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In Favor: T-Mobile, Sprint Given Green Light to Merge

US District Judge *Victor Marrero* ruled in favor of **T-Mobile** and **Sprint** Tuesday in their case against states attempting to block their $26bln merger. The decision comes nearly two years after the pair announced their intentions to merge into the New T-Mobile. In his decision, Marrero applauded T-Mobile for its successful turnaround under CEO *John Legere*. "T-Mobile has redefined itself over the past decade as a maverick that has spurred the two largest players in its industry to make pro-consumer changes," Marrero said in his ruling. "The proposed merger would allow the merged company to continue T-Mobile's undeniably successful business strategy for the foreseeable future." He rejected the state plantiffs' primary claim that Sprint didn't need the merger to survive. Marrero also saw **DISH**'s potential to be a fourth competitor in the wireless marketplace, should it meet its FCC network buildout guidelines. "We want to thank the Court for its thorough review of the facts we presented in our case," Legere said in a statement. "Look out Dumb and Dumber and Big Cable—we are coming for you… and you haven't seen anything yet!" T-Mobile pres/COO *Mike Sievert* said that Sprint and T-Mobile are looking to rapidly close the final steps in their merger, adding it could close as early as April 1. Also cheering were **FCC** chmn *Ajit Pai* and **DOJ** antitrust chief *Makan Delrahim*, who expressed their thanks to the district court for agreeing with the opinions of their respective agencies. "As I have noted before, should a minority group of states, or even one, be able to undo the nationwide relief secured by the federal government, it would wreak havoc on parties' ability to merge, on the government's ability to settle cases, and cause real uncertainty in the market for procompetitive mergers and acquisitions," Delrahim said. But this story is still far from over. New York AG *Letitia James* said the states that sued to block the merger are looking at all their options moving forward, including a possible appeal. The merger also lacks the approval of the **California Public Utillities Commission**, which has until July to vote and make a formal decision on its approval of the merger. The DOJ's proposed settlement, which would require New T-Mobile to divest Sprint's prepaid business to DISH, is still pending before Judge *Timothy Kelly* in the US District Court for the District of Columbia. State AGs for Arkansas, Colorado, Florida, Kansas, Louisiana, Nebraska, Ohio, Oklahoma, South Dakota and Texas have joined the DOJ in support of that settlement, which also offers DISH an MVNO agreement with New T-Mobile for seven years while it builds out its own network. **Public Knowledge** is still unsure that the DOJ's remedy will ease any of the anticompeti-

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tive concerns that came with the deal. "At best we are losing a competitor today, in the hope of getting one back later," PK legal director *John Bergmayer* said. As for whether this is good or bad news for DISH's future, it all depends on who you ask. **MoffettNathanson** is unsure if DISH's commitment to being a network builder will ultimately be positive for its future. "What they got—and what they desperately needed—was an extension to their buildout deadlines. But in getting their extension, they effectively lost the option of selling their spectrum," MoffettNathanson said in a note. According to the ruling, DISH has amassed a spectrum portfolio roughly the same size as **Verizon**'s over the last eight years. While there has been talk of DISH working on a deal with a partner to build out its network, MoffettNathanson continues to "struggle to see why a truly deep pocketed partner (most assume it would be **Google** or **Amazon**) would a.) bet on a new network operator that hasn't even broken ground yet, and b.) do so on terms so attractive to DISH that it makes their equity worth more instead of less." **New Street Research** commented that the merger's approval will pave the way for T-Mobile to disrupt the wireless industry even further, and ease the way ahead for DISH to do the same. "It will be a lot more fun analyzing and writing about that disruption than about a somewhat stagnant status quo," analyst *Jonathan Chaplin* quipped.

FTC Examining Big Tech's Small Acquisitions: A series of public **FTC** hearings in fall 2018 and spring 2019 on competition and consumer protection in the 21st Century has bore some interesting fruit. The FTC has issued special orders to **Alphabet**, **Amazon**, **Apple**, **Facebook** and **Microsoft**, requiring them to provide info about hundreds of smaller acquisitions that took place between Jan 1, 2010-Dec 31, 2019 that didn't have to be reported to the antitrust agencies under the Hart-Scott-Rodino Act. The FTC is looking to understand if the big tech firms were making potentially anticompetitive acquisitions of nascent or potential competitors that fall below HSR filing thresholds and thus don't need to be reported. FTC chmn *Joseph Simons* stressed that the orders are for research and policy purposes and not because of any law enforcement action. However, if the agency determines a transaction is problematic, it could initiate enforcement action. "Digital technology is critical to our economy and the way we all live. It is important to keep tech markets open and competitive," Simons said in a press conference Tuesday. He noted the FTC decided to issue the orders given that there was a lot of testimony about such activity during the competition hearings and because "these are some of the largest and most important companies in our economy."

Charter, Comcast Ready for 5G: **Charter** and **Comcast** keep adding features to their mobile products, with both announcing plans to launch 5G service through their respective MVNOs with **Verizon Wireless**. They're starting with **Samsung**'s new line of 5G-enabled phones, which will be available online and in Xfinity and Spectrum stores on Feb 21 and March 6, respectively. Neither company has provided details on their 5G data plans yet.

