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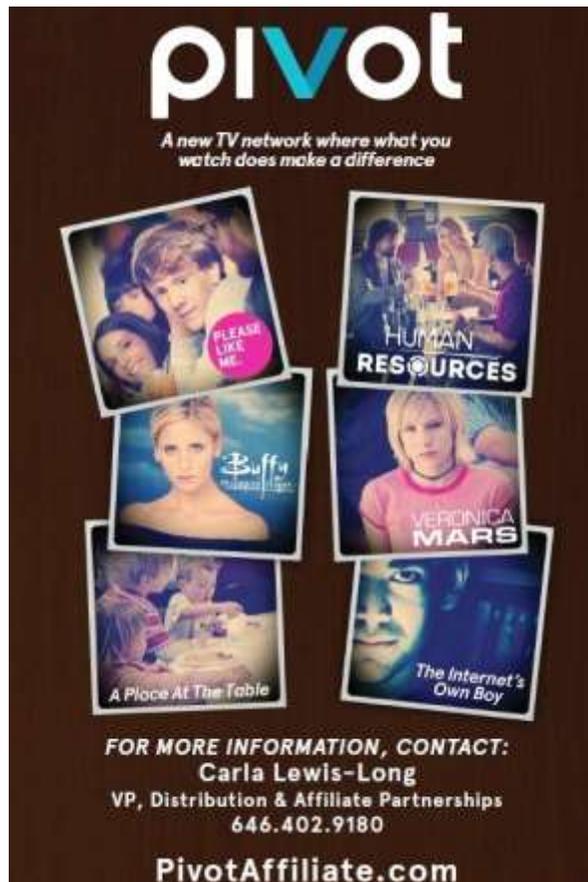
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Breakfast at the Comcast tower in Center City. Lunch at Pat's King of Steaks in South Philly. Dinners and drinks at some of the city's swankiest joints.

That's the flavor of Philly that 18 members of the Democratic National Convention's 2016 site-selection committee can expect to taste Wednesday and Thursday when they come calling, right after spending two days touring Brooklyn, N.Y., to see how that borough fails to measure up to the City of Brotherly Love and Sisterly Affection.

Philly and Brooklyn are thought to be front-runners to win the convention, with Birmingham, Ala.; Columbus, Ohio; and Phoenix also in the mix. Former Gov. Ed Rendell, chairman of the local committee bidding for the convention, joined U.S. Rep. Bob Brady and Mayor Nutter last night to seed the local clouds of enthusiasm with some rah-rah suds at the Independence Beer Garden, across from the Liberty Bell Center.



About 150 people from the corporate, political, nonprofit and activism worlds mingled and quaffed brews in a kickoff party, the first step in recruiting an army of convention volunteers and raising \$70 million in local cash. Yesterday's real goal: a bunch of local media stories about enthusiastic Philadelphians to show the DNC when it arrives. Brady will serve as tour guide next week for the delegation, which is expected to include DNC executive director Amy Dacey and the technical staff that produced previous conventions.

They'll look at things like the local hotel-room inventory - up 24.5 percent in the region since the city hosted the Republican National Convention in 2000 - along with transportation infrastructure and travel time from hotels to event

locations. They will tour the Wells Fargo Center, where the main convention would be held, along with the Pennsylvania Convention Center and iconic Philly locations like Independence Hall and Benjamin Franklin Parkway.

At Pat's, Brady plans to regale the delegates with the story of teaching former President Bill Clinton "the cheesesteak lean" during a 1996 campaign visit there with then-Mayor Rendell. It goes like this: To consume the sandwich and avoid wearing it on your shirt, eat standing up, tuck in your tie and lean in. Brady

violated that rule two weeks ago when he appeared in a *Washington Post* video scarfing a cheesesteak at his desk in his U.S. House office while pitching Philly's convention bid. "I'll make sure they lean," Brady assured us about the delegates next week. "You can't eat a cheesesteak sitting down."

