



Inside This Issue:

This Week's Stories

Google To Give \$1 Billion To Nonprofits And Help Americans Get Jobs In The New Economy

A New T-Mobile-Sprint Deal May Face Old Regulatory Foes

AT&T: U.S. Army Chooses AT&T For Global Communications Supporting Nearly 1 Million Users

Products & Services

Movies Anywhere: Watch All Your Amazon, Google, And iTunes Titles In One Place

Amazon Launches \$5.49 Monthly Prime Student Subscription In The U.S.

iPad Pro Could Be Apple's Next Device To Use Face ID

Emerging Technology

HP Inc. Plans A Push Into 3D Printers That Create Metal Objects

Microsoft And Amazon Unveil Gluon To Help Developers Adopt Machine Learning

Mergers & Acquisitions

AT&T Time Warner Deal Could Close This Month, Wells Fargo Says

GM Buys Calif. Tech-Sensor Company To Help In Self-Driving Car Race With Alphabet, Tesla

Industry Reports

Viacom's Turnaround Disrupted By Dispute With Cable Giant Charter

Wal-Mart Shares Rocket Higher As Retailer Plans Website Redesign With A Focus On Home, Fashion

This Week's Stories

Google To Give \$1 Billion To Nonprofits And Help Americans Get Jobs In The New Economy

October 12, 2017

Google will invest \$1 billion over the next five years in nonprofit organizations helping people adjust to the changing nature of work, the largest philanthropic pledge to date from the Internet giant.

The announcement of the national digital skills initiative, made by Google CEO Sundar Pichai in Pittsburgh, Pa. Thursday, is a tacit acknowledgment from one of the world's most valuable companies that it bears some responsibility for rapid advances in technology that are radically reshaping industries and eliminating jobs in the U.S. and around the world.

Pichai's pitstop in an old industrial hub that has reinvented itself as a technology and robotics center is the first on a "Grow with Google Tour." The tour that will crisscross the country will work with libraries and community organizations to provide career advice and training. It heads next to Indianapolis in November.

"The nature of work is fundamentally changing. And that is shifting the link between education, training and opportunity," Pichai said in prepared remarks at Google's offices in Pittsburgh. "One-third of jobs in 2020 will require skills that aren't common today. It's a big problem."

Google will make grants in its three core areas: education, economic opportunity and inclusion. Already in the last few months, it has handed out \$100 million of the \$1 billion to nonprofits, according to Pichai.

The largest single grant — \$10 million, the largest Google's ever made — is going to Goodwill, which is creating the Goodwill Digital Career Accelerator. Over the next three years Goodwill, a major player in workforce development, aims to provide 1 million people with access to digital skills and career opportunities. Pichai says 1,000 Google employees will be available for career coaching.

In all, Google employees will donate 1 million volunteer hours to assist organizations like Goodwill trying to close the gap between the education and skills of the American workforce and the new demands of the 21st century workplace, Pichai said.

The announcements, which drew praise from state and local politicians including Pennsylvania governor Tom Wolf, come as Google scrambles to respond to revelations that accounts linked to the Russian government used its advertising system to interfere with the presidential election.

Google is embroiled in a growing number of other controversies, from a Labor Department investigation and a lawsuit by former employees alleging systemic pay discrimination, to the proliferation of misinformation in search results and extremist content on YouTube. As the controversies have multiplied, so too have calls for Washington to regulate Google because of its massive scale and global reach.

"This isn't the first time we've seen massive, market-creating and labor market-disrupting companies try to address growing public pressure and possible regulatory limits in this way. But it often has been individual corporate titans who've gotten into philanthropy — Andrew Carnegie, John D. Rockefeller



— as a way to rehabilitate their own images, tarnished by anxiety about the size of their companies and treatment of workers," said Margaret O'Mara, a history professor at the University of Washington.

"What's interesting here is what this signals about how Google's future business ambitions. It is betting that its next era will be one not of search and apps but of devices and labor market interventions."

Google's not alone fending off critics. A recent headline in tech news outlet TechCrunch read: "Dear Silicon Valley: America's fallen out of love with you."

