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Last year, Americans collectively spent 31 billion hours watching sports on TV — a 40% increase from a decade ago. They watched football, baseball, basketball, hockey, horse racing, NASCAR, rowing, rugby, soccer and volleyball — even Little League championships and poker games. "Live sports is the most valuable content on the planet," said Adam Ware, head of digital media at Tennis Channel, based in Santa Monica.

Pay-TV distributors like DirecTV and Charter Communications have written bigger and bigger checks for the rights to carry sports channels — fortifying a business model in which cable and satellite TV subscribers, and advertisers, underwrite the costs.

Sports have become the glue holding the pay-TV bundle together. While Internet streaming options including Netflix, Hulu and Amazon.com offer thousands of hours of scripted shows, there is little in the way of live sports. So sports fans remain tethered to their cable bundle. But heading into 2017, it could be a new ball game. The cable business model that sports channels helped build is under siege. Pay-TV companies are balking at paying higher rights fees, fueling the kind of standoff that has kept thousands of fans from watching the Los Angeles Dodgers' channel.

Pay-TV penetration peaked in 2009, and declines in the number of households that subscribe to a satellite or cable TV service have accelerated. Since 2010, basic cable channels, including ESPN, TNT and Discovery, have lost more than 8 million subscribers. Consumers are weary of never-ending increases in their monthly pay-TV bills, which have been partly fueled by rising sports costs. And unlike years ago, they have cheaper online alternatives. "Every year, there are more entertainment options for people to fill their leisure time," said Dennis Deninger, a former ESPN production executive who now teaches sports communications at Syracuse University.

Nonetheless, sports channels retain considerable leverage. Sports programming generates $30 billion a year in revenue for TV companies, according to Barclay's Capital. Big games grab the highest ratings. Last month, Fox Broadcasting scored 40 million viewers for the final World Series game. And fans tend to watch sports programs live, rather than fast-forwarding through the ads, which allows networks to charge a premium for the commercial time. “Teams have rabid fan bases, and they have generations of loyal fans,” Ware said. “These are all the ingredients that make for hit TV.”

Broadcast and cable TV executives teed up more than 127,000 hours of sports programming last year, according to audience measurement firm Nielsen. That represents a 160% increase compared with 2005. The major beneficiaries have been sports leagues and teams, which are expected to rake in an estimated $18.9 billion in media rights fees next year from TV, radio and Internet outlets, according to a recent PwC report on sports.

The NFL alone collects nearly $7.5 billion a year from media companies, including nearly $1.9 billion a year from Walt Disney Co.’s ESPN for “Monday Night Football” and other football extras. The NFL reaps $1.5 billion a year from DirecTV for its Sunday Ticket package and roughly $3.7 billion a year from NBC, CBS and Fox. That’s a long way from the first national TV sports contract, which was struck in 1960 between the ABC network and the American Football League.

That year, ABC agreed to pay $8.5 million over five years to televise weekly games and championships, said Deninger, who wrote "Sports on Television: The How and Why Behind What You See." The rival NFL then “saw the wisdom of doing a national television contract to replace the 12 regional television deals that each of the NFL owners had,” he said.

A lucrative business model was born. But the game-changer was Rupert Murdoch’s upstart Fox Broadcasting’s gambit in 1993 for television rights for Sunday afternoon NFL games. Though TV broadcasters were losing money on the NFL, the network behind “The Simpsons” and “Married with Children” was desperate for credibility and a program that could bolster its TV stations. Fox bid a staggering $395 million a year — $100 million more than CBS had offered. “That’s when the rights fees started to soar into the stratosphere,” Deninger said.

Having football put Fox on the map. Affiliate TV stations flipped their alliances to Fox. A few years later, when the rights package was up again, CBS swallowed another huge increase, dislodging NBC, and the race was on. Now, Fox pays $1.1 billion a year for pro football, and CBS pays $1.4 billion for its Sunday afternoon and Thursday night games. NBC’s total is nearly $1.2 billion. The broadcast networks are demanding higher fees from pay-TV operators to carry their station signals, in part, to help cover their football costs.

