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With its final open meeting of the year coming up Thursday, the nation's top telecom regulator could be deadlocked in a 2-to-2 partisan stalemate by week's end due to the

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U.S. Senate's failure to appoint Jessica Rosenworcel, a Democrat, to the Federal Communications Commission.

Rosenworcel serves as one of three liberals on the five-member panel, but must leave the FCC on Dec. 31. The Senate adjourned last Friday without confirming Rosenworcel, prompting reports that the nomination had failed. If Rosenworcel departs as expected, it would

leave the FCC with two Democrats and two Republicans — a tie that could mean no new action from the agency until President-elect Donald Trump nominates his own pick to fill

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Rosenworcel's open seat. In the meantime, Republicans could even gain a 2-1 majority if the FCC's Democratic chairman, Tom Wheeler, resigns — giving the GOP the power to roll back many of Wheeler's policies, such as net neutrality and privacy rules for Internet providers.

Wheeler said last week that he was willing to step down “immediately” if it would ensure that Rosenworcel would be confirmed. But that commitment, made to Senate Minority Leader Harry M. Reid, may have been too little, too late. Reid and his Republican counterpart, Majority Leader Mitch McConnell, were said to be working on a deal to confirm Rosenworcel late last week. But in the closing hours on Friday, Senate aides said there did not appear to be enough time.

The confirmation battle exposed a long-simmering rift within Democratic ranks. Earlier, Rosenworcel had disagreed with Wheeler over an FCC proposal that would have allowed non-cable companies such as Google and Amazon to build their own set-top boxes to compete with those that consumers rent from their existing providers. A vote on the proposal, scheduled for September, **had to be tabled** because it lacked the support it needed to pass.

Rosenworcel's lapsed nomination could be brought back in 2017. But policy analysts believe it is a long shot because Trump has the option to nominate someone else. Meanwhile, the Senate's failure to come to a deal on Rosenworcel puts the spotlight on Wheeler, whose term as a commissioner does not expire until 2018. If he follows custom, Wheeler would step down to make way for Trump's nominee for chairman, and he would have the option to stay on as a regular commissioner for the duration of his term.

But Wheeler has not committed publicly to relinquishing his position, raising questions about his strategy during the final weeks of the Obama administration. If he does leave the FCC entirely along with Rosenworcel, it could create a 2 to 1 imbalance on the panel with Mignon Clyburn serving as the agency's only Democrat. That could allow Republicans to ram through policy changes aimed at undoing much of Wheeler's work for the past three years.

Some analysts say that Democrats could temporarily stymie the Republican-controlled FCC if Clyburn also resigns, leaving the agency without a quorum. With no Democrats present, the FCC would not be able to conduct business, according to Berin Szoka, president of the right-leaning think tank TechFreedom.

But that victory could be short-lived, he added: While the law states that no more than three members of an independent agency can be of the president's party, that wouldn't keep Trump from stocking the FCC with his most loyal allies. At that point, it would be up to Senate lawmakers once again to decide how to move forward. — ***Washington Post***

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Sumner Redstone and his daughter Shari Redstone ended their effort to merge Viacom Inc. and CBS Corp., a surprise reversal that follows resistance from key executives and signals faith in Viacom's ability to turn around its fortunes on its own. Redstone family holding company National Amusements Inc.—which has nearly 80% voting stakes in both media companies—said Monday that, after reviewing a tie-up, “we have concluded that this is not the right time to merge the companies.”

A marriage would have reunited Viacom—owner of ratings-challenged cable networks MTV and Comedy Central and the slumping Paramount Pictures movie studio—with top broadcaster CBS a decade after they were separated. Neither company had been enthusiastic about a merger, despite the initial desire of the Redstones to make it happen, and discussions never advanced beyond the early stages, people familiar with the situation say. There were also differences over valuation, as Viacom wanted a premium that CBS Chief Executive Leslie Moonves deemed unwarranted, the people

said.

A big reason for the reversal in plans, people familiar with the matter say, is Ms. Redstone's faith in Bob Bakish, a nearly two-decade veteran of Viacom who was named acting CEO on Oct. 31. According to these people, Mr. Bakish, who previously led the company's international operations, has impressed Ms. Redstone with presentations suggesting he can restore the creative culture at Viacom that insiders say lapsed under former CEO Philippe Dauman. In National Amusements' statement Monday, the Redstones praised Mr. Bakish's "forward-looking thinking and strategic plan." Viacom's board on Monday said Mr. Bakish has been named permanent CEO of the company, dropping "acting" from his title.

The decision to explore a merger of the firms followed the ascent of Ms. Redstone in the family empire after a year of legal and boardroom drama. She has taken a hands-on role at Viacom, speaking frequently to Mr. Bakish about company strategy, a type of access she didn't have under Mr. Dauman, people familiar with the matter said. Her father, Sumner Redstone, 93 years old, is in ill health and has been at the center of lawsuits challenging his mental competency, though his signature appeared above his daughter's on the letter National Amusements sent to the boards of both companies on Monday.

