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AT&T Inc. Chief Executive Randall Stephenson asked a large group of interns in his office on Tuesday whether they paid for a monthly TV subscription. Only one hand went up. That is tough news for the executive who last month closed AT&T's $49 billion acquisition of DirecTV, making it the largest pay-TV company in the U.S.

But Mr. Stephenson, speaking at the carrier's analyst day in Dallas on Wednesday, said he wasn't worried: Most of the interns were still watching pay TV by using their parents' login credentials to stream it online, meaning someone was footing a cable bill and making it the perfect type of product to center family plans around. "I've been doing this 33 years, and I've never been this excited about where we're headed," Mr. Stephenson said.

Flanked by his top executives, the CEO launched a robust defense of the acquisition that has been criticized as ill-timed in the face of rapid declines in cable-television subscriptions. The carrier said it hopes to make DirecTV's content easier for consumers to watch online and on smartphones, while bundling it with cellphone service. The company's aim is to be able to extend the life of the pay-TV business, whose fortunes worsened in the second quarter. "We are well aware of those who have criticized our move into a mature industry," said John Stankey, CEO of AT&T's Entertainment and Internet Services division. "It is a mature product, but mature products can be extended."

T&T said it isn't surprised by cord-cutting trends that it says are on pace with its own forecasts. Before the carrier decided to buy DirecTV last year, it ran aggressive models of how quickly cord-cutting and cord-shaving would affect the business. "This wasn't lost on us when we did the upfront work on the transaction," Mr. Stankey said. "It was the question that was carefully examined and hotly debated internally."

Last week, DirecTV reported its second-quarter financial performance—its last time as an independent entity—and the results weren't pretty. The company said it lost 133,000 U.S. subscribers, worse than many analysts expected and about 100,000 more than the same period last year. The company has strong free cash flow and margins, which will give AT&T more breathing room to cover its dividend. Mr. Stephenson said the cord-cutting trends are "a very, very manageable decline."

AT&T plans to breathe life into DirecTV by making content more accessible on more platforms, and hopes that the estimated $2.5 billion in cost cuts and increased distribution outweigh consumers' shift away from cable bills. The deal will also help gain substantial savings on content costs. For AT&T's existing pay-TV service, called U-Verse, content costs exceed what DirecTV pays by about $17 a month per subscriber. "This alone provides great opportunities for efficiency," said AT&T Chief Financial Officer John Stephens.

The carrier also says it will gain strong partnerships with content companies that also have a vested interest in arresting the decline of the pay-TV business model. "You're going to have content guys that have every incentive to make sure the model doesn't move beyond what they want it to move," Mr. Stankey said. "We have an opportunity to be a really good partner around that." Whatever the outcome, AT&T is now on the hook for it. At the start of the presentation, the carrier played a video that included clips from famous movies like "The Wizard of Oz"• and "Star Trek." A clip showing Laurence Fishburne in "The Matrix" seemed to sum things up: "After this, there is no turning back." – ***Wall Street Journal***

Comcast Corp.'s NBCUniversal will make a $200 million strategic investment in Vox Media, upping its stake in the digital-media firm and creating a partnership to help the television giant better connect with younger audiences, the companies said Wednesday. The equity investment will give Vox a post-money valuation of about $1 billion, said a person familiar with the situation.

Comcast, which already owned roughly 14% of Vox through its venture-capital arm and other units, will increase its holdings but remain a minority investor, the person said. The exact size of Comcast's ownership stake wasn't immediately clear because some earlier investors' stakes will be reduced, a process that isn't yet finalized, the person said. NBCUniversal, which owns channels such as USA, Bravo, E! and MSNBC, has struggled like other media companies with declining viewership among younger audiences who are increasingly watching video online and dropping cable connections.

Vox Media, which is made up of eight websites focused on sports, politics, food, fashion and technology, has gained strong traction among younger readers, with 41% of its combined 54.1 million unique visitors in June falling between the ages of 18 and 34, according to comScore Inc. "Vox Media has a great portfolio of premium digital brands that deeply engage broad audiences," Steve Burke, CEO of NBCUniversal, said. "Vox Media has strong leadership, top editorial talent and a unique technology platform. We are excited to be making this investment and building a collaborative partnership involving editorial content, advertising and technology."

