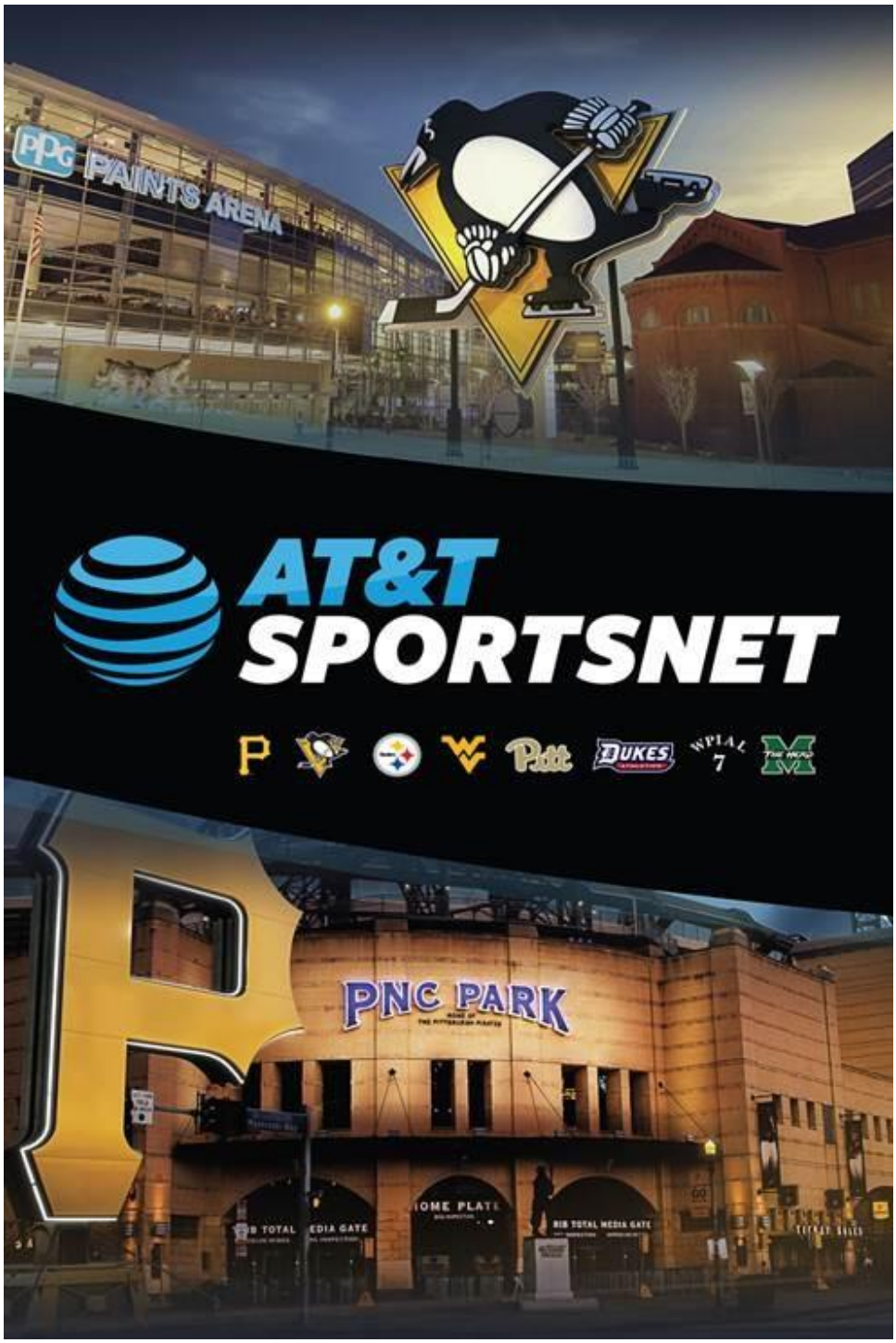

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The Pirates will remain on AT&T Sports Networks for the foreseeable future.

The team and network officially announced Friday that they've agreed on a multi-year extension of their television rights deal. Terms of the deal were not disclosed. The deal includes at least 150 live Pirates games, pre- and post-game coverage, as well as other team-related shows and coverage.

"In this rapidly evolving media landscape, the Pirates are extremely pleased to continue our long-standing partnership with AT&T SportsNet," said team president Frank Coonelly in a press release. "It was critically important for us to continue to increase the reach and penetration of Pirates Baseball throughout our region. It was equally essential that we enhance the coverage of Pirates Baseball by now ensuring that all 162 games will be telecast either by AT&T SportsNet or one of our national television partners and that nearly all of our home Spring Training games will now be broadcast on AT&T SportsNet."

"Working closely with the outstanding team at AT&T SportsNet and utilizing state-of-art technologies, we are excited to ensure that our games are produced and distributed in the manner that our fans demand." The Pirates entered the offseason without a television home, when their contract expired at the end of the season. It made sense to **keep the Pirates' broadcasts in the same home as the Penguins**, whose contract runs through 2029.

AT&T had been considering selling its four regional sports networks to reduce debt, **according to a report from *Bloomberg*** in July. "Clearly if you're AT&T and you are interested, having the Pirates locked up for a period of time does create more value to be sold," Ed Desser, who spent 23 years negotiating media rights deals while working for the National Basketball Association and launching NBA TV before founding a media consulting firm, **told the *Post-Gazette* in July**. "On the other hand, the Pirates are no doubt looking for a big increase, and if that makes the network less profitable, then that has a negative impact on the valuation."