Joining the companies was thought to be at least a partial solution to Viacom's strategic problems. CBS, which is relatively stronger, would have been able to help ensure Viacom's weaker channels aren't dropped by cable-TV distributors and upstart web-TV players, according to people familiar with the rationale for the merger. CBS also was envisioned helping improve Viacom's content.

In late September, National Amusements sent a letter to the boards of Viacom and CBS urging them to evaluate a merger. Ms. Redstone said at a New York Times DealBook Conference last month that a merger made some sense in that "scale is going to matter" in the media industry, though she stressed that both businesses could also succeed on their own.

Now, Viacom is left fending for itself; and CBS, despite its relative strength, could also face questions about its strategy. All content companies are charting courses for a media universe where young people are watching less television, where streaming media is on the rise and where a few giants of content and distribution loom large—notably Comcast Corp. and AT&T Inc., which has a pending acquisition of Time Warner Inc.

In his international role, Mr. Bakish was known as a proponent of digital experimentation, testing out streaming and on-demand services that hadn't yet been tried in the U.S. Another media force, 21st Century Fox, on Friday unveiled a roughly \$14 billion bid for total ownership of the U.K.'s Sky PLC, a deal that would give it a European foothold in pay-TV distribution, premium sports content and direct-to-consumer streaming. Fox and Wall Street Journal owner News Corp. share common ownership. Shares of Viacom fell 9.6% on Monday, while CBS shares were off slightly.

In its statement Monday, National Amusements called for a focus on the companies' "independent paths forward." Mr. Bakish and Wade Davis, Viacom's chief financial officer, made a presentation to Mr. Moonves and his advisers last month, outlining a plan for Viacom that was more bullish than analysts' projections for the company, according to people familiar with the matter.

In his public comments so far, Mr. Bakish has emphasized how lessons from his decade atop Viacom's international division can be applied to the company as a whole—particularly its focus on six core channels. Viacom, which has some two dozen channels in the U.S., has been the poster child for an industry where media companies offer huge bundles of channels, an approach that is coming under strain as consumers shift to skinnier bundles and direct-to-consumer streaming options. Viacom's board and top executives have discussed the potential need to reduce the number of channels, according to people familiar with the matter, though no decisions have been made.

Mr. Bakish told investors last week that he has dispatched Mr. Davis to Paramount to help improve the movie studio's finances. Ms. Redstone feels that she is now getting more insight into what is happening at Paramount under Mr. Bakish's leadership than she has had in a decade, according to a person familiar with the matter. Mr. Moonves has been complimentary about Mr. Bakish's plan, people familiar with the matter said. Nonetheless, insiders at CBS were worried about being saddled with weak Viacom assets, these people said.

Ms. Redstone and Mr. Moonves held preliminary, informal talks earlier in the year about a potential merger—before the companies' boards set up special committees to evaluate a deal. Mr. Moonves wanted assurances he would have enough control over the merged entity to avoid the fate of Mr. Dauman, who was ousted this summer amid a power struggle with the Redstone family, people familiar with the matter said.

Ms. Redstone was willing to bend to Mr. Moonves except on the matter of control; however, talks on control never reached an advanced stage and National Amusements' decision to back away from a merger turned on other issues, according to these people.

CBS, which also owns the Showtime premium channel, has repeatedly told investors it would be a strong stand-alone company. It has positioned itself for the rapidly changing digital-media landscape with "CBS All Access," a digital-subscription service that offers CBS shows and that recently added coveted National Football League games. People familiar with the matter say CBS is open to other potential deals, including acquiring or investing in digital-media firms. CBS is also in the process of spinning off its CBS Radio unit. — *Wall Street Journal*

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President-elect Donald Trump is expected to press prominent technology executives to boost American employment when he meets them in New York this Wednesday, according to a person familiar with the meeting agenda.

Mr. Trump also plans to ask for recommendations on how tech companies can help the government run more efficiently, said this person, in what is expected to be a wide-ranging round-table discussion. Invitations went out last week, but the agenda hasn't been publicly disclosed. The meeting is scheduled to take place at 2 p.m. Eastern time at Trump Tower. Executives from at least 10 companies are expected to attend, including Apple Inc. Chief Executive Tim Cook, Amazon.com Inc. CEO Jeff Bezos, Alphabet Inc. chief Larry Page and Tesla Motors Inc. CEO Elon Musk.

During the election and since he won, Mr. Trump has emphasized the importance of boosting U.S. jobs. He has specifically targeted companies including Apple for purportedly sending jobs overseas. Apple, Amazon and Alphabet are among the most valuable companies in the U.S., yet they generally employ fewer people than big firms in other industries. — *Wall Street Journal*



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