Nutter now seems firmly on board with the convention bid after frustrating Brady in the past with a cautious approach that looked a lot like foot-dragging. **Nutter was quoted widely yesterday in a New York Daily News story** about all the reasons Philly is a better pick than Brooklyn. – *Philadelphia Daily News*

Scripps Networks Interactive Inc. and AMC Networks Inc., two smaller cable programmers, on Thursday showed the impact of rising programming costs in lower second-quarter results, highlighting challenges each face in surviving in an increasingly competitive television market. Nevertheless, on separate conference calls with Wall Street analysts, the chief executives of both companies—each of which has been seen as a potential takeover target—made the case for remaining independent. "It remains to be seen whether consolidation and being much bigger, which certainly has some benefits, may risk some of the creativity that exists in somewhat smaller organizations that has helped spawn some of the best shows on TV today," said AMC Networks CEO Josh Sapan on a call with analysts.

Scripps CEO Ken Lowe argued that the quality of individual network brands is more important than scale. Scripps doesn't have to do a big deal to continue growing, he said, noting its channels "play very well just as we are currently comprised," due to the targeted nature of its "must-have" brands focused on the lifestyle space. Despite those comments, Mr. Lowe has made clear he is open to approaches from potential buyers, according to people familiar with the company. And over the winter, Scripps held merger talks with Discovery Communications Inc., according to people familiar with the matter, but those talks fell apart, largely over price. Scripps declined to comment.

Both Scripps, which owns nonfiction channels including the Food Network and HGTV, and AMC, owner of channels such as AMC and SundanceTV, have been viewed as vulnerable as pay-TV distributors amass more bargaining leverage through mergers such as Comcast Corp.'s proposed acquisition of Time Warner Cable Inc., and AT&T Inc.'s proposed purchase of DirecTV. At the same time, all cable-channel owners are facing the challenges of a mature pay-TV market, combined with the growing popularity of on-demand, Internet-based viewing. The result is an arms race of investment in original content at home while companies increasingly look overseas for growth opportunities.

The cost of international expansion took a bite out of Scripps's second quarter earnings. While revenue grew 6.5%, net income fell 3.7% to \$154 million from the prior year, driven by a 13% jump in costs. The company said its international expansion contributed to the rise in costs, along with higher programming amortization and marketing expenses for its lifestyle networks. Scripps faces a challenge in reducing programming investment while maintaining its audience and proving traction in its newer businesses, said Todd Juenger, analyst at Sanford C. Bernstein, in a Thursday research note. "Count us as skeptics."

AMC Networks' overall profit fell to \$58.7 million, or 81 cents a share, from \$135.7 million, or \$1.87 a share, in the year-earlier period. The decline was due to a \$133 million litigation settlement in the year-earlier period. But even excluding that settlement, adjusted operating cash flow—a measure of profitability—fell 4.4% at the company's national networks, thanks to higher content costs.

Helping offset that decline was the impact of AMC's international expansion, the acquisition of Chellomedia, an international channels group, earlier this year. Its

inclusion in the results helped revenue rise 38% to \$522.1 million. Still, analysts focused on the U.S. networks result. "At the National Networks, the fundamental issue at hand is slowing advertising and revenue growth in the face of rising costs as the networks continue to expand its programming," wrote Michael Nathanson, an analyst at MoffettNathanson, in a research note Thursday. – **Wall Street Journal**

Tom Wolf, the Democratic nominee for governor, in June dismissed as "nonsense" complaints from Gov. Corbett's campaign and the Pennsylvania Republican Party that he'd met in private in City Hall with a quorum of City Council members. Wolf took a different view toward politics in public buildings this week after the *Pittsburgh Tribune-Review* reported that Corbett has been meeting in his state office with campaign staffers as well as state-paid aides. Chris Pack, Corbett's campaign communications director, this week claimed Wolf "was lobbying the City Council for their political support during official legislative proceedings, violating the city's Sunshine Laws." He sees that as very different from Corbett's meetings with advisers. "When you're the sitting governor, your schedule obviously includes both official and campaign events," Pack said.

Wolf agrees the two situations are different, but for very different reasons, calling it "ridiculous" to compare the meetings. "I'm not a public official," Wolf said yesterday, just before a lunch in Philadelphia where the International Brotherhood of Electrical Workers gave him a \$400,000 campaign contribution. "I was not there soliciting votes," Wolf said of his June visit to City Hall. "I was there meeting people who I hope are going to be my constituents, if I'm lucky enough to win this race." – **Philadelphia Daily News**

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