The Post-Gazette reported in 2013 that the most recent TV deal, a 10-year contract that took effect in 2010, paid the Pirates in the neighborhood of $20 million each year. Pirates president Frank Coonelly has disputed that number but said nondisclosure agreements prevent him from providing the actual figures. – ***Pittsburgh Post-Gazette***

Walt Disney Co. is banning advertising from Netflix Inc. across its entertainment TV networks, according to people familiar with the situation, a sign that the marketing wars over streaming-video are escalating as media giants battle each other for subscribers.

Disney, Comcast Corp. and AT&T Inc. are set to spend hundreds of millions of dollars on advertising over the next year to attract

consumers to their new streaming-video services as they look to compete with industry juggernaut Netflix. Netflix spent $1.8 billion on advertising last year and will be playing defense against Hollywood's new entrants. Disney, whose properties include ABC and Freeform, earlier this year put out an edict to staffers that it wouldn't accept ads from any rival streaming services, but later reversed course and found a compromise with nearly every company, the people familiar with the situation said. The exception was Netflix.

In making its decision, Disney evaluated whether it had a mutual business or advertising relationship with the companies, one of the people said. Netflix doesn't show ads in its programs. In a statement, Disney said the subscription streaming-video business has evolved, "with many more entrants looking to advertise in traditional television, and across our portfolio of networks." The company said it re-evaluated its initial blanket ban on streaming ads "to reflect the comprehensive business relationships we have with many of these companies." Netflix declined to comment.

Disney's push deeper into streaming is bringing to the fore its tensions with tech giants on multiple fronts. The company is separately at odds with Amazon.com Inc. over the financial terms for its apps in Amazon's Fire TV streaming-media player, one reason that Disney's forthcoming streaming service Disney+ has no Fire TV deal in place, ***The Wall Street Journal* reported Thursday**. Meanwhile, Disney Chief Executive Robert Iger **resigned from Apple Inc.'s board** in September on the same day Apple announced its own competing streaming service.

Disney's ban of Netflix ads marks a significant shift. In the TV industry, it isn't unusual for TV networks to reject ads from direct rivals, especially if they include the specific time and date when a competing program will air. But broadcasters have generally allowed streaming services such as Netflix and Amazon Prime Video to advertise, even when it became clear they were luring away viewers.

Now, the landscape is changing. As traditional media companies launch their own streaming services, they will be going head-to-head with the tech giants—and with each other—as never before. Disney, whose $6.99-per-month Disney+ service launches in November, decided it wasn't interested in playing home to Netflix ads any longer. Netflix spent $99.2 million on U.S. TV ads during 2018, with some 13% going to Disney-owned entertainment networks, according to estimates from ad-measurement firm iSpot.TV.

Disney's service will offer programming from franchises such as Star Wars and Marvel, the full catalog of "The Simpsons" and a range of classic movies, among other fare. Apple's TV+, also poised for a November launch, will offer a handful of shows featuring top stars and producers. Comcast's Peacock and AT&T's HBO Max—as yet-unpriced streaming services expected to launch next year—will package original and library programming from across those companies.

The companies have committed several billion dollars developing new content for their nascent streaming outlets, **inking big talent deals** and **acquiring classic television** shows such as "The Big Bang Theory" and "The Office." They are also planning to spend liberally on advertising. Comcast's NBCUniversal has targeted to spend roughly $100 million on ads outside of its own properties **to launch Peacock**, which is

expected to debut next April, according to people familiar with the company's ad plans. The number could increase, some of the people said.

NBCUniversal is expected to spend at least double that amount on its own properties, including airing a heavy amount of promotions for Peacock on its coverage of the 2020 Olympics, the people said. NBCU declined to comment. AT&T's WarnerMedia is planning to spend roughly $300 million on advertising over the next year to push HBO Max, according to people familiar with the company. HBO declined to comment.

Building up a new media brand can be costly. Hulu, which is now majority-owned by Disney, has spent heavily on promotions. It shelled out $574 million in 2010 amid a major push, and even as a more mature company last year spent $161.2 million, according to estimates from ad-tracking firm Kantar. Although Disney's ban applies only to Netflix, some in the industry are pondering restrictions that could affect other players in streaming, including the new entrants. Disney's ESPN will continue to accept Netflix ads.

TV executives have discussed setting guidelines to restrict how much new streaming services in general can advertise on their airwaves, people familiar with the discussions say. One idea is to limit how much of the money committed during the summer to advanced ad sales can be used to promote streaming services, some of the people added. Another tactic being discussed is to charge streaming companies premium prices for ad time, they said.

Netflix has ratcheted up its advertising spending considerably over the past few years as it expanded, adding subscribers and new shows at a fast clip. The company now boasts some 60 million domestic and 91.5 million international subscribers. Netflix has warned investors about how its business could be affected if media channels don't accept its ads. "If the available marketing channels are curtailed, our ability to attract new members may be adversely affected," the company said in the section of its annual report focused on risk factors.

In August, Disney's stance on streaming became public when ABC Entertainment President Karey Burke said at a TV industry conference that the network wouldn't allow streaming ads, according to a report in Adweek. Disney ultimately relaxed its stance after determining it had mutually beneficial relationships, including advertising opportunities, with a host of streaming companies, such as Apple, Amazon and Quibi. Disney had an expansive pact to license programming to Netflix for years, but is pulling back shows and movies for its Disney+ streaming service. – ***Wall Street Journal***

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