

CCIA to D.C.: Nix Comcast-TWC Deal

6/16/2014 10:30 PM Eastern

By: **John Eggerton**

WASHINGTON — Sen. Al Franken (D-Minn.) has forced a collection of high-profile companies' hand on the Comcast-Time Warner Cable merger, but not without some individual plausible deniability.

The Computer and Communications Industry Association (CCIA) came out — was more like “outed” — as an opponent of the merger.

The CCIA includes Microsoft, Facebook, Google, eBay, Dish Network, Sprint, T-Mobile and others. But the trade group's opposition was described as an “aggregate view” of its members, rather than attributable to any one of them.

“It is often difficult for individual companies to voice their concerns in competition investigations for fear of harming current or prospective business relationships,” the CCIA said.

The CCIA did not publicize its position. It came to light in a letter to Franken, who had asked the group to weigh in following a Senate Judiciary Committee hearing on the deal.

The CCIA is concerned with access to last-mile broadband, saying the merger would lead to less competition and make competitive entry less likely. It has also argued that a combined Comcast-TWC would be “better able to impede innovation that threatens to erode its legacy cable business model,” meaning it could discriminate against online competitors.

The CCIA's conclusion was that the FCC and Justice Department “should block this merger, not only for the good of innovation, the Internet industry, and of consumers; but also for the sanctity of antitrust law itself.”

Comcast said the letter was off base.

“Every market Comcast operates in is highly competitive, and we compete actively every day against some of CCA’s members,” Sena Fitzmaurice, Comcast vice president of government communications, said. “The size of this deal is not unprecedented — in fact, after the deal, Comcast will have the same market share as it had throughout most of the first decade of the 21st century.”
- See more at: <http://www.multichannel.com/ccia-dc-nix-comcast-twc-deal/375153#sthash.m4oJIEYh.dpuf>

Multichannel News – June 16, 2014

Clean Senate Start for STELA

CABLE WANTS TO 'DIRTY' BILL WITH RETRANS

REFORMS 6/16/2014 10:00 PM Eastern

By: [John Eggerton](#)

TakeAway

Senate Judiciary Committee leadership's introduction of a "clean" version of the federal law authorizing satellite-TV providers to deliver distant broadcast-TV signals to some viewers is getting panned by cable operators keen on retransmission-consent reforms.

WASHINGTON — The Senate Judiciary Committee leadership has introduced a two-page version of a Satellite Television Extension & Localism Act (STELA) reauthorization bill that was stripped for action.

That was not to the liking of cable providers, who responded that STELA is always more than just the base bill, and that retransmission-consent reform needs to be included.

STELA renews the compulsory license that allows satellite operators to deliver distant-network TV station signals to viewers who can't get local versions over the air and renews the Federal Communications Commission's authority to enforce good-faith negotiations over retransmission consent.

The Senate bill would simply extend the law for five more years, make some technical changes — adding a "the" here, substituting a "paragraph" for a "clause" there — and nothing else.

The draft was a bipartisan offering from Judiciary Committee chairman Patrick Leahy (D-Vt.) and ranking member Charles Grassley (R-Iowa), who both suggested they were focused on passage, not on packing the legislation with other provisions.

Leahy signaled he would bring the bill up in committee later this month.

Cable interests want Congress to address retransmission-consent reforms in STELA and were successful in getting some of what they wanted in a House version that passed the Energy & Commerce Committee.

That wish list included eliminating the ban on set-tops with integrated conditional-access functions, barring joint retransmission-consent negotiations by TV stations and erasing the current prohibition on cable operators dropping television-station programming during sweeps periods.

Cable would like to preserve those wins in the Senate version. Broadcasters would like to see the House version stripped down to match the Senate draft.

But if past is prologue, the final bill will not be two pages long.

Some version of STELA must pass by the end of this year, or the license will sunset.

The last time the license was reauthorized — in 2009 — Congress actually missed the deadline, had to make the license retroactive and reached out to content owners essentially asking them to treat the license as though it had been renewed as Congress worked on getting it done. The renewal finally came in spring 2010.

Clearly, Leahy does not want a repeat performance.

National Association of Broadcasters president Gordon Smith was not pleased with the House Energy & Commerce version, which would prevent coordinated retransmission-consent negotiations. But he was happy with the “clean” bill from Leahy and Grassley.