The tech industry, once a shiny symbol of American innovation and pride, has found itself on the defensive after the election of Donald Trump, which telegraphed the deepening disillusionment of everyday Americans who have watched the gains of the economic recovery pass them by.

While whole communities in the nation's heartland have fallen into economic decline, the tech industry, clustered in vibrant coastal hubs like San Francisco and New York, has grown wealthy off new developments that are disrupting how Americans live and work.

The pace of that innovation is quickening. For years tech companies could not deliver on promises of hyper-intelligent machines capable of performing human tasks. Now the technology is catching up to the aspirations.

In recent years, Google and other companies have made long strides, from self-driving cars that whisk you to your destination to digital assistants who answer your questions. This new wave of automation that aids consumers in their everyday lives has a dark side: It's killing off traditional jobs and stranding workers, still struggling after the recession, who are unprepared for the shift.

Google, says O'Mara, will have "undeniably disruptive impacts on the jobs people do and the skills they need for them."

In the 1960s when computer-aided automation worried the nation, presidential and congressional commissions and government agencies tackled the challenge.

"Now it's the private sector. And even though \$1 billion sounds like a lot, it is a small number compared to government education programs or, for that matter, the balance sheets of large tech companies," O'Mara said.

When Pichai came to the United States from his native India 24 years ago, it was the first time he had been on a plane. Pittsburgh was the first city he saw. Though Pittsburgh was moored to its early 20th century roots as a steel town, Carnegie Mellon University was already propelling the city into the future.

"As a new arrival, I was homesick but struck by something new: the sense of optimism," he said. "I remain a technology optimist."

Pichai envisions that transformation for Pittsburg as a blueprint for the country to make the transition to a new industrial era. On Thursday, Pichai detailed other programs Google is undertaking:

- Grow with Google is a free online program to help Americans secure the skills they need to get a job or grow their business. Job seekers, business owners and teachers can learn the basics of working with tech, from spreadsheets to email, get training and certificates through google.com/grow. Google says it has rolled it out to 27,000 middle and high school students and now plans to expand it to community colleges and vocational programs.

- In January, Google will launch an IT certificate program developed with online education provider Coursera that includes hands-on labs to prepare people for jobs in eight to 12 months and then connects graduates with potential employers. Google will sponsor 2,600 full scholarships through nonprofit organizations.

- Working with Udacity, Google is creating the Google Developer Scholarship Challenge. The top 10% of applicants who enroll in Google developer courses will receive scholarships.

- Google will give away 20,000 vouchers to get G Suite certification.

"We don't have all the answers. The people closest to the problem are usually the people closest to the solution," Pichai said. "We want to help them reach it sooner."

usatoday.com

A New T-Mobile-Sprint Deal May Face Old Regulatory Foes

October 11, 2017

Masayoshi Son is taking another run at his dream to create a U.S. mobile-phone heavyweight, but a revived deal would be scrutinized by many of the same officials who batted down his last attempt.

Staff attorneys inside the Justice Department's antitrust division are likely to view any plans to merge Son's Sprint with Bellevue-based T-Mobile US as a threat to competition in the mobile market, according to three people familiar with the staff's thinking. If they recommend to sue to block the deal, that would leave it to President Donald Trump's new antitrust chief, Makan Delrahim, to decide whether to fight the tie-up, or overrule them and approve it.

Sprint and T-Mobile are putting the finishing touches on a merger plan that's likely to be announced when the wireless carriers report quarterly earnings at the end of October, Bloomberg News reported last week. A finalized deal, whatever shape it takes, would then go to antitrust authorities for their review.

With a new deal, Sprint and T-Mobile would be betting on a more favorable reception from Trump's administration. They'll need to show that the tie-up wouldn't harm consumers and that the combined company will be better at fighting telecommunications titans AT&T and Verizon Communications.

Any new proposal would have to address many of the same concerns that the Justice Department and the Federal Communications Commission had three years ago, when they rebuffed a previous attempt by Son, the chairman of SoftBank Group, to merge the two companies. At that time, both agencies took the position that competition could be harmed if the number of national carriers went down to three from four.

