrisburg and at state facilities throughout Pennsylvania will be

A conference call to discuss Walt Disney Co.'s financial results Tuesday became a forceful defense of ESPN in an age of cable cord-cutting, reflecting Wall Street's concerns about the future of one of the media world's most lucrative brands.

While granting that sports powerhouse ESPN has experienced "some subscriber losses" that he declined to specify, Disney Chief Executive Robert Iger repeatedly said the channel will remain in a healthy position thanks to its long-term rights to the NBA, college football playoffs and other programming, as well as the value to advertisers of its programming that is largely watched live. The combination, Mr. Iger said in his opening remarks, "adds up to a very strong hand and gives us enormous confidence in ESPN's future no matter how technology transforms the media business."

Still, as consumers shift to less costly "skinny packages" or abandon cable altogether, Disney is feeling the impact. The company previously said its cable business, primarily driven by ESPN, would achieve "high single digit" operating income growth on a compound basis between fiscal 2013 and 2016. But partly because of lower subscriber levels, that figure will end up in the "mid-single digits," said Chief Financial Officer Christine McCarthy. The strong U.S. dollar also had an impact, Ms. McCarthy added. Mr. Iger said he doesn't foresee "dramatic declines" in basic cable subscriptions over the next five years that would necessitate launching an "over-the-top" product that allows consumers to purchase ESPN through the Internet without a package of other channels.

However, he did say that new deals with cable and satellite companies give Disney the option to make such a move "should we conclude that becomes the more attractive opportunity for us." Disney shares closed up 1% at $121.69 before results were released Tuesday, but fell nearly 6% in after-hours trading.

lowered to half-staff in honor **former U.S. Senator Richard Schweiker**. Schweiker, of McLean, Virginia, died Friday at Atlantic Care Regional Medical Center in Pomona, New Jersey. The liberal Republican served Pennsylvania as a U.S. Senator, was a vice presidential candidate in Ronald Reagan's unsuccessful 1976 campaign and later served as Secretary of Health and Human Services. "Richard Schweiker served Pennsylvania with distinction and grace as a congressman, senator and United States Secretary of Health and Human Services," said Gov. Tom Wolf in a prepared release. "On behalf of all Pennsylvanians, Frances and I extend our condolences to the friends and family of this great public servant." Pennsylvania state flags will remain at half-staff until his interment. – *pennlive.com*

Wall Street's concerns about ESPN's future come as the cable network has been dropping big name talent like Bill Simmons and Keith Olbermann in an effort to trim costs as it loses subscribers. Advertising revenue at the sports network was down 3% in the quarter ended June 27, which Disney attributed to a difficult comparison with last year, when the men's FIFA World Cup aired. Cable has accounted for 46% of Disney's operating income so far this fiscal year, making the stakes in ESPN's evolution quite high. The company combines ESPN's results with those of other, smaller networks such as Disney Channel and ABC Family.

Overall cable-networks revenue increased 5% to $4.14 billion in the three months ended June 27, Disney's third financial quarter; operating income was up 7% to $2.1 billion. Contractual rate increases at Disney Channel and ABC Family, as well as sales of their programs to subscription video on-demand services, helped. Total revenue for Disney rose 5% in the quarter to $13.1 billion and net income was up 11% to $2.5 billion.

The company's movie studio remained a particularly strong performer, with revenue up 13% to $2 billion and operating income up 15% to $472 million. Impressive box office returns for "Avengers: Age of Ultron," "Inside Out" and "Cinderella" more than made up for the fizzle of "Tomorrowland" and the studio continued to benefit from its share of "Frozen" merchandise sales. The only weak spot came from Disney's interactive group, where revenue was down 22% to $208 million and operating income fell from $29 million a year ago to break-even.