“NAB applauds the narrow STELA reauthorization bill introduced today by chairman Leahy and ranking member Grassley,” Smith said last week. “We encourage its swift passage.”

That may be wishful thinking. The “clean” judiciary committee bill is likely the skeleton, but not the final form. Certainly, cable operators are hoping, and lobbying, for more.

TAGS:

- See more at: <http://www.multichannel.com/clean-senate-start-stela/375152#sthash.JxLx4UyF.dpuf>

Multichannel News – June 16, 2014

NATOA Opposes Permanent Internet Tax Freedom Act

NATOA joined the National League of Cities, US Conference of Mayors, National Association of Counties, Government Finance Officers Association, and the International City/County Management Association, in opposing the Permanent Internet Tax Freedom Act (HR 3085). [In a letter sent to all House representatives](#), our associations urged members to vote against the bill that “would cost state and local governments hundreds of millions of dollars in lost revenues” that are used “to fund essential services in their communities, including well-trained firefighters and police officers; schools, parks, community centers and libraries to support youth; retirement security for dedicated career employees; and continued investments to fix aging infrastructure.”

Netflix: Strong-Arming the Net-Neutrality Debate

6/16/2014 10:45 AM Eastern

By: MICHAEL POWELL

The following is an edited excerpt from a June 12 blog post by National Cable & Telecommunications Association president and CEO Michael Powell.

In the ongoing air wars over net neutrality, personal attack and comedic fodder have sadly obscured an accurate portrayal of the issues now confronting the Federal Communications Commission in the wake of the U.S. Court of Appeals for the D.C. Circuit's decision in *Verizon v. FCC*. Instead of following the old adage of "when in danger, when in doubt, run in circles, scream and shout," perhaps we ought to take a breath and refocus serious attention on the task before the agency.

For starters, let's acknowledge that there are no "net neutrality" rules at present other than the FCC's 2010 "transparency rule" that survived court review and that ISPs continue to follow today. In this light, we ought to see that inflammatory attacks claiming that the FCC is about to "wreck" net neutrality are nothing but hyperbolic hot air. You can't "wreck" rules that no longer exist.

Second, as parties seek to manufacture a continuing din of discontent, we ought to acknowledge what we are not fighting about. Though it's seldom reported, it's worth remembering that the cable industry has long supported an open Internet and, in fact, supported the 2010 Open Internet rules adopted by the FCC. To be fair, some may have questioned the necessity of rules in the absence of real harms, but the industry was willing to operate under that regime since it did not alter our ability or incentives to build and expand robust broadband networks. Additionally, ISPs have stated quite clearly that they don't see much of a business case for the kind of "fast-lane, slow lane" strategy that so many insist is at hand.

Fast-forward to today. As the FCC looks to follow the D.C. Circuit's invitation to restore net-neutrality rules, one might think that the task before us is simple. But alas, nothing in this debate ever is.

Sadly, other Internet players — most notably, Netflix — are now seeking to leverage this proceeding to serve their own particular corporate ends. They do not seek to restore prior rules; they seek to “move the goal posts” and dramatically expand what net neutrality means. They want to protect their profits by ensuring that the disproportionate impact caused by delivering traffic to their customers is spread across all broadband subscribers and not just those who actually use the service. In other words, if there is any additional cost to accommodating Netflix traffic, everyone’s broadband bill should go up rather than increase the price of the Netflix subscription. Why should everyone subsidize fans of *House of Cards*? They are not seeking “strong” net neutrality; they are seeking to “strong-arm” net neutrality into satisfying a separate and distinct objective.

In fact, the myriad business arrangements by which thousands of ISPs, content providers, transit providers and content distribution networks exchange Internet traffic were not part of the FCC’s 2010 Open Internet proceeding and should not be now.

Expanding the scope of this proceeding is troubling not only because it threatens progress on a viable replacement regime for the rules that were struck down, but also because the allegations consciously omit Netflix’s own culpability and control over the performance of its service. Netflix has alleged that ISPs have intentionally degraded interconnection links used by its chosen transit providers and that they have done so for the purpose of forcing Netflix to agree to pay tolls for access to ISP customers. It further suggests that its decision to enter into contracts with Comcast and Verizon were made under duress and that it made this sacrifice because that was the only way to ensure a quality viewing experience for its customers. And until recently chastened to relent, Netflix attempted to convince Verizon customers that poor Netflix performance was solely attributable to congestion in the local access network.

