America's sports-rights bonanza is showing signs of age.

Since November, YES, the channel that airs New York Yankees games, has been blacked out on Comcast Corp. as the cable giant and the network's parent, 21st Century Fox, battle over terms of payment. In the off-season, it wasn't a huge controversy. But as opening day—April 4 for the Yankees—fast approaches, the stakes are rising and acrimony between the sides is mounting, spilling over into the broader relationship between the two media companies.

The fight is the latest and most high-profile example of how pay-TV providers are digging in their heels over rising sports-TV costs. The standoffs, which have hit cities including Los Angeles and Houston, are testing the limits of the sports-rights boom of recent decades and are threatening a money stream that has powered industry profits, filled the coffers of teams and financed huge salaries for star players.

Until recently, the business of selling sports rights flourished on the assumption that passionate fans simply can't live without watching their teams on TV. That logic led big media companies to collectively place long-term bets over the past 15 years or so worth over $150 billion on rights to telecast games, according to Guggenheim Securities. That gave rise to a host of sports channels that now account for 35% of the typical monthly cable bill, according to research firm SNL Kagan.

More recently, however, some big pay-TV distributors are beginning to push back aggressively in fee negotiations, concerned viewers are getting fed up with sports costs and could "cut the cord" in greater numbers. They are also making a bet that consumers don't care as much as teams and networks think. "I believe that finally sports TV is in crisis mode," said Jimmy Schaeffler, head of media and telecom consultancy Carmel Group.

Jeff Krolik, president of Fox Sports Regional Networks, the parent of YES, said regional

Obama scolds media for enabling Trump	sports networks "continue to deliver tremendous value to our distributors and viewers alike." He added: "Despite wild claims otherwise, [the networks] make up a relatively modest portion of the cable bill." Comcast's executive vice president of consumer services, Marcien Jenckes, said the company hopes to bring back the channel and is working to resolve the standoff. "But we can only return YES to our customers if the network and its majority owner, Fox, become realistic with their price demands," he said. Pay-TV providers in Los Angeles, including DirecTV, are balking at the price for SportsNet LA, the Dodger's regional sports network. More than 50% of the TV homes in the market don't carry the channel, the second-most-expensive regional sports network after the Yankees' version. On Tuesday, Time Warner Cable, which distributes the network, offered to cut its fee 30% for the coming season. In Chicago, the Cubs have long sought to launch their own regional sports network after the 2019 season when their current deal with Comcast SportsNet Chicago expires. That goal hasn't changed, but the baseball club's operations chief, Crane Kenney, told reporters at the team's winter convention that the franchise would watch with "a very wary eye what's going on in the cable universe." Club spokesman Julian Green said Thursday, "We believe significant value in the media rights remains." Media consultant and former Fox executive David Sternberg said distributors "have learned that they can live without" regional sports channels in many cases, or at least can manage with minimal subscriber losses. "The balance of power has definitely shifted to the distributors," he said. The situation with YES involves one of sport's most storied franchises. Comcast risks drawing the ire of passionate Yankees fans who expect to see one of the American League's top teams in action. The standoff withholds the channel from almost a million homes close to New York City in New Jersey, Connecticut and Pennsylvania. The cable giant is betting that it has more to lose by paying high fees to Fox and passing them on to customers, many of whom may not watch sports. YES network costs pay-TV providers about $5.36 a subscriber a month, according to SNL Kagan, making it one of the most expensive channels on the cable dial. YES is seeking to increase its fee to about $6. The YES network also carries the NBA's Brooklyn Nets and New York City's Major League Soccer team. The brawl between Comcast and Fox is getting in the way of other business between the companies. When Comcast wanted to discuss renewing its distribution deal with the popular Fox News Channel earlier this year, it was rebuffed. Fox News Chairman Roger Ailes signaled he would resist a deal until the YES situation was resolved, according to people familiar with the situation. That marked a turnabout for the Fox News executive, who didn't let a similar dispute between Fox Sports San Diego and Time Warner Cable three years ago delay a deal with the cable company. Earlier this month, Fox Networks Group Chief Peter Rice met Neil Smit, the chief of Comcast's cable group, on the sidelines of a cable industry trade group gathering in Washington. Mr. Rice warned Fox would take the dispute public with a marketing campaign if Comcast didn't sign its latest offer, people familiar with the deliberations say. Fox waited a week for a response from Comcast. Soon after, Fox released anti-Comcast ads on billboards, radio and in newspapers. The company recruited an army of people to march in midtown Manhattan wearing sandwich placards encouraging fans to switch pay-TV distributors. 21st Century Fox and News Corp, which owns The Wall Street Journal, were part of the same company until 2013. The problem for Fox and other media companies is that many agreed to high-price sports-rights deals at a time when cord-cutting was more myth than reality. Today, as more consumers are shifting to online viewing instead of traditional pay-TV, distributors are looking to keep subscribers by reducing content costs or selling "skinny" packages that

don't include expensive networks such as regional sports channels. Such a move puts in jeopardy the revenue for networks that currently count on the hefty fees that come with being distributed in a bundle of channels to every home, whether the subscriber is a sports fan or not.

