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What the Industry Reads First

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Abrupt End: ESPN's Tumultuous Year Culminates in Skipper's Resignation

ESPN pres *John Skipper* stunned the sports media world by resigning Monday morning, citing a substance abuse issue for the seemingly abrupt decision. He signed a three-year contract extension just last month and declared his desire to lead ESPN into a new era during an all-talent meeting just last week. Skipper's departure caps off a chaotic year for the Disney-owned cable sports giant and adds to an already-looming sense of uncertainty about its direction. Skipper had been at ESPN since 1997 and took over as pres in 2012. "I have had a wonderful career at The Walt Disney Company and am grateful for the many opportunities and friendships," Skipper [said in a statement](#). "I owe a debt to many, but most profoundly *Michael Lynton*, *George Bodenheimer* and *Bob Iger*." Bodenheimer, who served as ESPN pres from 1998-2011, will lead the net on an interim basis for about 90 days while Disney seeks a permanent leader. Once the bell cow of the Disney empire, ESPN has fallen on hard times in recent years, due in part to declining cable subs and higher programming costs. Those struggles resulted in two rounds of layoffs in 2017 that included both front-facing talent and behind-the-scenes employees. The net has also become a lightning rod thanks to a combination of forced and unforced errors on the publicity front. Skipper has conceded that he has mishandled several of those situations. One of the more high-profile gaffes came when the net greenlit a show hosted by **Barstool Sports** personalities, only to cancel it after just one episode due to backlash from some employees who considered Barstool's content misogynistic. Skipper said severing ties with Barstool was a unilateral decision. Talent's use of social media also burned ESPN several times this year. The network's decision not to suspend *Jemele Hill* following disparaging tweets about President *Trump* drew the ire of his supporters, but its indirect response to Trump calling for Hill's job irritated Trump's opponents. The net's decision to suspend her weeks later for comments suggesting fans boycott Cowboys sponsors also bothered Hill advocates. Still, in response to Skipper's resignation, she tweeted, "John Skipper is one of the finest people I've ever worked for. He's been incredibly supportive throughout my career at ESPN. This isn't company-speak. I seriously cannot express how much respect I have for him." Just last week, a [Boston Globe report](#) portrayed ESPN as a hostile work environment for women, something ESPN has since pushed back against. Looking at the bigger picture, Skipper will be remembered for his aggressive pursuit of live sports rights amid additional competition from upstart **FS1**, as well as diversifying the net's talent.



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He oversaw several years of massive growth before shifts in the media landscape pulled the rug out from under ESPN. “John Skipper empowered a lot of people who don’t look and sound like people who have traditionally done these jobs,” tweeted ESPN columnist *Pablo Torre*. There’s no obvious heir apparent to Skipper, but ESPN historically finds leaders within its ranks. Whoever takes over has a daunting task, as both ESPN and Disney are in full-on transition mode. After a multibillion-dollar investment in **BAMTech**, the net plans to launch its first direct-to-consumer offering in 2018 featuring at least 10K additional live events. Assuming Disney’s megadeal to acquire **21st Century Fox** assets achieves regulatory approval, ESPN’s top exec will almost certainly play a significant role in integrating and managing the 22 newly acquired Fox RSNs. Furthermore, ESPN will have to renew its carriage agreement with **Verizon Fios** late next year, according to **MoffettNathanson**, followed by **Charter** and **AT&T** in 2019.

All Right Sunday Night: The NFL’s decision to end **Verizon’s mobile streaming exclusivity** paved the way for the league to expand its relationship with **NBC**. Beginning next season, NBC will now be able to stream its “Sunday Night Football” telecasts on mobile devices in addition to desktops, tablets and connected TVs. The deal is coterminous with NBC’s broadcast deal for “SNF,” which ends with the 2022 season. “In our entire portfolio, the NFL on mobile was the only sort of blackhole we had. ... The NFL had a rights deal with Verizon and decided it was time that the broadcast partners, as well as distributors—virtual MVPDs and TV Everywhere for traditional MVPDs—have those rights, too,” said NBC Sports evp, GM for digital media *Rick Cordella*. The deal is the latest example of the NFL’s knack for packaging its media rights for sale to multiple TV and digital partners. Its “Thursday Night Football” package this season, for instance, is divvied up between **CBS** and **NBC**, with certain games simulcast on both the league-owned **NFL Network** and **Amazon Prime** (NFLN also has TV exclusivity for several games). Similarly, both Verizon and NBC will have mobile streaming rights for “SNF” in 2018. In terms of advertising, NBC will continue to sell national ads that will appear on Verizon streams in addition to its own. Now, however, those ads will have greater reach since customers from all mobile carriers will be able to stream the games. In addition, Verizon plans to distribute its streams via several of its **Oath** brands, including **Yahoo! Sports** and **go90**. Cordella declined to estimate how many additional eyeballs NBC might reach as a result of the mobile streaming deal. Like its other properties, NBC will require authentication for its “SNF” stream; Verizon will not.