The implication that Netflix has no control over the performance experienced by its customers is wrong. In fact, recent analysis by Sandvine confirms the exact opposite — that is, the strategic routing choices made by Netflix have a significant effect on the performance a customer receives. By choosing to send

large portions of its traffic down routes that were ill equipped to handle the load (and by choosing not to route through independent, available transit providers), Netflix's performance on those routes unsurprisingly declined.

Fixing these performance problems did not require Netflix to do a deal with Verizon or Comcast. Netflix could have spread its traffic over additional third-party transit links, rather than trying to send the vast majority of its traffic over Cogent's network. Or it could have sent some of its traffic through the third party CDNs that had successfully carried its traffic in high-quality to ISPs for years. In none of those cases would Netflix have had to pay Comcast, or Verizon — or any residential ISP. That it chose to do so ultimately suggests Netflix got a better deal by directly peering with a residential ISP than with any of the middlemen. But its choice should not obscure the fact that it had (and still has) other competitive options, ones that the overwhelming majority of edge providers use and have generally used, for years, to achieve high quality, with low cost and without incident.

Allowing the net-neutrality conversation to be hijacked into a peering debate is a mistake that will only cloud the commission's ability to move forward in the Open Internet proceeding. Netflix's peering gambit is primarily about improving its own economics and says more about Netflix's power than about any ISPs. We should stay focused on the last-mile issues that gave rise to the Open Internet rules in the first place, and ensure a clear path forward to reinstate new rules in line with the court's direction.

- See more at: <http://www.multichannel.com/netflix-strong-arming-net-neutrality-debate/375169#sthash.u8CXGYGu.dpuf>

Multichannel News – June 16, 2014

NEWS ARTICLES

New York State Drills Down Into Comcast-TWC Merger

PUC TO VET PUBLIC-INTEREST VALUE OF MELD 7/07/2014 8:00 AM Eastern

By: John Eggerton

TakeAway

Move over, FCC: New York State's utility regulators will also be examining the public-interest implications of the Comcast-Time Warner Cable merger.

WASHINGTON — The proposed Comcast-Time Warner Cable deal will have to pass Federal Communications Commission muster to be approved, but that is not the only regulator set to weigh in on the deal.

The New York State Public Service Commission has wrapped up three days of hearings into the proposed merger of the first- and second-largest U.S. cable companies, armed with a new, tougher standard for the deal to meet in terms of transferring No. 2 TWC's systems to No. 1 Comcast in New York City, the nation's largest market.

The PUC must approve the transfer of any cable-system franchise in New York State.

Last month, New York Gov. Andrew Cuomo, a Democrat, said the commission would “use its new regulatory powers” to conduct a thorough examination into whether the transfer of Time Warner Cable's New York systems to Comcast was “in the best interest of Time Warner's New York customers and the State as a whole.”

According to a PSC source speaking on background, that “new power” reference was to the change in the burden-of-proof standard. Formerly, the public service laws required the commission to approve a deal unless it found a violation of law or some other reason it was not in the public interest.

But in April, the law was changed to put the burden of proof on Comcast and Time Warner Cable to prove the merger is in the public interest. That standard is similar to those applied to the state's telephone companies and electric and gas utilities.

The three hearings were in Buffalo, Albany (the state's capital) and New York, before a PSC administrative law judge.

According to local news channel Time Warner Cable News, which covered the Buffalo hearing, Administrative Law Judge David Prestemon said the commission's goal was to ensure that the transaction is in the public interest.

National Black Chamber of Commerce president and CEO Harry Alford praised Comcast, and said if the companies did not merge with someone, they were going to "fall out or die."

But TWC News also reported that a member of the "Stop the Cap" coalition criticized Comcast's broadband-usage policies and did not want them extended to current Time Warner Cable properties.

One issue raised by a pair of legislators, said TWC News, was ensuring that Comcast builds out broadband service, particularly in rural areas. They also offered the novel suggestion that a "government representative" be given a seat on the Comcast board.

A spokesperson for the commission said it would "consider and weigh very carefully the comments it receives from the public at public statement hearings."

Comcast spokeswoman Sena Fitzmaurice said the MSO planned to work with state officials on the review process.

