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What the Industry Reads First

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Net Neutrality: Charter and Others Say Keep Their Merger Info Private

Charter and others are stepping up to object to a motion by INCOMPAS to modify certain protective orders so that confidential info submitted in mergers can be used in the FCC's reopening of the 2015 Open Internet rules. INCOMPAS seeks to let parties who signed confidentiality agreements in Charter's **Time Warner Cable** and **Bright House** proceeding, as well as **AT&T-DirecTV** and **Comcast-NBCU**, use of that info in the Restoring Internet Freedom docket as long as the same level of confidentiality is maintained. "INCOMPAS, whose members include direct competitors to Charter and other participants in the merger proceedings, now seeks to require disclosure of highly sensitive commercial information in a wholly unrelated proceeding that involves millions of comments and hundreds of thousands of commenters," Charter told the FCC in its opposition. INCOMPAS members include **Google**, **Netflix**, **Amazon**, **T-Mobile** and **Twitter**. The MSO's arguments against such a move include that such disclosure would violate the federal Trade Secrets Act and is inconsistent with prior FCC decisions. Comcast and AT&T are also speaking out. AT&T called the request "frivolous" and said in-house and outside counsel in such merger proceedings (including those for INCOMPAS) signed protective orders agreeing not to use confidential info to seek disclosure in any other proceedings. Comcast called the move an "obvious—and improper—procedural tactic designed to delay and muddy consideration of the legal and policy issues." INCOMPAS stated that the motion is necessary to create a full and adequate record, declaring that the FCC relied upon redacted info to make conclusions about the resulting market power and incentives of the merged entities. The Restoring Internet Freedom proceeding "suggests that the concerns raised in the 2015 Open Internet Order were 'hypothetical' or 'theoretical.' Yet, important and strong evidence for the risk of these harms is found in the internal documents from the merger proceedings, as the Commission repeatedly recognized when it cited discrepancies between what the companies said publicly and what their internal documents revealed," INCOMPAS told the FCC. It has the support of Title II advocate **Public Knowledge**, which contends that granting it would set a level playing field because parties on both sides of the debate could use it. "Companies who have submitted information to the Commission subject to a protective order remain free at any time to use that information as they wish. This means that a company could selectively use elements of past confidential filings that support its case, while leaving the rest out," PK said in comments this week. "If the Commission grants this motion,

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other parties who have signed the protective orders would be able to supply missing context, in a confidential manner.”

Sprint Watch: Sprint CEO *Marcelo Claure* indicated during the company’s 2Q earnings call Tuesday that things are far from over on the M&A front. “We’re having discussions with everybody,” he said, adding that a final announcement should come soon. He said he was surprised by Charter’s declaration that it had no interest in buying Sprint. “To be clear, Sprint was never offered for Charter to buy. It was part of the bigger play that has been reported,” he said. Claure cited cable companies’ network infrastructure as a useful asset in the deployment of 5G and, therefore, an attractive synergy in a potential merger. **Macquarie Research** believes with Sprint majority owner **Softbank** pushing for a potential Sprint-Charter merger, the wireless provider has several M&A options that can help monetize the value of its spectrum/NOL position. **MoffettNathanson** said Softbank’s debt load of \$135bln could swell to as much as \$280bln in a Charter deal, making it “the most indebted non-financial company the world has ever seen.” “Why in Heaven’s name would Charter or Liberty want to accept paper from a monstrosity with that kind of leverage?” the firm asked.

Verizon Buying More Fiber: Verizon will pay \$225mln to purchase **WOW!’s** fiber-optic network assets in Chicago. The transaction is expected to close in 1Q18. The agreement includes an additional \$50mln in network investment for WOW! to complete the buildout of its Chicago network in the second half of 2018. Verizon’s been on a fiber shopping spree, inking a \$1.05bln deal with Corning in April for fiber over the next 3 years.

CBS Expands News Distribution: CBS’ 24/7 streaming news service, **CBSN**, is making its foray into the virtual MVPD world via a distribution deal with **fuboTV**. This is part of the same deal that will see fubo carry local **CBS** affiliates, as well as **CBS Sports Network**, **The CW** and **Pop** in its entry-level bundle. CBS is also making CBSN available on its **CBS All Access** SVOD service beginning Thursday. These moves to raise CBSN’s profile follow Monday’s debut of “CBSN: On Assignment,” a news magazine show on the CBS broadcast network featuring CBSN talent. Since its launch in 2014, CBSN has been available for free online and via a wide variety of mobile and TV-connected devices. The net says CBSN viewership in 2Q17 was up 38% from the same period last year.

Multicast Acquisition: **E.W. Scripps** has acquired four **Nielsen**-rated digital multicast nets from **Katz Broadcasting** in a deal worth \$302mln. The four nets—**Bounce**, **Grit**, **Escape** and **Laff**—each reach more than 80% of US households. Katz Broadcasting founder *Jonathan Katz* will continue to lead the nets.

Grande Gig: **Grande** expanded its 1 Gig Internet service into Central Texas, specifically the Greater Waco and Temple markets. Home and business customers in these areas beginning Tuesday will enjoy download speeds of up to 1,000 Mbps. The operator plans to make 1 Gig service available in the San Antonio market by the end of the summer, completing its plan to roll out the service throughout its entire footprint. Grande owner **TPG Capital** is in the process of buying **Wave Broadband** to merge it with Grande and **RCN**.

Pinstripe Delight: The Yankees are the talk of the town after acquiring pitcher *Sonny Gray* at Monday’s trade deadline. Monday night’s game against the Tigers was **YES Network’s** most-viewed program in almost three years with an average of 446K viewers and a 5.01 local HH rating. That’s YES’ best audience since *Derek Jeter* played his last game at Yankee Stadium in 2014. Yankees telecasts during the month of July on YES averaged 336K viewers and a 3.67 HH rating.

Ratings Roundup: The height of the *Anthony Scaramucci* era and a series of White House personnel moves provided all three cable news nets with a viewership boost last week. **Fox News** saw average primetime viewership increase 9% week-over-week to 2.1mln. **CNN** and **MSNBC** saw smaller increases of 3% and 2%, respectively. *Rachel Maddow’s* Thursday night show on MSNBC, which came just hours after *The New Yorker* published Scaramucci’s obscene comments, was the most-watched news program of the week with an average of 3.2mln viewers. Fox News coasted to another week atop the viewership ranks for basic cable nets in primetime, followed by MSNBC (1.9mln), **HGTV** (1.5mln), **USA** (1.4mln) and **Discovery** (1.4mln). Fox also won total day viewership for the 30th consecutive week. **HBO’s** “Game of Thrones” easily claimed the distinction of most-viewed cable program of the week with 9.2mln viewers. -- Monthly results from July didn’t bear many surprises, as the top four most-viewed nets in primetime—Fox News (2.1mln), MSNBC (1.7mln), HGTV (1.6mln) and USA (1.5mln)—remained the same as in June. **History** (1.3mln) edged out **TBS** (1.3mln) to take the No. 5 spot.

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