Trump's new FCC chairman, Ajit Pai, has said he wouldn't necessarily draw the line at four players, leaving the Justice Department as the major hurdle.

"I don't see anything that significantly improves their odds of getting this merger cleared," said Gene Kimmelman, the president of advocacy group Public Knowledge in Washington, D.C., who was chief counsel at the antitrust division when it sued to block AT&T's proposed takeover of T-Mobile in 2011. "It's an enormous uphill battle."

Sprint and T-Mobile compete head to head with lower-cost plans, so their combination would particularly hurt consumers looking for cheaper options than AT&T and Verizon, Kimmelman said.

.....
"They'll need to show that the tie-up wouldn't harm consumers and that the combined company will be better at fighting telecommunications titans AT&T and Verizon Communications."

Mark Abueg, a Justice Department spokesman, said “the division does not comment on any pending or rumored transactions.” Representatives for Sprint, T-Mobile, SoftBank and the FCC declined to comment.

The Justice Department staff attorneys who will investigate the proposed deal are career lawyers who worked under Bill Baer, former President Barack Obama’s antitrust chief when Son pitched the T-Mobile deal in 2014.

Although Baer left the division with the change in administration, the leadership of the section that would review the deal is still there. They shared Baer’s concerns about the deal and would likely recommend against it again, according to one of the people.

Delrahim, who now leads a group of political appointees at the antitrust division who would evaluate the staff’s recommendation, would make the final decision. If he decides to oppose a deal, the Justice Department would file a lawsuit in federal court seeking to block the proposed tie-up and would need to persuade a judge that the combination is anti-competitive. The antitrust chief isn’t obligated to follow the staff’s position, but typically has.

Delrahim, who was confirmed to his post at the antitrust division Sept. 27, hasn’t commented publicly on how he views the mobile market. When asked about his position by Democratic Sen. Dianne Feinstein before his Senate confirmation, he said he hadn’t studied it recently and didn’t have “any particular impression regarding its competitiveness.”

The Justice Department outlined its four-player view when it sued to block the AT&T-T-Mobile deal in 2011. It reaffirmed that stance four years ago in a filing with the FCC.

Since AT&T withdrew its bid for T-Mobile, the smaller carrier has blossomed with price cuts and free video-streaming deals to overtake Sprint as the third-largest wireless carrier by revenue and customer base. In 2014, regulators pointed to T-Mobile’s success as a reason to discourage Sprint’s tentative bid for its rival.

Paul Glenchur, a senior analyst at Hedgeye Risk Management in Washington, D.C., said the consensus view of the deal is that it has a 50 percent chance of winning approval. Regulators will consider the value of retaining the current market lineup that’s yielding price cuts for consumers, versus the benefits the merging parties might claim, he said in an interview.

JPMorgan Chase & Co. places the chance of approval as high as 70 percent.

Son has long argued that the U.S. market needs a stronger third competitor to go up against the duopoly between AT&T and Verizon Wireless, including as recently as September. “It makes sense not to have just two with such big market-share and two little ones,” Son said in an interview on Bloomberg Television. “Three is a real fight, a real competition.”

Sprint and T-Mobile will probably point to emerging competition from cable companies entering the wireless market, but those companies are unlikely to be seen as a true competitive force, said Public Knowledge’s Kimmelman.

Sprint and T-Mobile may be betting that now is the best political environment for them with a Republican administration in power, he said.

“I think this would be a huge test case for the administration,” Kimmelman said.

seattletimes.com

AT&T: U.S. Army Chooses AT&T For Global Communications Supporting Nearly 1 Million Users

October 10, 2017

.....
"Our services will make it easier for Army personnel to connect, collaborate and share information in support of daily operations globally."

AT&T won a contract with the U.S. Army to unify and modernize communications capabilities for nearly 1 million users globally.

We're bringing the Army a new way to think about connectivity. Our services will make it easier for Army personnel to connect, collaborate and share information in support of daily operations globally.

