BCAP 60th Anniversary

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Marc Wilmore solidified his love affair with the Los Angeles Dodgers after receiving his driver's license in 1979, when he and his brother often sneaked off to $1.75 bleacher seats at Dodger Stadium. Following the Dodgers on television became a ritual in the decades that followed, the voice of legendary broadcaster Vin Scully providing the ambience of summer.

This year, the Dodgers have the best record in the majors—and Wilmore can't watch them on TV. He hasn't been able to do so for the last four seasons, the result of an ongoing dispute that has kept more than 80% of the team's games out of millions of fans' living rooms. As the Dodgers speed toward the playoffs, Wilmore finds himself tuning into highlights on MLB Network instead. "To not have the Dodgers on TV, it's like something has been taken away from your life," said Wilmore, a Hollywood writer and producer who has worked on programs like "The Simpsons" and "The Tonight Show with Jay Leno." "It's like a relative is really sick, and you don't know if they're coming back."

At a time when regional sports networks are hugely contentious components of cable packages because of their high costs, these types of carriage disputes aren't uncommon. The YES Network, the New York Yankees' home, was blacked out on Comcast for the entire 2016 season because of a similar contract feud.

The scope of the Dodgers' discord, however, is virtually unprecedented. In an era when almost every sporting event imaginable is broadcast on demand around the world, one of baseball's iconic franchises hasn't been televised to a large portion of fans in its home market — the country's second-largest — since 2013.

Following that season, the Dodgers and Time Warner Cable launched a new channel, SportsNet LA, the product of a 25-year broadcasting agreement valued at $8.35 billion. As a result, the network was immediately available to Time Warner Cable's 1.5 million households, according to SNL Kagan, a group within S&P Global Market Intelligence. The region's other major pay-TV providers, including DirecTV, refused to carry it, citing high distribution costs for all of their customers, including those who had no intention of watching the Dodgers.

Charter Communications' acquisition of Time Warner Cable in May 2016 increased SportsNet LA's reach, but the network remains unavailable to a majority of pay-TV customers in the area, with no end to the standoff in sight. Though SportsNet LA reached an agreement to simulcast 10 early-season games on KTLA, there are currently no plans for another similar arrangement.

[American homes]

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[Pay-TV Q2 Wreckage Not as Horrible as Feared. But Where's the Bottom?]

Wilkes-Barre Times Leader
[Despite reports, Barletta will not confirm U.S. Senate run against Casey]

Erie Times-News
[Editorial: Harrisburg must finish passing budget]

The upshot is that there is little impetus to fix the situation. The organization is doing fine: The Dodgers get paid under the SportsNet LA deal regardless. The team's average home attendance of more than 45,000 leads MLB for the fifth straight year, and its player payroll of close to $250 million is the highest in the sport. But the absence of Dodgers broadcasts isn't hurting DirecTV and others enough to make them desperate to strike a deal. One person familiar with the negotiations said that Time Warner offered the channel to other providers at a reduced rate before the 2016 season, adding that DirecTV hasn't consented to a meeting "at any price" since April 2014. AT&T, DirecTV's parent company, declined to comment.

What's unusual about the fight in Los Angeles is the length of time it has gone on and the number of people affected. The Yankees-Comcast battle impacted about 900,000 subscribers; DirecTV, the second-largest pay-TV provider in the Los Angeles area behind Charter Spectrum, has approximately 1.1 million subscribers alone, according to SNL Kagan. All told, about 60% of the region's 4.2 million pay-TV households don't have SportsNet LA.

Even a recent lawsuit couldn't pave the way to a resolution. In November, the Department of Justice sued DirecTV and AT&T, alleging that DirecTV acted as the "ringleader" of a collusion effort with other local pay-TV providers to keep SportsNet LA off the air. **[The lawsuit was settled in March]**, requiring DirecTV not to share competitively sensitive information with its rivals, but the settlement didn't require DirecTV to start carrying the channel.

Naturally, there has been plenty of corporate back-and-forth, with both sides blaming the other for the ongoing fight. Stacey Mitch, a spokeswoman for Charter, said that the company "made a fair offer to DirecTV" and that "DirecTV has simply not been interested in carrying the Dodgers." This season, the average monthly subscriber fee for SportsNet LA is $4.57, according to SNL Kagan. By comparison, Root Sports Northwest, a station owned as a joint venture between the Seattle Mariners and AT&T, costs $4 a month on average.

None of this is any consolation to a frustrated Dodgers fan base that just wants to see the team play. "They don't care how it happens," said Gary Lee, the founder of the popular Dodgers fan site, Dodgers Nation. "Just make it happen." Some Dodgers fans have wondered why MLB commissioner Rob Manfred hasn't stepped in to broker a deal. Asked about his role in the process during a news conference at this year's All-Star Game, Manfred said he remains "very concerned about the issue," but added, "I don't have a seat at that table." "It's not my job to tell a club to renegotiate its television agreements," Manfred said. "I think the much more productive course, and we have pursued this course, is to try to work with the parties who actually have an economic interest here."

That response didn't sit well with Dodgers fans. "The fans are like, 'What are you talking about? What do you do then?'" said Tom Wilson, a filmmaker who directed "Moneyball Too," an hourlong documentary about the situation. Meanwhile, Manfred pointed out that "Dodger fans can in fact see the games if they become Charter Spectrum subscribers."