Mobile World Congress Could Be Canceled: **GSMA**, the organization that produces Mobile World Congress events, will hold a board meeting Friday to discuss the possible cancellation of MWC Barcelona, a source told *Reuters*. The report comes as **CommScope**, **AT&T**, **Facebook**, **Sprint** and **Cisco** all announced their withdrawal from the conference.

NCTA Scores LFA Win at FCC: On Tuesday, **NCTA** won its petition for clarification of an **FCC** Media Bureau order regarding the agency's decision that in-kind service required of cable operators by local franchise authorities (such as free video to government buildings) would be counted towards a 5% franchise cap. The **National League of Cities** and a group of local government associations sought to stay the order, but were denied by the Media Bureau in November. However, NCTA was concerned the order denying the stay could cause a misinterpretation that such in-kind service can remain free of the cap until a cable operator successfully challenges them in court. The Media Bureau agreed that its statements could be misinterpreted and amended the language.

Streaming One-Fifth of Total US TV Consumption: Traditional linear TV is still king, but streaming now accounts for 19% of TV time in US homes that are capable of OTT streaming, according to the latest Total Audience Report from **Nielsen**. Within that, **Netflix** took up 31%, followed by **YouTube** (21%), **Hulu** (12%), **Amazon** (8%) and 28% divided among other services. This year marks the first time Nielsen used **Gracenote** data, and the report was specifically focused on "the flash point of streaming wars." The report found that 96% of respondents 18-34 subscribe to a paid video service, and 62% of total US consumers subscribe to more than one streamer. And those numbers don't look like they're going down any time soon. The report found 93% of US consumers say they will either increase or keep their existing streaming services, and only 3% plan to decrease. In taking on a new subscription service, bundling seems to be the way to go, with 38% of consumers saying they would elect to add to their existing libraries at an additional cost. 27% would drop a current subscription in favor of a new experience, and 13% would password share.

Synacor, Qumu to Combine: Software and services firm **Synacor** and **Qumu**, which provides tools to distribute and measure the success of live and on-demand video for the enterprise, have agreed to merge in an all-stock transaction. "Qumu and Synacor together with video, email, identity and advertising products will streamline enterprise collaboration and help drive user engagement," said Synacor CEO *Himesh Bhise*, who will continue in the CEO role once the deal closes, most likely in mid-2020. The combined company is expected to have $120mln+ in annual revenue on a pro forma basis. This will include an estimated $70mln in software revenue, about 70% of which is recurring, and approximately $50mln in revenues from Synacor's portal and advertising business. This fits with Synacor's goal to transition from a software business to a collaboration platform, with enterprise video a key component. Synacor took a big revenue hit last July, when it revealed it was winding down its deal to maintain the **AT&T** portal. The companies expected to realize $4mln-$5mln in annualized cost savings. Under the merger agreement, each share of Qumu common stock will be converted into approximately 1.61 shares of Synacor common stock. Synacor stockholders are expected to own approximately 64.4% and Qumu shareholders are expected to own approximately 35.6% of the stock of the combined company.

Positively Cable Returns: Cable old timers (who have a **Facebook** group by the same name) are getting the band back together. Er, make that the musical revue. Many industry veterans fondly recall the "Positively Cable" satirical show put on for about 10 years by the Denver Chapter of Cable Positive to raise money for the HIV-AIDs-related charities while poking fun at the cable industry. When members of the Cable Old Timers group started talking about a reunion, **The Cable Center** stepped up and offered its venue gratis. From there, marketing exec *Jim Honiotes* teamed up with long-time cable PR pro *Erica Stull*, who was the lyricist for many of the Positively Cable numbers along with the late *Paul Braun*. The two selected 10 of their favorite songs, including "525,600 Meetings" (sung to "Rent's" "Seasons of Love") and "Comcast, Time Warner, Adelphia" ("Springtime for Hitler" from "The Producers.") **SNL Kagan**'s *Sam Klosterman* is helping manage venue logistics. While the old show featured a chorus of local cable employees, this time around a trio of local professional actors will perform at the event March 25, 6-9pm, The Cable Center in Denver. Anyone with 20+ years in the industry is invited. Tix are $55 each (to cover food, beer, wine and entertainment) and can be purchased by emailing Honiotes at jim.honiotes@outlook.com.

Liberty Global Deploying Plume Services: **Liberty Global** expanded its relationship with **Plume** with plans to roll out its smart home services across its footprint later this year. The new features, including intelligent WiFi and remote broadband performance monitoring, will be integrated into Liberty Global's Connect App. Liberty Global will also begin rolling out next-gen mesh WiFi boosters (called Connect Pods) supplied by Plume. The smart home services will be free of charge to all customers across the UK, the Netherlands, Switzerland, Ireland and Poland.

Distribution: **beIN Sports**' free 24/7 streaming channel beIN Sports Xtra is now available on **Xumo** TV's streaming service in the US, with availability in Canada coming shortly. Xumo is currently available in 45mln US households.