They include voice, video, chat, instant messaging, presence and screen sharing. Army mechanics overseas can share screens with experts at a home station to speed repairs. Commanders and their staffs can use live video links to collaborate across different locations or direct troop operations abroad.

Army personnel in the U.S. and abroad will have access to these services on demand from their desktops, laptops, and approved mobile devices.

The Army will not need to buy new equipment. The services are cloud-based and we will manage them. We are delivering them in classified and highly secure unclassified formats.

"We're honored to deliver capabilities that complement our vision of a 'Network of the Future' for the Army," said Kay Kapoor, President, AT&T Global Public Sector. "These services will help the heroes that defend our nation to connect, share and keep us safe."

The U.S. Army's modernization efforts align with Department of Defense strategies to maintain the military's technological advantage by using commercial cloud services.

4-traders.com

Products & Services

Movies Anywhere: Watch All Your Amazon, Google, And iTunes Titles In One Place

October 12, 2017

A new service launched late yesterday promises to make streaming your favorite purchased movies easier by putting them all in one place. The new free app Movies Anywhere acts like a digital locker for the movies you've paid for through various online retailers, including Amazon Video, Google Play, iTunes, and Vudu. Signing up for a Movies Anywhere account gives you access to the digital locker, which you can then populate with purchased or redeemed movies by logging in to the accounts you have with those online retailers.

It takes a lot of behind-the-scenes work for a service like this to flourish. It's not easy to access movies you've purchased from an online retailer from another service. Typically, users have to go back and forth between Amazon, Google, iTunes, and Vudu to watch the titles they purchased through each outlet. According to a report from the Verge, Movies Anywhere can collect all those titles in one place because it's built off of the same digital rights system architecture (called Keychest) that Disney first developed for its service Disney Movies Anywhere.

Disney launched its service in 2014, and it allowed users to get access to all of the company's titles in one place. Movies Anywhere is using the same architecture with the blessing and collaboration of five

Hollywood studios: Walt Disney Studios (which includes Disney, Pixar, Marvel Studios, and Lucasfilm), Sony Pictures Entertainment, Twentieth Century Fox Film, Universal Pictures, and Warner Bros. Entertainment. While discussions are ongoing with Paramount Pictures and Lionsgate to join the service, Movies Anywhere will not launch with any titles from those studios. However, that still means the service has more than 7,300 titles in its library already.

This isn't the industry's first attempt to simplify film organization, viewing, and purchasing for digital users. The previously launched UltraViolet service was ultimately abandoned for Disney's superior architecture and did not have support from companies like Apple.

In addition to watching any movies you've purchased through Movies Anywhere, you'll also be able to purchase movies in the app. Before buying a movie, you'll see every connected retailer that offers it, allowing you to choose which services you want to purchase it from. That means you can buy a title from Google Play using your Google Play account information without leaving the Movies Anywhere app.

Aside from Movies Anywhere supporting the most popular digital film retailers, the service also supports a variety of streaming devices. Movies Anywhere users can access their libraries and watch films on Android, Amazon Fire, and iOS devices, as well as Android TV, Apple TV, Roku, and Chromecast devices.

Users might be skeptical of yet another service they need to sign up for in order to reap the benefits of an all-in-one digital library. However, the fact that the Movies Anywhere app is free will likely be enticing enough for some folks. Movies Anywhere is also offering a tempting deal when you connect accounts: when you link your first account, Movies Anywhere will give you access to two free movies.

Linking the second account will give you another three free movies. There's no word on how long this promotion will last, but it is a "limited-time offer" for those who are the first to embrace Movies Anywhere as their digital film library.

arstechnica.com

Amazon Launches \$5.49 Monthly Prime Student Subscription In The U.S.

October 11, 2017

Amazon has always looked for ways to hook online shoppers into its vast ecommerce ecosystem, and one of its key approaches has been through its annual Prime membership. This comes with a host of perks, such as free shipping, music- and video-streaming, unlimited photo storage, and more.