Must Carry & Channel Sharing: The **FCC** Media Bureau granted **WBIN-TV** of Derry, NH’s application for license assignment to **Univision Local Media**. **WBIN** agreed to relinquish its 6 MHz channel of broadcast spectrum in the FCC’s incentive auction with plans to channel-share with Univision’s **WUTF**. In July, **NCTA** chimed in on the situation, arguing at the FCC that must-carry rights should not be given to a licensee that elects to sell its license before it has constructed its shared channel facilities. However, **WBIN** has since applied for and constructed those facilities and is operating as a

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channel share. Thus, the Bureau's order, released Monday, declared NCTA's comments moot. The order did condition the license assignment on Univision amending an agreement that would have given it veto right with respect to any sale of **WUNI**, a Worcester, MA, Univision affiliate licensed to **Entravision**. Without the change, Univision would have violated local TV ownership rules by having common attributable interest in **WBIN**, **WUNI** and **WUTF** in the Boston DMA. Earlier this month, **Comcast** objected to Entravision seeking to modify the market of a station and expand its distribution based on its channel sharing arrangement. NCTA joined Comcast's protest, filing comments last week that ask the FCC to deny Entravision's petition to modify the market of **WJAL** based on its move from Hagerstown to the DC area under a sharing arrangement with **WUSA**. "Encouraging broadcasters that abandon service to over-the-air viewers in outlying areas of a designated market area ("DMA") to seek greater must-carry rights on cable systems located in the DMA's core would turn the rationale for must-carry on its head," the association argued. Channel sharing continues to be a potentially hot potato, with NCTA telling the Commission it's aware of other broadcast stations using the special auction-related channel sharing rights as a means to increase cable carriage by moving to more populated areas.

Getting Fixed: **AT&T** is launching a 5G fixed wireless trial at the Silos, a mixed-use development in Waco, TX. It is the carrier's largest trial in terms of mobile traffic; about 5K people visit the Silos each day. The 5G millimeter wave system will allow visitors and businesses to connect via WiFi through a number of on-site access points. The company will be testing millimeter wave spectrum and 5G radio and antenna prototypes. AT&T plans to expand its trial to other Waco locations.

Pandora's (Set-Top) Box: **Pandora** is bringing an updated version of its user interface to **Comcast's** X1 platform. For the first time, subscribers to paid Pandora services (on-demand and ad-free radio) will be able to access them via X1. Users will also be able to play specific songs via their voice remotes. Pandora is also available on **Sonos**, **Fitbit**, **Roku**, **Google Home**, **Amazon Echo** and **Xbox** devices.

At the Portals: The latest #netneutrality news has **FCC** commish *Mignon Clyburn* holding an online townhall via Twitter on Tuesday (Dec 19) at 2pm ET. She'll be joined by Sen *Maria Cantwell* (D-WA). -- Ten public interest groups have united to launch the "#MobileOnly Challenge" next month, which encourages Americans to spend one day accessing the internet via only their mobile devices. It's meant to draw attention to **FCC** request for info for its Section 706 report, which probes whether telecom services are being deployed to Americans in a reasonable and timely manner. The inquiry seeks comment on whether an area should be deemed served if mobile or fixed service is available. Commissioners *Clyburn* and *Jessica Rosenworcel* have pledged their participation in the challenge, created by **Next Century Cities**, **Public Knowledge**, **New America's Open Technology Institute**, the **National Hispanic Media Coalition (NHMC)**, the **Institute for Local Self-Reliance**, the **Nonprofit Technology Network (NTEN)**, the **Schools, Health, and Libraries Broadband (SHLB) Coalition**, the **National Digital Inclusion Alliance**, **Mobile Citizen** and **EveryoneOn**.

The Top of Telecom: **NAMIC** announced its 2017 Top Companies for People of Color, recognizing operators and programmers for excelling in the areas of diversity and inclusion. **Charter**, **Comcast**, **Cox**, **Mediacom** and **Midco** earned top marks alongside programmers **A+E Networks**, **Discovery Communications**, **Disney-ABC Television Group**, **NBCU** and **Univision Communications**. Twenty-four organizations completed the 2017 Workplace Diversity Survey funded by **The Walter Kaitz Foundation**, representing 67.5% of the cable and telecommunications industry.

Programming: **Showtime** will premiere animated series "Our Cartoon President" Feb 11, 8pm. The 10-ep parody showcases the misadventures of President *Trump* and his advisors through the first year in the Oval Office. -- **HBO** will honor the late-career of a musical icon with the premiere of "David Bowie: The Last Five Years" on Jan 8 at 8pm. Debuting on what would've been his 71st birthday, the doc covers the artist's final two albums and the creation of his musical "Lazarus." -- *Paula Deen* is coming to **RFD-TV** with "Positively Paula" on Jan 2 at 7pm. Formerly a **Food Network** host, **Scripps Networks** declined to renew her deal in 2013 after Deen acknowledged use of the "N word" in a deposition.

People: *Sheila Nevins* is leaving her position as pres, **HBO** documentary and family programming, in early 2018 after 38 years with the programmer. In that time, Nevins oversaw production of more than a thousand documentary films, rising to her current role in 2004 and earning more Primetime Emmys than any other individual. -- *Daniel Berg* was named analytics firm **605's** first CTO. Berg most recently served as an independent strategic technology consultant and has previously held positions at **Rockit Solutions** and **First Reserve Corp.** -- **The Madison Square Garden Company** is elevating *Andrew Lustgarten*, appointing him as the company's pres, effective immediately. Lustgarten started at MSG in 2014 as evp of corporate development and strategy, driving growth initiatives and expanding the company's portfolio of live experiences. He fills the hole left by *David O'Connor* following his sudden departure in November. -- *Ann McGlennen* was tapped as **Midco's** new CHRO, tasked with aligning human resource strategies with the overarching objectives of the company. She most recently served as vp of HR stores/field for **Target Canada**.