"We believe there are significant benefits to New York customers for this deal, and there's no reduction in competition," she said. "[Consumers will have the same number of choices before the deal as after it. Consumers will get faster

Internet speeds and a more advanced video product than they have today — for example, we have 300,000 video choices online and via our apps that TWC customers would have available — TWC has about half of the number of on-demand [selections] on TVs today that we do. These are real, tangible consumer benefits.”

Fitzmaurice also said Comcast would be bringing its low-cost “Internet Essentials” product to New York, Buffalo, Albany and other New York cities without a similar program.

The merger would also boost business services, Fitzmaurice added, which could lower costs and increase competition.

TAGS

- See more at: <http://www.multichannel.com/new-york-state-drills-down-comcast-twc-merger/375716#sthash.IHvqtMLP.dpuf>

Multichannel News – July 7, 2014

QCCCC Board Packet Links to Articles of Interest:

<http://vimeo.com/92260008>

All: Note info buried in this article that Tim Wu is running for NYS Lieutenant Governor.

<http://www.washingtonpost.com/blogs/the-switch/wp/2014/06/19/how-new-york-could-put-a-stop-to-comcasts-merger-with-time-warner-cable/>

BTW, here is the link to the video of Bruce Kushnick's testimony from yesterday PSC hearing on the merger in NYC. If you have trouble with it loading, just wait and it will finally play.

http://punkcast.com/2733/mp4/bruce_kushnick_nyspsc_comcasttimewarner_6-19-2014.mp4

All: Looks like CNN has picked up on the Comcast Hotspot story and Ann Treacy of Blandin on Broadband asked the same question about opt out or opt in. Check out her blog.

<http://blandinonbroadband.org/2014/06/20/did-you-know-you-were-a-public-hotspot-hub-for-comcast/>

Subject: [Policy] TechCrunch.com: Aereo Loses In Supreme Court, Deemed Illegal

http://techcrunch.com/2014/06/25/aereo-loses-in-supreme-court-deemed-illegal/?icid=maingrid%7Cnetscape%7Cdl1%7Csec1_Ink3%26pLid%3D493185

Subject: [Policy] Forbes.com: Four Unanswered Questions From Aereo's Supreme Court Loss

<http://www.forbes.com/sites/ericgoldman/2014/06/25/four-unanswered-questions-from-aereos-supreme-court-loss/>

Subject: [Policy] NetworkWorld.com: And there's something else wrong with Comcast's Xfinity customer-based Wi-Fi hotspot plan ...

http://www.networkworld.com/article/2369057/wi-fi/and-theres-something-else-wrong-with-comcasts-xfinity-customer-based-wi-fi-hotspot-plan.html?source=NWWNLE_nlt_wireless_2014-06-30#tk.rss_all

Subject: [Members] Multichannel: Mayors Plug PEG Change

<http://www.multichannel.com/news/state-lawsfranchising/mayors-plug-peg-change/375728>

Deny the Merger: The Collusion of Verizon-Wired & Verizon Wireless with Comcast and Time Warner.

http://www.huffingtonpost.com/bruce-kushnick/deny-the-merger-the-collu_b_5562362.html

How Verizon and AT&T Control Communications by Manipulating 'Special Access' -- Is Special Access Really \$60 Billion in the US?

http://www.huffingtonpost.com/bruce-kushnick/how-verizon-and-att-contr_b_5562351.html

Subject: [Policy] HuffPost: Bruce Kushnick Blog: CDC's 'Wireless-Only' Statistics Are More Pixy Dust Than Facts; The 'Landline' Accounting Has Been Rigged

All: Not sure is much has actually changed between last year's CDC report and this year's but folks might be interested in reading Bruce Kushnick's analysis of last year's report. Check it out!

http://www.huffingtonpost.com/bruce-kushnick/wirelessly-only-statistics-a_b_3645944.html

Jul 8, 2014 11:42:39 AM, policy@lists.natoa.org wrote:

According to a recent report released by the Centers for Disease Control, approximately 41% of American homes are now landline phone-free. And in homes where there are both landline and wireless phones, about one-third reported that most or all of their calls came through their cell phones.

A copy of the report is attached.

SpinCo Puts Its Wheels In Motion

TIME WARNER CABLE FINANCE EXECUTIVE JOINS WILLNER IN C-SUITE 6/23/2014 8:15 PM Eastern

By: **Mike Farrell**

TakeAway

SpinCo, the new MSO stemming from the Comcast- Time Warner Cable merger, is staffing up but mum on the rest of its future plans.