The rising cost of sports is a major reason for the higher cable bills. Sports now make up about 40% of programming costs paid by cable and satellite TV operators. For example, ESPN costs an average $7.20 a month, per subscriber home, and a channel like SportsNet LA has been offered for about $4.50 a month, per subscriber home, according to consulting firm SNL Kagan. The NFL Network costs pay-TV companies $1.39 a month per subscriber — nearly twice the fee of such popular channels as Nickelodeon or CNN.

SNL Kagan estimates that pay-TV customers next year will chip in an average $18.37 a month for sports, up from $2.85 a month in 2001. And in Los Angeles, the amount is even higher — $20 to $25 a month — because LA has more sports networks than other cities. What’s behind the soaring costs? One contributor is the proliferation of regional sports channels. In 1990, SNL Kagan tracked 25 regional sports networks around the country but, by last year, the roster had swelled to 50. The net effect is that consumers are paying substantially more to watch many of the same teams. “You have the same amount of sports rights as you did before,” said Adam Gajo, sports analyst with SNL Kagan. “It’s really the number of networks entering cable packages that are making the costs go up. It’s five networks now, not just two, and the new networks debuted at higher price points.”

The land grab for sports channels began accelerating a decade ago. Existing TV rights deals were expiring and pay-TV distributors including Time Warner Cable, Comcast and DirecTV wanted in.They had been watching as teams, such as the New York Yankees, were pulling in sizable audiences with their own channels. More sports channels seemed like a sure bet.

The logic paid off for Spectrum SportsNet, the four-year-old cable network that televises Los Angeles Lakers games. Time Warner Cable nabbed the rights to the Lakers in 2011 after a fierce bidding war. Fox Sports also was in the hunt but Time Warner Cable offered more: a $3-billion, 20-year deal with the Lakers. That represented a 400% increase in fees over what Fox Sports had been paying for Lakers games. Next up to bat was the Dodgers. The new owner of the team, Guggenheim Baseball Management, wanted its own channel. Fox again was in the running, but Time Warner Cable in 2013 clinched the deal by agreeing to pay the Dodgers $8.35 billion over 25 years — a 1,100% increase in fees, according to one estimate.

The Dodgers channel, SportsNet LA, launched in 2014 but quickly sputtered. The dispute between DirecTV, Cox Communications and others and Time Warner Cable attracted the attention of federal prosecutors. Last month, the U.S. Department of Justice sued DirecTV, now owned by AT&T, alleging that it colluded with other distributors to block the channel’s distribution.

SportsNet LA isn’t the only channel lobbying for greater distribution. The Pac-12 TV Networks, which include a local channel that features UCLA and USC games, won carriage on all of the major systems — Spectrum, AT&T U-Verse, Cox Communications and Dish Networks — except for DirecTV. Skirmishes have broken out in other areas: A regional sports channel in Houston that carried Astros and Rockets games, previously backed by cable giant Comcast Corp., filed for bankruptcy two years ago after other pay-TV distributors refused to carry it because of its price. AT&T and DirecTV then bought the channel out of bankruptcy court.

And early this year, Comcast dropped the Yankees channel, YES, which is most expensive regional sports channel in the nation. Comcast complained that only a fraction of customers that it serves in northern New Jersey and Connecticut were watching YES. There are other signs of strain. The NFL is grappling with falling ratings this year. The audience decline has prompted some to wonder whether the NFL has tried to slice the product too finely. But most analysts expect the NFL will fetch a lofty sum for the mobile phone streaming rights when the current pact with Verizon expires in 2018. “History is going to repeat itself: It used to be that sports were on broadcast TV channels, then cable channels found a nice business,” said Ware of the Tennis Channel. “And now you will see sports moving to digital platforms.”

Last week, CBS scored a big win by clinching digital streaming rights for NFL games. The network had been angling for more than two years for permission to stream the games that air on CBS to subscribers of its $5.99-a-month digital All Access service. But the league had been holding back, instead flirting with new media players Yahoo and Twitter. The NFL ultimately granted the coveted rights to its 50-year broadcast partner at a time when tech giants have been sniffing around. Retail giant Amazon.com, which operates the Prime Video streaming service, is on the hunt for rights from channels and niche sporting leagues in an effort to create a sports channel package that it could sell.