For most people, the U.S. price weighs in at \$99 per year, which works out to \$8.25 per month, but last year Amazon rolled out a monthly subscription option for \$10.99 per month — the equivalent of \$131.88 per year. For students, however, Amazon has offered a 50 percent discount on the annual subscription, meaning those in an eligible two- or four-year program in the U.S. would only pay \$49 for the year.

Now, however, Amazon is attempting to lure more students on board with a \$5.49 monthly subscription plan bundled into a free six-month trial offer. So basically anyone with an .edu email address can get Amazon Prime totally free for six months, after which they can elect to remain on the plan without committing to a full year's subscription.

It is worth remembering, of course, that "good guy" Amazon's ultimate motive here isn't to help students save money, though that may be one of the knock-on effects. It's more about getting as

.....
"So basically anyone with an .edu email address can get Amazon Prime totally free for six months, after which they can elect to remain on the plan without committing to a full year's subscription."

many people as possible tethered to its online shopping mall and entertainment hubs — during their college years and once they graduate into the working world.

Today's news comes just a few months after Amazon announced a new 50 percent Prime discount for people on government assistance programs — essentially, those with a valid electronic benefit transfer (EBT) card.

venturebeat.com

iPad Pro Could Be Apple's Next Device To Use Face ID

October 09, 2017

It's safe to assume that the face recognition system in the iPhone X will eventually reach other devices, but which ones are next in line? KGI's Ming-Chi Kuo might have an idea. The historically accurate analyst expects the next generation of the iPad Pro to adopt the TrueDepth camera and, by extension, Face ID. This would unify the experience across Apple's mobile devices, the analyst says, and would spur developers knowing that they could use face recognition across multiple Apple devices, not just one handset. The new iPads would ship sometime in Apple's fiscal 2018, which ends in September of next year.

There's another question to be answered: if this happens, will the Touch ID fingerprint reader go away? It's not so clear. Apple clearly took advantage of eliminating the home button to expand the iPhone X's screen size, but that's not as necessary on devices that already have large displays. Also, Apple has typically kept larger bezels on the iPad due to its size -- you need at least some space for your thumbs on a device that you can't easily hold in one hand. We'd add that it could complicate multitasking, since Apple already uses an upward swipe on the iPad's bottom edge to bring up the app dock. How would you handle that while also using a swipe to go to the home screen?

Whatever happens, it would make sense for the iPad Pro to get face recognition. Apple has made a habit of bringing relatively new features to its higher-end iPads (such as upgraded displays and the Smart Connector), and TrueDepth might be one more reason to spring for a Pro instead of sticking to the base model. And if Apple is going to continue pushing augmented reality, it'll want tablets that particularly well-suited to the task regardless of the camera you're using.

engadget.com

Emerging Technology

HP Inc. Plans A Push Into 3D Printers That Create Metal Objects

October 12, 2017

After pushing into 3D printing last year, HP Inc. now plans to ratchet up the effort.

HP Inc. CEO Dion Weisler said Thursday that HP plans to sell 3D printers that produce metal objects, an expansion from to the company's existing 3D printers that produce plastic-based products.

He gave few additional details in a call with reporters about the planned printers, like whether the company would sell entirely new 3D printers dedicated to metals or whether it plans to upgrade its existing 3D printers. He also did not disclose the price of the printers or when they would debut, merely saying that the company would reveal more information in 2018.

HP decided to reveal its plans to enter the 3D printing metal market in order to "signal the intent that we had a technology" so it could start discussions with potential customers that are interested in 3D

printing metal objects, the CEO said. Manufacturers typically use 3D printers to produce small numbers of parts like the rubber connectors in cars that cover electrical wires.

Other companies that sell 3D printers that create metal objects include the startups MarkForged and Desktop Metal, which received \$115 million this summer from investors like GV and GE Ventures. Milwaukee Tool, a Desktop Metal investor, uses the startup's printers to produce small metal gears for its lineup of power tools.

HP Inc. has been pushing hard into the 3D printing industry ever since debuting its first 3D printer in 2016, but it hasn't released any details about sales. The company is trying to grow its business beyond selling PCs and conventional printers. HP Inc. split from its data center hardware sibling Hewlett Packard Enterprise in the fall of 2015 to become an independent company.