SpinCo, the soon-to-be publicly traded cable operator that will include about 2.5 million subscribers from Comcast, Time Warner Cable and Charter Communications, has started to assemble its management team, recently hiring a chief financial officer, but analysts are still in the dark regarding the new pure-play cable operator's plans.

SpinCo had earlier tapped former Insight Communications cofounder and CEO Michael Willner to head up the company, which will spin off after the closing of the pending \$69 billion Comcast-Time Warner Cable merger.

The awkwardly named company has hired Time Warner Cable vice president and treasurer Matthew Siegel as chief financial officer and still has other key hires to make. Some have speculated Time Warner Cable chief operating officer Dinni Jain is a prime candidate to take a similar role with SpinCo — he was formerly COO of Insight Communications and has intimate knowledge of most of its systems. Others believe Jain could seek a more permanent position with either another cable company or a private-equity firm looking to expand in the cable business.

Siegel has a history with Spin- Co's assets and its management: Before joining Time Warner Cable, he was vice president and assistant treasurer at Time Warner Inc. and had earlier served as senior vice president of finance and treasurer of Insight under Willner.

Willner, who praised Siegel's appointment in a statement, could not be reached for comment.

Whatever the outcome, SpinCo — which will presumably change its name before it is officially launched — will include some big markets like Detroit, Minneapolis and Indianapolis.

The company, which upon its debut will be the fifth-largest U.S. cable operator behind Cablevision Systems, isn't expected to be a consolidation engine, at least early on.

"I think Charter will be the primary driver of consolidation in the cable industry and that within four years, SpinCo will be a part of a much-larger Charter," Pivotal Research Group principal and senior media & communications analyst Jeff Wlodarczak said.

MoffettNathanson principal and senior analyst Craig Moffett said SpinCo will be a substantial publicly-traded cable operator, but the market is expecting Charter to be a major factor in further industry consolidation.

"It's hard to envision [SpinCo] as being a real driver of consolidation," Moffett said. "It looks like it is designed to eventually be acquired itself."

SpinCo will be 33% owned by Charter and operate under the larger company's programming contracts. It will pay Stamford, Conn.-based Charter a management fee.

After four years, Charter has the opportunity to increase or decrease its stake.

Moffett said that despite losing out to Comcast in its pursuit of Time Warner Cable, Charter is expected to use its considerable financial muscle to acquire smaller cable operators.

"It's hard to see anybody else doing that now," Moffett said. "It's hard to see Cox [Communications] be willing to be as financially aggressive. Charter has to be the odds-on favorite."

Potential targets could be Mediacom Communications, Suddenlink Communications, Bright House Networks and Cable One, he said.

- See more at: <http://www.multichannel.com/spinco-puts-its-wheels-motion/375295#sthash.fHIuOZU1.dpuf>

Multichannel News – June 23, 2014

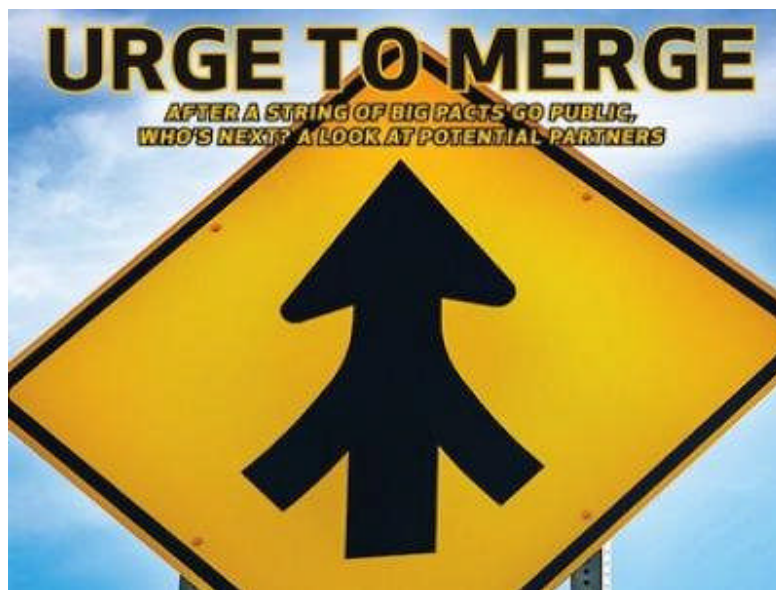
Urge to Merge

How Mega-Deals Will Alter Pay TV's Landscape 7/07/2014 8:00 AM Eastern



By: **Mike Farrell**

3



Comcast's pending merger with Time Warner Cable, expected to close by year-end, will create a 30 million-subscriber powerhouse with customers in nearly every major U.S. city — including New York, Los Angeles, Chicago, Miami, San Francisco and Dallas — and has spawned other mega-deals in the space.