Though about 90% of the Los Angeles designated market area can access Spectrum, some fans, including Wilmore, can't. Others say switching isn't a viable option for them. David Richardson, a writer and producer on shows like "Two and a Half Men" and "Malcolm in the Middle," said DirecTV allows him access to East Coast channels, so he can watch late-night comedy shows earlier, an important perk in his line of work. "I basically got weaned off the Dodgers, and so did a lot of people," Richardson said. "Nobody talks about the Dodgers anymore in my world."

The Dodgers are definitely a team worth watching. They are on pace to win 113 games, which would be the second-most in National League history, trailing only the 1906 Chicago Cubs, who went 116-36. But fans are disheartened that they can't watch a historically good team loaded with a once-in-a-generation pitcher in Clayton Kershaw and exciting young talent like Cody Bellinger and Corey Seager. "This city is ready to love the Dodgers," Lee said. "But this is denying the chance for this city to be a Dodgers town again." – ***Wall Street Journal***

In the past several years, many cable networks have spent heavily on dark dramas and quirky comedies about jaded ad executives, Russian spies and families dealing with a transitioning parent—the kind of prestige shows that captivate television critics and inspire talk of a new golden age of television. But it turns out there is also a large and growing audience for programs about home renovations and cooking contests.

The continuing demand for escapist lifestyle programming—so-called comfort-food TV—is a key reason that Discovery Communications Inc. has **agreed to pay $11.9 billion** for Scripps Networks Interactive Inc., parent company of HGTV and the Food Network. The pairing will create an unscripted programming juggernaut that dominates the lifestyle genre, expanding on Discovery's networks that include Discovery Channel, TLC, Investigation Discovery and Animal Planet. The deal will establish "a new global leader in real-life entertainment," Discovery Chief Executive David Zaslav said on a call with analysts Monday. "This is just the perfect marriage," said Scripps CEO Ken Lowe.

Although the Scripps channels don't have the sexiness associated with AMC, FX and TNT and most of their viewers aren't in the media capitals of New York and Los Angeles, they quietly dominate cable-TV ratings. HGTV, which stands for Home & Garden TV, has boosted its ratings by 29% since 2013, thanks to popular shows like "Fixer Upper" and "Property Brothers." It is drawing an average of 1.65 million viewers in prime time so far this year, making it one of the most-watched entertainment cable channels, ahead of AMC, FX and TNT—according to Nielsen.

Food Network—known for hits like "Food Network Star" and "Diners, Drive-Ins and Dives"—is averaging 1.02 million prime-time viewers this year, more than twice what MTV and Comedy Central draw. The resiliency is notable as the broader television industry combats cord-cutting and the rise of on-demand streaming services, which are eating into ratings. The lighter fare on Scripps's networks provides viewers with relief from the nonstop political combat dominating the news networks and marks the antithesis of the moody dramas and twisted comedies that have filled much of the recent era, dubbed peak TV because of **the high number of shows being produced**.

The audiences for Food Network and HGTV are among the most desired by advertisers. Both draw some of the highest percentages of female viewers in higher-than-average-income households. "They are two of the most expensive networks we buy," said Darcy Bowe, senior vice president and media director at Starcom USA, a unit of advertising giant Publicis Groupe SA . "There are not really other networks devoted to lifestyle all the time." Mr. Zaslav said that Discovery and Scripps together will be home to five of the top cable networks for women.

The lifestyle shows that populate the Scripps channels have seldom created the type of reality stars that fill other unscripted shows such as "Keeping up with the Kardashians" and the "Real Housewives," but that is starting to change. On HGTV, some of the talent that has broken out includes Jonathan and Drew Scott of "Property Brothers" and Christina and Tarek El Moussa, the former wife and husband starring in the real-estate show "Flip or Flop," who are a regular presence in gossip magazines. "HGTV has done a great job of cultivating personalities on the network," said Ms. Bowe.

At a time when Scripps's networks are on a tear, Discovery was able to convince the controlling Scripps family to sell by offering a 34% premium and 70% of the deal in cash. The two companies had discussed a tie-up more than once over the past decade. Mr. Lowe—who has been associated with Scripps since 1980, launched HGTV in 1994 and has led Scripps Networks since its spinoff from E.W. Scripps in 2008—is set to retire in 2019. Now he will join the Discovery board after the deal closes.

Not everyone has been bullish that the success of the Scripps channels can continue at the current pace. MoffettNathanson analyst Michael Nathanson recently downgraded Scripps and Discovery, saying the networks lacked the compelling programming like sports that draws a big live audience and the type of shows people seek out to watch on demand or on other platforms. In a report following the deal's announcement, Mr. Nathanson called the pairing a "shotgun marriage" and a sign that the future for cable networks will require "deep cost-cutting and increased scale."

The Scripps channels are seen by industry analysts as a good fit for Discovery, whose programming is also primarily made up of unscripted content, the majority of which appeals to men, though OWN and Investigation Discovery are hits with women. By merging Scripps with another big programmer such as Discovery, the combined company could have leverage to negotiate higher fees from distributors for its channels. While the Scripps channels account for more than 5% of viewing among major U.S. channel owners, they only collect about 1.7% of the fees, according to data from RBC Capital Markets.

Discovery's channels get 8.1% of ratings and 5.3% of fees, RBC data show. "There is some opportunity and head room to move that up," Mr. Zaslav said. In addition, the combination will make launching a direct-to-consumer service more viable, Mr. Zaslav said. Scripps, Discovery and Viacom Inc. (parent of MTV, Nickelodeon and Comedy Central) have had talks about teaming up to create such an offering. "We can come together with a few others and do it ourselves," Mr. Zaslav said. "The direct-to-consumer business is a huge part of the future of our company." – ***Wall Street Journal***