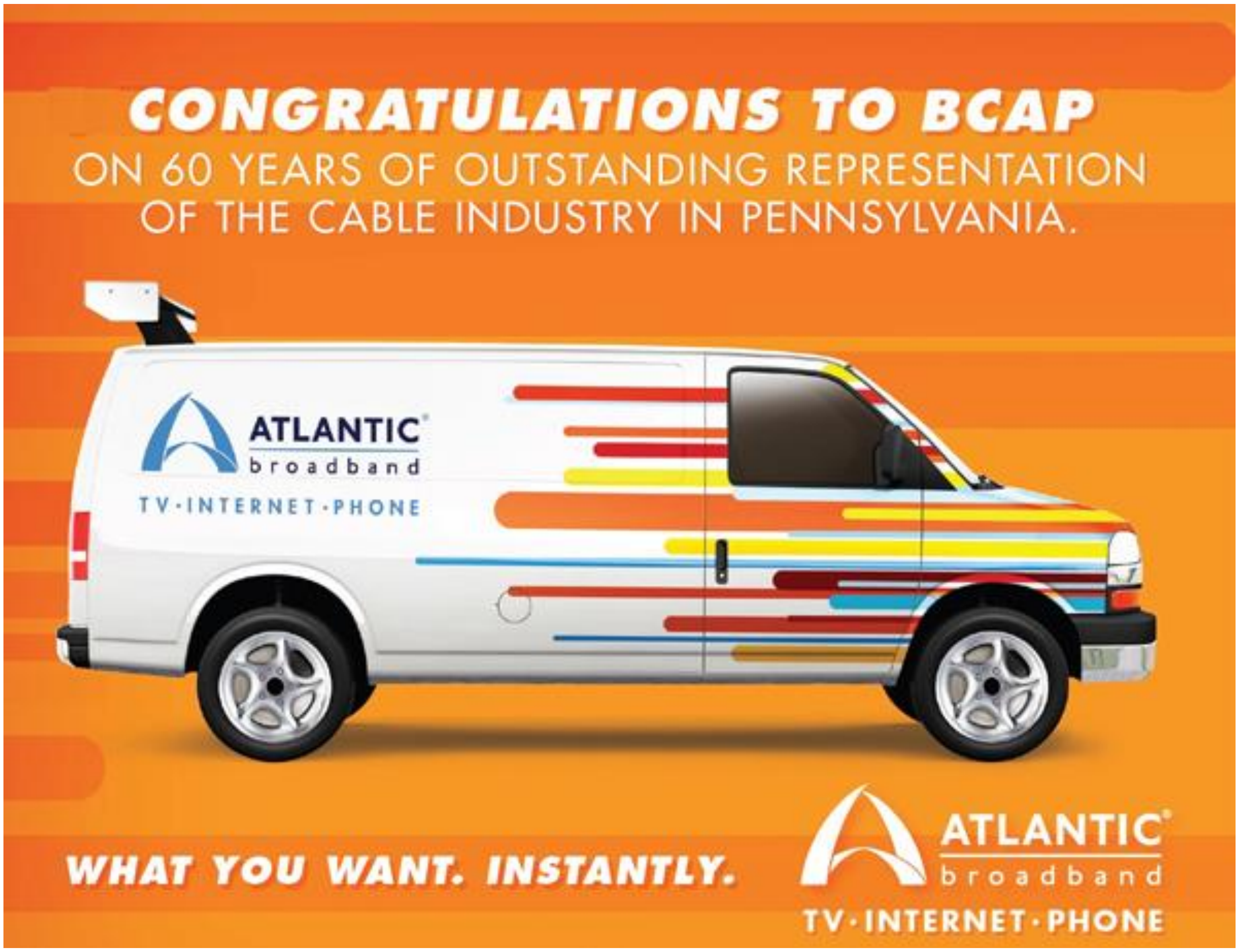

BCAP 60th Anniversary

NewsClips

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New suitors are circling 21st Century Fox Inc., affirming that the media empire built by Rupert Murdoch is now in play. Comcast Corp. has approached the media company to express interest in buying a substantial piece of it, according to people familiar with the situation. Verizon Communications Inc. is also kicking the tires on Fox assets, though a person familiar with its thinking cautioned the exploration was in the early stages. And Sony Corp.'s entertainment unit has also informally approached Fox, the people familiar with the situation said.

The takeover interest in 21st Century Fox gained steam after **news last week that Walt Disney Co. recently held talks with the company** but failed to reach a deal. The assets Fox is discussing with potential suitors include the Twentieth Century Fox studio, some U.S. cable networks and the international business. Fox News, the Fox broadcast network and the company's sports channels haven't been part of the talks, the people familiar with the situation said. Any deal would be sizable. 21st Century Fox has a market capitalization of about $54 billion. Fox's shares rose 8.1% after hours on Thursday, after The Wall Street Journal reported the interest from Comcast and Verizon. 21st Century Fox and the Journal's parent, News Corp, share common ownership.