Just weeks after Comcast's \$69 billion deal for Time Warner Cable was announced, AT&T made a \$67 billion bid to control satellite-TV behemoth DirecTV, which would give the telco a nationwide scope as well as create a 26 million-customer No. 2 rival to Comcast-TWC.

Not to be outdone, Charter Communications, whose own pursuit of TWC was bested by Comcast's February bid, negotiated a series of swaps, sales and spinoffs with the nation's largest operator that will eventually give Charter

control of an additional 3.9 million subscribers in major markets in the Midwest (Minneapolis and Indianapolis) after the larger deal is completed. Charter also is expected to be a major consolidator of smaller cable operators, with Cable One, Mediacom Communications and Suddenlink Communications among its possible future targets.

All the consolidation talk has programmers in a quandary: Should they bulk up to compete against what is becoming an increasingly concentrated distribution base? Or should they ride the storm, believing that content will be even more valuable as new over-the-top distributors come on the scene?

While there is no guarantee that all these deals will pass regulatory scrutiny — should that occur, more than 60% of TV households and the vast majority of broadband homes would be controlled by just three companies — most analysts are betting that content consolidation is inevitable.

Just how that will play out is anyone's guess, with some analysts advocating for the joining of already huge content companies like The Walt Disney Co., 21st Century Fox, CBS, Viacom and Time Warner Inc. Others believe smaller content providers such as AMC Networks, Scripps Networks Interactive and Discovery Communications are likely to be the first to fall.

21st Century Fox is expected to be a major player in consolidation, especially if it tightens up its European satellite-distribution assets. Fox's 40%-owned British Sky Broadcasting unit said it was in early talks to buy Fox's interest in Sky Italia and Sky Deutschland, assets valued at about \$14 billion, which could give the programmer a hefty war chest for acquisitions.

Others such as Discovery, Disney and Time Warner Inc. could look to M&A as a means to increase its affiliate-fee leverage and bolster ratings.

To help track these mercurial developments, see the scorecard below.


- See more at: <http://www.multichannel.com/urge-merge/375721#sthash.4KIL9SXJ.dpuf>

Diagram – Urge to Merge Diagram


Multichannel News – July 7, 2014

Urge to Merge


HOW MEGA-DEALS WILL ALTER PAY TV'S LANDSCAPE BY MIKE FARRELL



AT&T-DirecTV:
While perhaps not as compelling as Comcast-Time Warner Cable on paper, the merger of AT&T and DirecTV would give DirecTV, the largest satellite-TV provider, access to a robust broadband play and give telco AT&T 20 million more TV homes in which to sell products. AT&T has pledged to extend its broadband network to 70 million homes and add rural channels such as RFD-TV to its lineup if the deal is approved.



Comcast-Time Warner Cable:
The biggest deal of 2014 is expected to close by year-end and is currently under intense scrutiny from regulators wary of creating what could be the most powerful media company in the world. With about 30 million customers in 19 of the top 20 U.S. TV markets, control of a handful of top cable networks — including most-watched USA Network — and the leading broadcaster, Comcast-TWC has spurred other distributors to the negotiating table.



Charter-Spinco:
Although it lost out on the ultimate prize — Time Warner Cable — Charter will receive some nice parting gifts: sales, swaps and spins that will nearly double its subscriber base from 4 million to 7.9 million. Charter also will manage and own a 33% stake in the 2.5 million-subscriber "Spinco," set to be spun off (and named) after the Comcast-TWC deal closes. After four years, Charter can increase or decrease its Spinco stake. Nevertheless, it is expected to be a major player in the further consolidation of distribution.