Comcast had been scouting out investments in several new-media companies recently. Late last month, people familiar with the matter said NBCUniversal was close to making a $250 million minority investment in BuzzFeed, a site that also has a large audience among younger readers. In June, 54% of BuzzFeed's 79.6 million unique visitors were between the ages of 18 and 34, a demographic that advertisers covet, comScore said. The deal would value BuzzFeed at approximately $1.5 billion, the people said.

Comcast's investment will allow Vox to significantly boost its video capabilities and potential distribution channels, said Vox Chairman and Chief Executive Jim Bankoff. "NBCUniversal is obviously a huge television and entertainment company, so there are a lot of assets they can provide with distribution and production both online and on linear networks as well," he said in an interview. "Our industry is evolving so quickly, and we think this will give us the resources to be independent and strong throughout all the changes."

Mr. Bankoff said that the partnership will also look to tap Vox's ability to create branded content for advertisers and potentially expand that into other areas of the NBCUniversal empire. There will also be a focus on finding ways to expand Vox's technology platforms—particularly its well-regarded Chorus content management and analytic system—into other parts of the television company. The investment isn't the only infusion that Vox has received in the last year. In December, it secured a $46.8 million investment from General Atlantic, valuing the company at $380 million. Prior to Wednesday's announcement, Vox had raised a total of $107.6 million in seven investment rounds.

Last year, Vox took in $60 million in revenue and was profitable, according to people familiar with the situation. In May, Vox acquired Re/code, the technology site that was launched in January 2014 partly with backing from NBCUniversal News Group. – ***Wall Street Journal***

Nevada schoolchildren are preparing to head back to the classroom. Meanwhile, members of Congress are counting the days until they must head back to Washington. When students start cracking open laptops, lawmakers will be taking a crack at critical legislation affecting taxpayers.

This is not to compare bickering senators and representatives with kids. Still, there is a connection between our leaders in the nation's capital and children across Nevada. Unless Congress acts very soon, the Internet access that families and schools depend on for so many daily tasks — like researching those book reports for school — could get a lot more expensive.

Originally enacted in 1998 by President Bill Clinton, the temporary Internet Tax Moratorium has been extended five times, with broad bipartisan support. The legislation bans taxes on Internet access for consumers. That means each month, your bill for Internet service remains free of the heavy state and local taxes that weigh down other forms of telecommunications, such as landline phones.

Besides taking a stand against predatory policies toward technology, lawmakers put the moratorium into law to remove impediments preventing consumer adoption of Internet services. The effect has been profound, but there are still areas of the country, including Nevada, whose adoption rates would benefit from minimal taxes on the Internet. This legislation helps all Americans, regardless of race, income or neighborhood discover opportunities.

Alarmingly, the current Internet Tax Moratorium expires Oct. 1. In response, the House of Representatives has passed the Permanent Internet Tax Freedom Act. Now it's the Senate's turn to adopt this bipartisan bill or a "clean" version of its own companion legislation — without entangling it among other unrelated tax issues, such as the Marketplace Fairness Act, which would allow governments to collect sales taxes on Internet purchases, even when retailers have no physical presence in a state.

Indeed, the Senate's own tax moratorium extension legislation has 51 sponsors and co-sponsors, including Sen. Dean Heller, R-Nev. Tying this very popular, bipartisan bill to the highly controversial MFA is not only unfair, it is unwise. More than 10,000 state and local jurisdictions across the nation tax telecom services and would be naturally disposed to target the online realm next. If the current Internet Tax Moratorium is allowed to expire in less than two months, citizens could face significant increases in their Internet bills.

As The Wall Street Journal's editorial board wrote, "taxes and fees on wireless telephone services average more than 17 [percent]. The rates on traditional wired telephone services are similar and would be virtually guaranteed to stunt technological progress even as they punish Internet consumers." These are the types of levies that local politicians would naturally be inclined to slap on Internet access if given the chance. Even cable and video services get hit with an average of 12 percent, versus 7 percent for other goods and services. Those telecom taxes are onerous in their own right and should be scaled back rather than applied to online service.

Eliminating the threat of taxing broadband Internet should be an easy lift for lawmakers. All it will take is setting aside legislative wheeling and dealing, and recognizing that the bipartisan ban on access taxes should pass as a stand-alone bill, without extraneous matters such as the Marketplace Fairness Act. As the minority leader, Sen. Harry Reid has an opportunity to drive home a legislative win for Democrats, Nevada and consumers. The Senate is about to have its teachable moment on Internet taxes; here's hoping lawmakers embrace it. – ***Las Vegas Review-Journal***

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