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Wilkes-Barre Citizens' Voice
Editorial: Reject merger between AT&T, Time Warner

Reuters
Wireless carriers on mute as U.S. top court hears big privacy case

Allentown Morning Call
Pennsylvania Republicans support GOP tax overhaul as it passes House

Pittsburgh Tribune-Review
State House Speaker Mike Turzai's campaign for governor begins to take shape

Philadelphia Inquirer
As GOP lawmakers disagree, Pa. gerrymandering suit returns to state court

It is uncertain how regulators would receive a combination involving a large player like Comcast or Verizon with 21st Century Fox. AT&T Inc.'s pending takeover of Time Warner Inc., which would result in a behemoth spanning distribution and content, **has run into resistance in Washington, and could be headed for a court battle**.

The interest in Fox is part of a broader wave of consolidation sweeping through the media industry as the pace of cable-TV cord-cutting accelerates and new players like Netflix Inc. and Amazon.com Inc. have quickly ascended to dominant positions. At the same time, a series of mergers has bulked up distributors like Charter Communications , AT&T and Comcast, weakening the leverage that media companies have to get their channels distributed at a good price.

Fox may be more receptive to offers after its shares underperformed some media competitors in recent years. While content creators and distributors have been consolidating, some of Fox's pursuits have been thwarted. Fox saw the need for greater scale three years ago and attempted to buy Time Warner Inc., but was ultimately rebuffed and backed off after its stock price sank. Last year, in yet another bid for greater scale, it announced **its intention to buy the rest of Sky beyond the 39% it already owns**.

Comcast has weathered the storms in pay TV better than peers in recent years, but has begun to feel the pinch. In its most recent quarter, it suffered its largest quarterly loss of cable subscribers in three years. Comcast is particularly interested in Fox's international assets, one of the people familiar with the situation said. As the U.S. pay-TV market saturates, **other countries where penetration of cable services is lower can offer more growth**.

The notion that Comcast would make a large bet on more media content in this environment is especially surprising. The cable company acquired NBCUniversal in 2011, integrating a host of cable TV networks, the NBC broadcast network and the Universal studio. And one reason antitrust enforcers are skeptical about the AT&T deal is that they believe Comcast hasn't lived up to the spirit of the conditions regulators put on that 2011 deal, people familiar with the matter have said. For Verizon, a deal with Fox would help it expand its digital-media business, which as of now is driven by the combination of AOL and Yahoo, both of which it acquired. Verizon is looking to build a cache of websites and online video services it can sell advertising against.

The wireless carrier has frequently expressed skepticism about the legacy television business model, but has aggressively sought to build new video businesses based around mobile video. Verizon may face slightly less antitrust scrutiny than some of its rivals. Unlike Comcast and AT&T, which have millions of pay-TV subscribers, Verizon only has 4.6 million TV customers, who are all concentrated in the northeastern U.S. Verizon Wireless is the nation's largest cell carrier, with more than 115 million subscribers, but there is no established model for bundling television and cellular services like there is in the cable industry.

Reports last week of Fox's discussions with Disney signaled a new willingness from the Murdoch family to consider a restructuring of its media empire, a move that shocked the industry and effectively put Fox on the block. Entertainment assets like those owned by Fox are rarely available for purchase, and are expensive and time-consuming to create from the ground up. Mr. Murdoch invested heavily to build and piece together his company over the course of decades. Over the past week, Fox has hosted both its quarterly earnings call and its annual shareholder meeting. While executives have declined to address acquisition-related questions, they have taken the opportunity to emphasize Fox's ability to compete with its current set of assets. "There's a lot of talk about the growing importance of scale in the media industry," 21st Century Fox Executive Co-Chairman Lachlan Murdoch said at the annual meeting Wednesday. "Subscale players are finding it difficult to leverage their position into new and emerging video platforms, but let me be very clear: We are not in that category."

One of Fox's international assets that has drawn particular interest is U.K. pay-TV company Sky. Fox already owns a 39% stake in Sky, but its bid to acquire the rest of the company has faced delays in the U.K. since the approximately $15 billion bid was announced a year ago. Fox has continued to express confidence that the deal will close by mid-2018. Fox has said its international holdings help it reach more than one billion subscribers in roughly 50 languages in more than 170 countries.

Fox's movie and television studio has been a mixed bag. Fox is one of the most prolific producers of scripted shows, providing programming for its own channels as well as selling shows like "Modern Family" and "This Is Us" to other networks and digital platforms. The Twentieth Century Fox film studio's performance has been more erratic, ranking everywhere from first to sixth in domestic box-office sales since 2011, according to Box Office Mojo. Some of Fox's entertainment networks have also been eyed by the potential acquirers. The cable network FX is a critical darling and some of its shows command top dollar in rerun rights from Netflix. National Geographic Channel has been spending heavily on original content but so far the effort hasn't paid off in higher ratings.

Selling off some assets could slim the Fox global conglomerate down to a leaner media company focused on broadcast TV, cable news and sports programming, which theoretically could command a higher valuation. The thinking at Fox, according to a person familiar with the matter, is that the company could be successful with a makeup similar to CBS Corp., which has a higher valuation even though it isn't one of the largest U.S. media conglomerates. – ***Wall Street Journal***

New changes in federal media ownership rules approved Thursday are likely to touch off a wave of deal-making, reordering the local-TV landscape. The Federal Communications Commission voted 3-2, along party lines, to reverse or revise a number of longstanding limits on local ownership of TV stations as well as radio stations and newspapers.