Additionally on Thursday, HP Inc. said it planned to sell a cheaper version of its existing 3D printers and that it would also expand its graphics-printing business to include the ability for companies to print graphics on textiles.

fortune.com

Microsoft And Amazon Unveil Gluon To Help Developers Adopt Machine Learning

October 12, 2017

"Gluon, which is available as an open source project, will provide a shared set of building blocks that people can use with both Amazon and Microsoft's preferred machine learning frameworks."

Collaboration in the realm of artificial intelligence leads to some strange bedfellows in the tech world. That's certainly the case today, when Microsoft and Amazon Web Services announced their collaboration on Gluon, a new programming library for machine learning.

It works by providing a consistent interface for creating machine learning models using a variety of prebuilt and highly optimized components. Gluon, which is available as an open source project, will provide a shared set of building blocks that people can use with both Amazon and Microsoft's preferred machine learning frameworks.

Gluon's set of prebuilt components are supposed to make it easier for developers to get started building models and make it faster for machine learning experts to build prototypes of more complex systems that they might want to create by hand, according to a blog post from Matt Wood, AWS's general manager of AI.

The tools are supposed to take what is usually an inflexible and unwieldy process and make it more approachable and flexible, similar to what programmers are used to with other forms of coding. Gluon is currently compatible with Apache MXNet, AWS's preferred machine learning framework, and Microsoft is working to enable its compatibility with its Cognitive Toolkit. Because

Gluon will be backed by Microsoft and AWS's deep learning frameworks, it's also possible for developers to distribute neural network computation from Gluon models across many GPUs for increased speed. That's particularly important for increasingly complex models, since the calculations needed to both train and execute a neural network can take significant amounts of compute power.

The news comes a few days after another major open source announcement from Redmond in the machine learning realm. Several companies, including Intel, Qualcomm, AMD, and ARM, are working with the Open Neural Network Exchange (ONNX) project to help create a shared representation of one popular form of machine learning.

venturebeat.com

Mergers and Acquisitions

AT&T Time Warner Deal Could Close This Month, Wells Fargo Says

October 11, 2017

AT&T and Time Warner's \$85 billion corporate marriage could be closing sooner than the end of the year, according to Wells Fargo analyst Jennifer Fritzsche.

"Brazil is reportedly expected to approve the deal during a 10/18 regulatory meeting, if not sooner, and we believe the U.S. approval will follow in short order. Checks would imply discussions around concessions are now happening. While we do not know what is included in these negotiations, the fact that this is a vertical merger should help the combined company's cause," wrote Fritzsche in a research note.

Last month, John Stankey, senior executive vice president of AT&T/Time Warner Merger Integration Planning, said that the companies are down to Brazil and the U.S. as the approvals needed to finalize the deal.

"We don't see anything that's troublesome or problematic," Stankey said, adding that AT&T is still anticipating the deal will close by the end of the year but if it closes sooner, the companies are ready to go. "We're going to come out hot and hard."

With approval reportedly wrapping up in the short-term, Fritzsche turned her attention toward AT&T post-merger and the unique content distribution opportunity over mobile and traditional pay TV that the combined company will have.

"This multi-tentacle distribution makes it unique in a crowded field, in our view. One benefit that we believe is underappreciated by the Street is T's much improved advertising platform—post TWX. We would expect advertising and the opportunity there to become a larger part of the company's talking points post deal close," wrote Fritzsche.

Although Wells Fargo was cautious to note it's not changing its estimates for AT&T at this time, it offered up a pro forma model that hypothesizes an 8% upside from AT&T's Oct. 10 price of \$38.50 per share, based on a "9.0x '18 EBITDA multiple to TWX (2.5x discount to multiple T paid), 7.3x to Communications segment and a 3.0x multiple to the International." "We acknowledge that media multiples have contracted since the T/TWX deal was announced, but believe a weighted average multiple of 9.0x for TWX is fair, in our view," the firm wrote.

fiercecable.com

GM Buys Calif. Tech-Sensor Company To Help In Self-Driving Car Race With Alphabet, Tesla

October 9, 2017

General Motors is teaming up with a California tech company in the race to dominate the self-driving car market. GM announced an agreement on Monday to acquire Strobe, and will acquire-hire the start-up's engineering team to work for Cruise Automation. The terms of the deal were not disclosed.