Disney-Discovery:
The addition of The Walt Disney Co.'s iconic cable channels — including sports juggernaut ESPN — and broadcaster ABC could give Discovery Communications just the leverage it needs in its upcoming affiliate-fee negotiations (about 20% of Discovery's carriage deals come due every year). With Discovery, Disney gets a stronger international presence (Discovery's international sales are expected to surpass domestic revenue for the first time in 2014) to offset any potential maturing of the U.S. market. The downside: Disney's affiliate deals are already done, and are long-term pacts, so it could be a while before Discovery would feel the benefit of a pairing with ESPN and ABC.

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Disney-Scripps Networks Interactive:
A Disney-Scripps deal seems a bit one-sided — it would mean a huge affiliate-fee opportunity for Scripps and would create international opportunities for the channels. On the Disney side, there is a possible opportunity to integrate Scripps brands into its theme parks and a merger would help to balance out the mix of female- and male-oriented cable networks. The downside: Scripps's already hefty valuation and what appear to be limited benefits for Disney.

21st Century Fox-Scripps Networks Interactive:
Under the Fox umbrella, Scripps would finally get the affiliate-fee clout it has been striving for, as well as a deep-pocketed parent that could finally roll up Tribune's 33% interest in Food Network. In Scripps, Fox would get a string of low-cost, profitable networks that it could leverage across its portfolio. The downside: Scripps is trading at a lofty valuation relative to its growth and has a small international presence, which could be discouraging to potential suitors.

21st Century Fox-Discovery:
Like Disney, Discovery would add a significant international presence to the Fox lineup, and Fox could give the educational networks added muscle come carriage-fee negotiation time. Fox could combine Discovery with its own National Geographic Channel and could pair its international sports holdings with Discovery's recently acquired Eurosport. The downside: Would Discovery's major shareholder, John Malone, sell to Rupert Murdoch, his former nemesis?

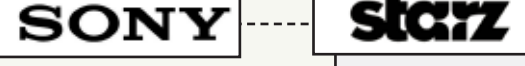


21st Century Fox-Time Warner Inc.:
While a pairing of the owners of Fox News Channel and CNN seems like a match made in a darker, hotter place, some analysts believe it could be done, especially if CNN were spun off or sold (to CBS?). The bottom line is that there are many reasons to do a deal — a combined Turner Broadcasting System and Fox Cable would have enormous advertising and affiliate-fee power; joining Turner's sports assets with Fox Sports 1 could give it more firepower for additional rights and the addition of HBO would give Fox the premier premium channel and a strong international outlet. The downside: A deal could be costly — Time Warner is trading at close to an all-time high (\$70 per share), or about twice Fox's \$35-per-share range.




21st Century Fox-Madison Square Garden Inc.:
Madison Square Garden has been divesting assets — it recently completed the sale of its Fuse Network to nuvoTV — but its sports and entertainment holdings could be attractive to Fox. Aside from professional sports teams (most notably the NBA's Knicks and NHL's Rangers) and concert venues, MSG holds regional sports networks MSG Network and MSG Plus, which would meld nicely with Fox's interest in the YES Network and its other sports holdings. The downside: Fox has gone the sports-team ownership route before — and failed — with baseball's Los Angeles Dodgers, and likely wouldn't want to enter that arena again.

Time Warner Inc.-Vice Media:
Time Warner has been in talks with multiplatform media network Vice Media for weeks about a possible buy, but the two are apparently far apart on price. In one scenario, the programmer would inject its HLN network (formerly Headline News) into Vice in return for half of the company. One hurdle: Fox owns 5% of Vice Media and could hold up a deal.



Sony Networks Entertainment-Starz:
Parent company Sony Corp. has been under some pressure to spin out its entertainment business, and in the absence of that deal, bulking up the production giant with its top film-content distribution partner seems logical. Starz already has a movie output deal with Sony Pictures and combining the two boost the premium channel's original programming budget.



AMC Networks-CBS:
The addition of top broadcaster CBS would give AMC Networks some needed clout in carriage negotiations, while AMC's recent purchase of Chello-media would expose CBS content to a whole new international audience. CBS also affords AMC a possible syndication distribution channel for its content.



Viacom-CBS:
Rejoining the two media companies about nine years after their split would make sense — owning a broadcaster would give Viacom more leverage in carriage negotiations, and having a major cable programmer would give CBS more value in retrans and more platforms to spread its sports properties. The downside: Who would run it? Viacom could be facing some serious succession issues in the next few years concerning its 91-year-old chairman, Sumner Redstone, and Viacom CEO Philippe Dauman and CBS CEO Les Moonves don't seem like a pair that could share management duties.