FCC Chairman Ajit Pai, a Republican **who led the charge for the overhaul**, said at Thursday's meeting that "few of the FCC's rules are staler" than the broadcast media ownership rules, some of which date to the 1970s. "It's about time" that the agency overhauled them to make sense for the digital-media age and give local media more ability to compete in the new environment, he said.

In a statement, Democratic Commissioner Jessica Rosenworcel said the agency's action "sets its most basic values on fire." She added she is "hard pressed to see any commitment to diversity, localism or competition" in the changes. Television station owners have long complained that the federal rules, enacted over the years to ensure diversity of views, have become burdensome, particularly at a time when online rivals are disrupting their markets.

The new relaxed rules could open the floodgates to more consolidation among television station owners, particularly so-called super groups that have risen in recent years. Several of these large broadcasting groups, including Nexstar Media Group Inc. and Tegna Inc., have previously indicated to Wall Street that they would be looking for opportunities to expand if the current regulations were loosened. Nexstar Chief Executive Perry Sook told analysts earlier this year that the company was "already in discussions should the rules change about opportunities that might be available to us."

A Tegna spokeswoman said recently that the company is "pursuing an aggressive growth strategy" and expects "to be a strategic and disciplined consolidator at this pivotal time of positive regulatory change." Nexstar has said the company isn't looking to do another large deal but rather "surgical and select tuck-in deals." The most immediate beneficiary of the relaxed rules will be Sinclair Broadcast Group , as some of the changes could smooth the way for its **proposed acquisition of Tribune Media Co**. Even with the new rules, though, Sinclair will still likely have to sell some television stations to be in compliance.

Some Democrats suggested the ownership changes by the GOP-led FCC were specifically aimed at giving a boost to the conservative-leaning Sinclair. FCC officials have said that most of the changes have no impact on Sinclair's proposed merger. The changes that might didn't go as far as broadcasters requested, they added. In a statement, Rebecca Hanson, Sinclair's senior vice president for strategy and policy, disputed the notion that the rollback was aimed at the company, saying that modernizing the rules is "critical to the future of free and local broadcasting." "The entire broadcast community has been seeking ownership relief for decades, and multiple industries support advanced broadcast technology," she said. "To suggest that these reforms benefit one company ignores the wealth of publicly available advocacy on both of these fronts."

Among the broadcast networks, none have expressed an overwhelming desire to get bigger. At a Goldman Sachs conference two months ago, 21st Century Fox Co -Executive Chairman Lachlan Murdoch said the company will "always look at ways that we can responsibly grow our distribution. But it's not something that we would commit a lot of capital to. But if we can do that in other manners… we'd be open to looking at it." 21st Century Fox and Wall Street Journal parent News Corp share common ownership. CBS Corp. could be an opportunistic buyer in certain markets but also isn't looking to make big acquisitions and would even consider selling some stations, a person familiar with the company's thinking said.

Already in recent years, the local TV business has been consolidating rapidly because of the economic pressures it faces. The changes approved Thursday will end or loosen several basic ownership limits in the FCC's rules. One change eliminates the longstanding rule that generally prohibits a single individual or company from possessing a daily newspaper and a radio or TV station in the same market. A second eliminates a similar rule regarding cross-ownership of radio and TV stations.

Other changes make it somewhat easier for a company to own two TV stations in a single market. For instance, Mr. Pai's plan eliminates a rule known as the "eight-voices test" that says a station owner can buy a second station in the same market only if there would be eight independently owned stations following the purchase. Still another change would eliminate the prohibition on owning two of the top four stations in a market. But the FCC will review deals combining two top-four stations on a case-by-case basis. – ***Wall Street Journal***

Former Pennsylvania governor Tom Ridge remains in critical condition after an **emergency heart procedure that took place on Thursday**. An official with Dell Seton Medical Center at The University of Texas confirmed his condition as of Friday morning. Ridge, 72, was at a Republican Governors Association conference in Austin on Thursday when at about 7 a.m., he asked hotel staff for medical assistance. He was at the conference for Ridge Global, his security and risk management firm. First responders took him to the trauma center at Dell Seton Medical Center at The University of Texas, where he had a diagnostic heart procedure. A reporter has reached out to Ridge's spokesman for comment.

Ridge served as governor from 1995 to 2001. His second term as governor was cut short after the terrorist attacks on Sept. 11, 2001, when President George W. Bush tapped him to be the nation's first homeland security director. Ridge, a former Marine who served in the Vietnam War, held the position until 2005. Since Ridge was taken to the hospital, politicians across the political spectrum have **expressed their concerns and wished Ridge a speedy recovery**. "Ridgies," as they have been informally known since 1995, **have also expressed their concern**. – ***Pennlive*; Also**, **Tom Ridge has been a busy ex-governor, and that's why his health news was such a jolt**