"Strobe's ... technology will significantly improve the cost and capabilities of our vehicles so that we can more quickly accomplish our mission to deploy driverless vehicles at scale," Cruise Automation founder Kyle Vogt said in a statement.

Strobe makes its own version of Lidar, one of the key sensors used by self-driving cars to recognize surroundings. The falling cost and improving accuracy of these sensors is one of the primary factors that could make it possible to produce self-driving cars at scale, experts say.

The deal comes as GM is increasingly viewed as a formidable foe for Silicon Valley companies, like Alphabet and Tesla, that have their own self-driving car projects. GM agreed to acquire Cruise in 2016, and has also invested in self-driving car start-ups like Nauto.

California regulatory filings from earlier this year indicated that GM was a far second to Alphabet's Waymo in some aspects of autonomous vehicle testing. But some Wall Street analysts have already predicted that GM is catching up. Indeed, based purely on accident reports at the California DMV, GM is certainly logging plenty of miles.

"GM's AV's will be ready for commercial deployment, without human drivers, much sooner than widely expected (within quarters, not years), and potentially years ahead of competitors," Deutsche Bank analyst Rod Lache wrote in a September research note. He predicted General Motors can snag a 17.5 percent share of the autonomous mobility market.

Last week Vogt told reporters — including CNBC's Phil LeBeau — that GM was prepared to deploy its cars rapidly because it has been testing them in more complex urban environments.

"Driving in San Francisco is almost nothing like driving in the suburbs, or other places where self-driving cars are tested," said Vogt.

cnbc.com

Industry Reports

Viacom's Turnaround Disrupted By Dispute With Cable Giant Charter

October 13, 2017

Almost a year into the mission to turn around Viacom Inc., Chief Executive Officer Bob Bakish has good news to share. The beleaguered owner of MTV and Nickelodeon is projected to report its first annual sales increase since 2011.

Yet a dispute with Charter Communications Inc., the second-largest cable operator in the U.S., is undermining Bakish's feel-good story. Viacom's stock has plummeted 30 percent this year, largely due to concern that the value of its networks has diminished in the eyes of pay-TV companies.

Charter has already relegated Viacom's channels to a less-popular tier for new subscribers, and now Charter could drop Viacom altogether, robbing networks such as MTV, VH1 and Comedy Central of millions of viewers. Charter is also pressuring Viacom to avoid participating in cheaper TV packages that focus on entertainment and exclude sports -- a key part of Bakish's turnaround plan.

"This is huge. They could lose a decent chunk of their revenue," said Alan Gould, an analyst with Rosenblatt Securities. He estimated about \$500 million to \$600 million of Viacom's \$13 billion in annual sales comes from Charter. "I'm assuming it doesn't just disappear. They'll resolve it."

Viacom was in disastrous shape when Bakish took over last year. The company was reeling from a dispute between its owners and former CEO Philippe Dauman, which resulted in lawsuits and low

.....
"Viacom shares fell 18 percent in May after investors discovered Charter had shifted Viacom's channels out of the most common tier for new subscribers -- a move that limits the audience."

morale. Viacom had already been suffering declines in advertising sales and its stock price, which analysts blamed on poor management.

Viacom makes most of its money from its cable networks, a stable of channels that defined youth culture for much of the past 30 years. MTV and BET make most of their money from selling advertisements and fees collected from pay-TV operators like Comcast Corp. and Charter.

Yet ratings for Viacom's networks have slumped as the same young viewers who made them arbiters of culture are now viewing more video on their phones and computers. That has left Viacom vulnerable in negotiations with pay-TV operators who deem its networks unessential.