ESPN is spending nearly $1 billion for a minority stake in the streaming company BAMTech, which has the technology to deliver high-quality video streams. ESPN is expected to join Tennis Channel, CBS and several sports leagues, including Major League Baseball, in marketing its product directly to consumers. Such digital offerings could be alluring to sports fans because they already have an affinity for their favorite teams and channels. Digital media also can be personalized to build stronger relationships, keeping customers on their phones and tablets longer. “You don’t have to be a broadcast network anymore,” Deninger said. “If you have money, and a way to distribute programming, then you too can be a player. And that’s what the leagues want — more players because that means even higher fees.” – ***Los Angeles Times***

Think of the Pennsylvania Society, the swank political soiree in New York starting Friday, as an obligatory holiday trip to visit bickering in-laws.

The squabbling families are the state Republican and Democratic Parties. There will be forced laughter at unfunny jokes, blown tempers about dumb disputes, and, every few years, maybe a drunken donnybrook. It's tradition, you see. And traditions in Pennsylvania politics are becoming endangered.

The posh party has been held every year since 1899 at the Waldorf-Astoria, but will have to relocate in 2017 due to scheduled renovations. Donald Trump, the keynote speaker at the Republican Party's kickoff lunch for the 2015 Pennsylvania Society, last month broke a 28-year GOP drought by winning the Keystone State on his way to taking the presidency.

Gov. Wolf, a Democrat, broke a tradition of eight-year cycles for governors (two terms for a Republican, then two terms for a Democrat) that had held since 1954 by defeating Republican Tom Corbett's 2014 bid for a second term. Will the next tradition, the "midterm" edge, be next to fall? Such elections favor the party out of power in the White House.

Will that hold in 2018, when Wolf bids for a second term and U.S. Sen. Bob Casey Jr., another Democrat, seeks a third term? There are more pressing political battles ahead, sure to be the subject of wrangling this weekend. One clash is the campaign to succeed state Republican Party Chairman Rob Gleason, who's stepping down after 10 years.

Gleason is expected to back Lawrence Tabas, the state GOP's general counsel since 2006 and a former candidate for city controller and City Council in Philadelphia. Tabas said he has been busy with postelection presidential recount legal issues. But he is serious about seeking the post. He faces off against Chester County Republican Chairman Val DiGiorgio, who is already running a very public campaign.

DiGiorgio, in a Nov. 18 letter to Republican State Committee members, said he heard "frustration" about party leaders being disconnected. He also cited a string of party losses for the row offices, including attorney general, treasurer, and auditor general. One knock on DiGiorgio will be that Hillary Clinton beat Trump in Chester County by more than 9 percentage points, despite a Republican voter registration edge held there. "Chester County has the highest percentage of highly educated, affluent voters across the state," DiGiorgio told me. "Trump wasn't getting those voters across the nation."

Tabas invoked Ronald Reagan's "11th Commandment" - an edict against speaking ill of fellow Republicans - when asked about DiGiorgio. But that rule only goes so far. "It's unfortunate for anybody to try to tear down the Republican state party and all of its strengths," Tabas said. "We just came off one of the most historic victories that we've ever had in this state."

The Republicans are not the only party having a family fight this year. Jim Burn, the former state Democratic Party chairman who clashed with Wolf and then resigned last year, told the Pittsburgh Post-Gazette he was mulling a 2018 primary challenge to Wolf. "There's a lot of anger in the party out there with the failure of leadership to hold this state," Burn said in that Nov. 23 article.

	Burn confirmed all that for me last week and was tickled that the Post-Gazette had dubbed him a "maverick Democrat." "It definitely fits where I am politically," he said. Wolf won't be at Pennsylvania Society this year. His campaign spokesman declined to comment. Marcel Groen, the Wolf ally who replaced Burn, said he had no idea why Burn is "sniping way." "I think he's an angry person," he said. "That's not a good reason to run." Groen said he was probably skipping the Pennsylvania Society this year. "To be honest with you, I don't think we have anything to celebrate," Groen said with a sigh. – ***Philadelphia Daily News***

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