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What the Industry Reads First

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Bosom Buddies: Verizon CEO Speaks Positively of Charter-Comcast Pact

MVNO partner **Verizon** is more than OK with **Comcast** and *Charter* working together on wireless. “We encouraged them to work together because dealing with one customer is better than deal with two customers,” Verizon CEO *Lowell McAdam* said at the company’s analyst meeting late Monday. The exec said he has spoken to both Comcast CEO *Brian Roberts* and Charter chief *Tom Rutledge* in the past 24 hours and doesn’t see the agreement changing Verizon’s relationship with the companies. Under the agreement, which was first reported by the *WSJ* Sunday, Comcast and Charter will explore opportunities for cooperation in wireless, including common operating platform creation, technical standards development and harmonization; device forward and reverse logistics; and emerging wireless tech platforms. “If there are M&A aspirations, you’ll have to talk to [Comcast and Charter],” McAdam said. It’s important to note that Charter and Comcast agreed not to merge with or acquire a wireless company for one year. “What this means to us is that wireless M&A is highly unlikely for both Comcast and Charter for the next year, which also means no Verizon purchase of Charter as had been previously discussed in the press (neither company had commented,” **Wells Fargo Securities** said in a research note. There’s “an awful lot more hype in the marketplace than there is in the business community right now” when it comes to such deals,” McAdam said, referring to daily rumors of who Verizon is considering doing a deal with. A report from *Bloomberg* last month quoted McAdam as saying he’d entertain deal talks with companies such as Comcast and **Disney**. The article was “fairly reported,” but the order of what was said was different, according to the CEO. “My comment was we prefer to grow organically,” but when then asked about companies, McAdam said he added he would listen to anyone who wants to talk. Of course, the M&A vow (**MoffettNathanson** called it the “no adultery clause”) also opened some speculation of a possible Comcast and Charter combo at some point in the future. The pledge drew the ire of **Public Knowledge**, who said it formalizes that the MSOs have no intention of ever competing with each other. “Charter and Comcast appear to be testing the waters to see whether lax oversight will enable cable companies to maintain their regional dominance to prevent new technologies from eroding their video dominance and challenging their inflated prices,” PK sr counsel *John Bergmayer* said. The agreement makes it clear Comcast and Charter intend to stay within their respective footprints. With Comcast already in beta testing for its wireless offering, the deal could speed Charter’s



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entry into the market. **NewStreet Research** speculated that the arrangement is “a further negative for wireless carriers, particularly **AT&T** and Verizon who will bear the brunt of share loss to cable. **Sprint** and **T-Mobile** are somewhat insulated due to upside from M&A, both with each other and at some point in the future potentially with cable.”

DDoS Attacks Follow Oliver's Net Neutrality Segment: Don't blame *John Oliver* fans for crashing the **FCC's** electronic filing system like they did in 2014 with public comments on net neutrality. While the **HBO** host made a similar plea for public comment, even buying the URL **GoFCCYourself.com** to streamline the process, the Commission reports that it suffered multiple distributed denial-of-service attacks beginning at midnight ET Sunday. “These were deliberate attempts by external actors to bombard the FCC's comment system with a high amount of traffic to our commercial cloud host,” FCC CIO *Dr David Bray* said in a statement. “These actors were not attempting to file comments themselves; rather they made it difficult for legitimate commenters to access and file with the FCC.” The attacks came after Oliver launched a rant Sunday on *Ajit Pai's* attempts to revise the rules and do away with Title II classification. The agency said the comment system remained up and running the entire time (it received an overhaul since the last net neutrality proceeding), but DDoS attacks tied up servers thus preventing people from submitting comments. Plenty are still getting through. Peruse the docket and you can find comments in support of Title II oversight and specifically referencing Oliver and **GoFCCYourself**. One commenter wrote: “I like watching [Oliver] on **YouTube** and if something such as little or no net neutrality laws made it hard to watch him on YouTube I would be very upset.”

Sinclair to Gobble Up Tribune: If you thought **Sinclair** was a tough negotiator for retrans before, just wait until it gets even bigger. The broadcaster agreed to shell out \$3.9bln (\$43.50/share), plus the assumption of \$2.7bln in net debt for **Tribune's** 42 TV stations, cable net **WGN America**, digital multicast net **Antenna TV** and a minority stake in **Food Network**. Tribune was long seen as the most likely suitor, but there were rumblings **21st Century Fox** would bid. It will need regulatory approval, with some already speaking out against the combo. “By tying together multiple markets in retransmission consent negotiations, companies like Sinclair are able to demand higher payments for their signals. Consumers ultimately foot the bill,” **Public Knowledge** said in a statement that also fretted over reducing viewpoint diversity. The combined company would cover 44% of the country, with divestitures expected.

Xfinity xFi: **Comcast** rolled out Xfinity xFi, a personalized WiFi experience with a “simple digital dashboard” that customers can use to do things like set up home WiFi networks, see what devices are connected, set parental controls and find passwords. The xFi service was created in response to the increased use of connected devices in homes. It can be controlled via a mobile app, website and on the TV with the X1 voice remote.

Union Talks: **CWA** and **Frontier** have begun negotiations for a contract covering 1600 workers in West Virginia and Ashburn, VA, that is set to expire Aug 5. The union said it anticipates a successful round of bargaining. Last week, Frontier shares hit a 34-year low after the company announced a dividend cut that was 62% lower than its 1Q dividend and a 1Q adjusted (excluding special items) loss per share of 8 cents, missing the consensus of 5 cents.

Rumor Mill: Lots of buzz over the weekend regarding a *Business Insider* report that **Facebook** is gearing up to debut several TV-like shows next month. Facebook plans to have about two dozen shows initially and has greenlit multiple shows for production, according to sources, the publication said. The social media giant declined comment.

SCTE/ISBE: The **SCTE/ISBE** announced the **Proactive Network Maintenance (PNM)** Working Group within the SCTE/ISBE Standards Program to standardize PNM solutions. The group was created in alignment with **CableLabs** to provide operational practices, guidelines, and training in collaboration with industry PNM initiatives for monitoring network health. The first meeting takes place Tuesday, with **Comcast** fellow and distinguished engineer *Larry Wolcott* to serve as chair.

Mixing it Up: Plenty of familiar names on **DiversityInc's** 2017 list of Top 50 Companies for Diversity. **Cox Comm** ranked 18th, making it the 11th consecutive year it ranked in the top 25. Other companies listed include **AT&T** (No 3), **Comcast NBCU** (19), **Nielsen** (32), **Disney** (36) and **Time Warner** (37).

People: **Discovery Channel** promoted *Joseph Boyle* to vp of production and development. -- **Fox News** named former **Horizon Media** CIO *Marianne Gambelli* as pres of ad sales where she will oversee **Fox News** and **FBN** beginning May 22.

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