Thus far only smaller cable operators have dropped Viacom outright. Suddenlink Communications blacked out the networks in 2014, restoring them earlier this year when parent company Altice USA struck a deal with Viacom. Other pay-TV operators have declined to put top Viacom networks in new online TV packages composed of fewer channels.

Bakish has set out to improve Viacom's relationship with pay-TV operators, believing the previous regime suffered from its pugnacity and litigiousness in negotiations. His more conciliatory approach is part of a broader strategic reset at the company.

Bakish has reversed the Viacom's downward trajectory after installing new leadership at MTV and pinning the company's future on six of its more than a dozen TV networks. That plan has shown early signs of working.

Ratings for Viacom's networks improved 3 percent from a year ago in the quarter that ended in September. Ratings at the six main networks grew 5 percent, and have improved every month since June.

The performance of MTV under new boss Chris McCarthy has pleased Viacom in particular. The network has garnered a larger share of viewers three quarters in a row, and has posted higher ratings 15 of the past 17 weeks.

"Ratings continue to improve at Viacom's key networks," John Janedis, an analyst with Jefferies LLC, wrote in a note Thursday. "We expect ratings to outpace the industry for the next year."

The question is whether the ratings improvements will be enough to convince cable operators that Viacom is still a crucial part of the programming grid. Viacom shares fell 18 percent in May after investors discovered Charter had shifted Viacom's channels out of the most common tier for new subscribers -- a move that limits the audience. That news overshadowed Viacom's 8 percent revenue boost in its best second quarter since 2012.

Viacom has begun warning viewers they could lose its channels by next week. Charter declined to comment.

"While this would be a very disappointing outcome, we are committed to getting fair value for the great content we produce, the experiences we create and the hard work you do every day," Bakish said in a memo to staff. "We're still in touch with Charter, and I'm hopeful that they're willing to turn this around."

bloomberg.com

Wal-Mart Shares Rocket Higher As Retailer Plans Website Redesign With A Focus On Home, Fashion

October 10, 2017

Wal-Mart is planning a website redesign to be revealed in the first quarter of next year, Marc Lore, president of Wal-Mart's U.S. e-commerce business, said Tuesday.

The big-box retailer plans to invest heavily in e-commerce and online grocery in the coming months, with plans to double its online grocery pickup locations across the U.S. by the end of next year.

Meantime, Wal-Mart's physical store growth is slowing significantly.

The shifts pit Wal-Mart even more directly against e-commerce giant Amazon in a race to win shoppers' dollars. As Amazon grows in the brick-and-mortar world with Whole Foods, Wal-Mart is doubling down on digital.

At its annual investor day in Bentonville, Arkansas, Lore said Tuesday that Walmart.com will soon feature Jet.com's "smart-cart" system. Wal-Mart acquired e-retailer Jet last year for more than \$3 billion — a deal that's since helped boost Wal-Mart's online sales by more than 60 percent.

Jet's "smart-cart" feature grants shoppers cheaper prices if they pack more items together in one box, use a debit card when paying for purchases, or opt out of returns. For Wal-Mart, Jet.com has been a place to test offerings on a smaller scale before migrating successful programs to Walmart.com. Wal-Mart is also planning to "fix" its digital merchandising, Lore said, focusing on Walmart.com's top million SKUs.

The retailer has plans to bring in about 2,000 "category specialists" to monitor the company's website and rewrite item descriptions, among other tasks. Lore said Wal-Mart has already hired 250 specialists and is now bringing in about 50 each month.

Other digital initiatives include changing the coloring on the outside of Wal-Mart's cardboard packaging, bringing in more "premium" brands to Walmart.com, and beefing up Walmart.com's home and fashion verticals, Lore explained.

"Expect to see those experiences get elevated," he said about the home and fashion departments. Shares of Wal-Mart climbed more than 4.5 percent Tuesday on the news, putting the stock on pace for its best day since May 2016, when shares jumped nearly 10 percent.

cnbc.com



20 Madison Street, 15th Floor
Syracuse, New York 13202
www.ksrinc.com
(315) 470-1350
1-888-8KSRINC