Sales of the company's flagship "Infinity" videogame and interactive toys are down, Disney said. New "Star Wars"-inspired Infinity products will launch this fall, though the results may be obscured as the company will combine its interactive and consumer products units in the new fiscal year starting in late September. Though Disney doesn't provide specific guidance, Ms. McCarthy did provide a warning to investors about fiscal 2016. Because the company wasn't able to purchase currency hedges at rates as attractive as it did a year ago, the strong U.S. dollar will lower operating income next fiscal year by about $500 million, she said. Next fiscal year will be a critical one for the company, as it launches its first "Star Wars" movie in December and opens its theme park in Shanghai next spring. – ***Wall Street Journal***

Dish Network Corp. said Wednesday that its pay-TV subscriber losses accelerated in the second quarter, though profit and revenue topped Wall Street expectations. Dish said it lost 81,000 net pay-TV subscribers in the quarter, compared to a loss of 44,000 a year earlier. For the past few quarters, Dish has suffered from its programming contract disputes with Time Warner Inc.'s Turner networks and 21st Century Fox's Fox News. Meanwhile, the company has focused on acquiring high-quality video customers with better credit scores, who are willing to pay more for better products and are less likely to disconnect.

The results comes as the pay TV industry has been hurt by competition and new online video offerings. At the end of the second quarter, Dish's pay-TV service had 13.93 million subscribers, down about 1% from 14.05 million a year earlier. Average monthly revenue per subscriber rose to $87.91 from $84.15 a year earlier. Its churn rate, or the rate at which subscribers canceled service, grew to 1.71% from 1.66% a year ago. Overall, Dish posted a profit of $324 million, or 70 cents a share, compared with a year-earlier profit of $213 million, or 46 cents a share. Revenue grew to $3.83 billion from $3.69 billion a year earlier. Analysts polled by Thomson Reuters had forecast earnings of 45 cents a share on revenue of $3.79 billion.

Time Warner Inc.'s profit easily topped Wall Street expectations in the second quarter, as new videogame releases helped drive revenue higher in its Warner Bros. division. Time Warner, which also owns cable channels HBO, TNT and CNN, has been working to adjust its business model as the Internet remakes the television landscape, in part by targeting so-called "cord-cutters," or people who don't subscribe to pay TV.

In April, the company began selling a broadband-only version of HBO, dubbed HBO Now, through both digital distributors such as Apple Inc. and traditional partners such as Cablevision. The online HBO offering helps Time Warner compete for the growing audience of people who consume their programming on the Web from Netflix Inc. and others. But the move risks alienating companies that have distributed Time Warner's programming for decades.

Chief Executive Jeff Bewkes said Wednesday that Time Warner is "investing aggressively to position the company for continued growth, including the successful launch of HBO Now." In the latest quarter, Warner Bros., the largest top-line contributor, saw revenue grow 15% to $3.3 billion. Time Warner said the growth was driven by higher videogame revenue, due to releases of "Batman: Arkham Knight" and "Mortal Kombat X." TV licensing revenue also grew on syndication of "The Big Bang Theory" and subscription video-on-demand licensing of "Seinfeld."

Revenue at Turner grew 2.8% to $2.83 billion as a 48% jump in content revenue, driven by licensing of some content to Hulu, offset a 1% decline in advertising revenue. HBO revenue inched up 1.5% to $1.44 billion. In all, for the quarter ended June 30, Time Warner reported earnings of $971 million, or $1.16 a share, up from $850 million, or 95 cents a share, a year earlier. Excluding some items, earnings were $1.25 a share. Revenue grew 8.2% to $7.35 billion. Analysts expected earnings of $1.03 a share on revenue of $6.9 billion. – ***Wall Street Journal***

Democrat Leanne Krueger-Braneky was elected Tuesday to fill a vacant Delaware County state House seat, defeating two other candidates, according to unofficial returns. The election was scheduled after Republican Joe Hackett abruptly resigned in the spring. Republicans had passed over Lisa Esler as a candidate for the 161st District, but she decided to run as a write-in candidate. Paul A. Mullen was the endorsed Republican. Krueger-Braneky received 48 percent of the vote to Mullen's 42 percent and Esler's 10 percent, according to returns posted on Delaware County's website.

The outcome could have implications for the county's political landscape. Republicans long controlled the county, but registrations now are nearly evenly split between the two parties. Before this election, the GOP held five House seats in the county and the Democrats four. In the 161st, which includes municipalities such as Aston, Ridley, and Swarthmore, Republicans have a registration edge. Krueger-Braneky is a Swarthmore businesswoman. Esler is a Penn-Delco school board member and Mullen is head of the county AFL-CIO. – ***Philadelphia Inquirer***