

# Cablefax Daily™

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What the Industry Reads First

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## **Pac Mentality: Outgoing Pac-12 Networks President Reflects On Tenure**

*Cable veteran Lydia Murphy-Stephans left her consulting business in 2011 for the chance to help launch **Pac-12 Networks**, the first college sports net owned and operated by one of the major conferences. Over the next five-and-a-half years, she became the first woman to serve as president of a national sports net and established the seven-network conglomerate—one national, six regional—as one of the most comprehensive sports outlets in the country. Before her departure at the end of June, Murphy-Stephans sat down with Cablefax to reflect on her tenure.*

**How has Pac-12 Networks evolved and grown since you began the launch process?** In five and a half years, the Pac-12 went from having the vision to have its own network to actually operating a world-class multimedia company with seven TV networks, 850 live events, more than 500 hours of shoulder programming, a library with hundreds of thousands of hours of content, 13 websites, distribution in place on every existing platform and positioned for future growth with more than 75 providers worldwide. That's a lot in five and a half years, and we did it all while being profitable in year one. Over the five years, we've have had a compound annual growth rate of 32%. My team—and it really was a team effort—and I have positioned the Pac-12 in a good place for future growth. I'm leaving with everything as good as it can be right now, but definitely with the opportunity for significant future growth. **What is the significance to you today of having been the first female head of a national sports network?** I know I was the first woman, but I was also the first wife and the first mom. For me, the only significance in that is that it creates opportunity, hopefully, for other women. So, it proves that gender is not a factor in success. It's really a skill set, and I'm very thankful to [former Pac-12 Nets pres] Gary Stevenson, who hired me, who gave me that opportunity and who believed in me. In succeeding, I believe other people like Gary will open the door and keep that door open for other people who haven't had such opportunities. **Several administrators from member schools have criticized the Networks for not meeting profitability expectations relative to other conference nets. Is that criticism fair?** There is a gap between what Pac-12 Networks delivers and the Big Ten Network and the SEC Network. What has to be factored in is the revenue specifically from Pac-12 Networks is only one part of the overall revenue each university receives from the Pac-12. I understand there is frustration, though no athletic director or administrator was ever told the Pac-12 Networks would deliver the same or more revenue than what its peer conferences are currently getting from their networks. There are other sources of revenue. There's revenue from the NCAA based on the revenue-generating sports and how well each university performs in the football postseason and men's basketball postseason. That's a significant source of revenue for universities. If the universities are not performing well in post-season play compared to other Power Five conferences or other conferences in general or other schools, there will be a revenue gap. If ticket sales are less than other conferences, there will be a significant gap. Then there's merchandise sales and there's multimedia rights with third-party rightsholders. So, all of those contribute to the gap. Yes,

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Pac-12 Networks is one factor. It certainly shouldn't be called out. I don't think it's fair in any way to call out Pac-12 Networks as the source of the deficiency the universities or maybe those particular athletic directors or administrators are citing. **How have you positioned Pac-12 Networks for distribution on emerging platforms?** It's been very important for Pac-12 Networks to be nimble and to position the content for distribution on every existing platform. The beautiful thing is that a provider can choose to carry one network—the Pac-12 Network, which is the national network that offers more than 450 live events—or the national network plus the six regional channels. There's a plethora of content available in multiple ways for a provider to choose and ultimately the consumer to choose. We aggressively pursued new distribution deals with DISH and Sling TV, for one. We have another one that's already in place that hasn't yet been announced and we're in conversations with others. **[See Cablefax.com for more from the interview with Pac-12 Networks President Lydia Murphy-Stephans].**

**UHF Discount:** The D.C. Circuit Court of Appeals on Thursday denied a request for an emergency stay on the FCC's reinstatement of the UHF Discount. The decision is particularly significant in relation to **Sinclair's** pending acquisition of **Tribune**. The discount rule allows Sinclair to remain in compliance with an FCC rule stipulating that no company can own stations reaching more than 39% of U.S. TV households.

**Pole Position:** The **ACA** filed comments urging the **FCC** to strengthen pole attachment rules to prevent pole owners from imposing excessive fees and creating delays. The group in its response to an April NPRM claims members are struggling to obtain pole access, a situation that hinders infrastructure investment. The ACA's recommendations include steps toward a "more transparent, rules-based regulatory regime for pole attachments."

**ESPN Shakeup:** ESPN on Friday promoted **Connor Schell** to evp, content as part of a larger restructuring. Schell's new duties include overseeing studio and remote production, as well as digital and print content creation. He will continue to report to ESPN pres **John Skipper**. Evp, programming and scheduling **Burke Magnus** will take control of content strategy and assume direct oversight of ESPN's relationship with **BAMTech**. **Disney** purchased a one-third stake in BAMTech, which is developing an OTT product for ESPN expected later this year. Evp, global business and content strategy **Marie Donghue**, who played a key role in the BAMTech investment, will remain with ESPN only through the end of the year as an advisor to Skipper. Evp, digital & print media **John Kosner** is also leaving the company. Evp, affiliate sales and marketing **Justin Connolly** will now oversee strategy, development and distribution.

**Programming:** Swimmer **Michael Phelps** will race a great white shark as part of **Discovery's** 29th annual Shark Week. "Phelps vs. Shark: Great Gold vs. Great White" is scheduled to air July 23 at 8pm ET/PT. Discovery will also air "Shark School with Michael Phelps," in which Phelps receives a lesson on sharks, on July 30 at 8pm ET/PT. -- **FS1** will air December's Holiday Bowl college football game, an event to which **ESPN** previously held the rights.

**NAMIC Nominations:** **NAMIC** is accepting nominations for its 2017-18 Executive Leadership Development Program targeting upper middle managers of color with at least two years of experience at the director level or above. **NAMIC** will present the class over seven months, with four sessions that will take place in October 2017, December 2017, February 2018 and March 2018. The deadline for submissions is July 28. See [NAMIC.com/dev/eldp](http://NAMIC.com/dev/eldp) for complete info.



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