Comcast itself owns stakes in eight local sports channels. It put a network dedicated to Houston's Astros and Rockets into involuntary bankruptcy in 2013 after failing to get widespread distribution. James Murdoch, a Yankees fan and Fox's current chief executive, spearheaded the company's substantial investments in YES. In 2012, YES signed a 30-year deal with the baseball team to secure TV rights through 2042, at a cost of some $1.5 billion. In 2014, Fox increased its 49% share of YES to a controlling 80% stake in a deal that valued the network at nearly $4 billion, and inherited those rights-payment obligations.

The deal was meant to bring in lucrative cable subscription fees and to also give Fox leverage to extract fee increases for other channels it owns, including 21 other regional sports networks. Fox acknowledges now that while regional sports networks are still a significant profit source, they are diminishing in importance. "When you look out, they will not be a growth driver of the business," 21st Century Fox Chief Financial Officer John Nallen said this month at an investor conference. He added he still considers regional sports networks must-have programming. "A package that doesn't have what is the most important television in the market would be pretty surprising," he said.

Comcast argues that Fox's price demands simply don't line up with the viewership of YES in its territory. Comcast said its data show fewer than 2% of its households account for the Yankees audience at any given time. "We are not going to subsidize the YES business by charging a broad set of consumers when only a subset wants it," said Mr. Jenckes, Comcast's executive vice president. YES and Fox dispute Comcast's viewer numbers. YES President Tracy Dolgin in an interview called the data "voodoo math."

According to Nielsen, Yankees games on YES averaged 250,000 viewers last season, down 44% from its high of 450,000 in 2007, at the height of the Derek Jeter-led Yankees dynasty. In the New York City market area, which includes parts of New Jersey and Connecticut, YES was the highest-rated cable network and third-most-watched channel overall during the team's last season. – ***Wall Street Journal***

In the TV industry, thin is in — and that's bad news for the TV industry.

The days of wooing new pay TV customers with bloated bundles of 250-plus channels are on the wane as more and more viewers gravitate toward "skinnier" packages that offer fewer choices at lower costs. The trend, known as "cord-shaving," spells serious trouble for cable network owners whose revenue is based in part on how many households they reach. And as skinny bundles grow in popularity, some of the most popular networks on cable are also the most vulnerable, according to Brian Wieser, a media analyst with Pivotal Research Group.

"This is a more significant threat than the less pronounced reality of 'cord-cutting' for most networks," Wieser wrote Monday in a research note. "Cord-shaving disproportionately impacts networks that are either particularly expensive or which distributors are willing to go without." Specifically, Wieser singled out the Walt Disney Company and Viacom Inc. as the media giants that face the biggest threat from skinny bundles. Disney-owned ESPN is by far the most expensive network for pay TV operators to carry, and as a result, it's the most expensive for consumers. The average cable subscriber pays about $6 a month for the privilege of having ESPN. Given the popularity of live sports, ESPN has benefited from the status quo of large bundles, but presumably a sizable portion of the TV-viewing population would just assume spend that money on a Grande vanilla latte from Starbucks.

In a skinny-bundle world, households with no sports fanatics might opt for an ESPN-less package, if they had that option. Similarly, households without children or teenagers might opt to ditch Viacom's Nickelodeon or MTV. This is the slippery slope that network groups have resisted through restrictive licensing agreements requiring pay TV operators to bundle all their channels together, and it's precisely why ESPN last year hit Verizon with a breach of contract lawsuit after it began offering customized cable packages to FiOS customers.

To come up with his analysis, Wieser cited the latest cable network "Universe Estimates" report from the Nielsen Company, which looks at how many households subscribe to pay television services and which services carry specific networks. The quarterly report for April 2016 showed a median household-subscriber decline of 2.5 percent across the cable landscape. Disney-owned networks were among the hardest hit, declining 3.6 percent, while Viacom networks declined 3.1 percent. Faring much better was 21st Century Fox, whose networks saw a median decline of only 0.9 percent.

None of those declines were a fluke. According to Wieser, Nielsen data shows declines of about 2 percent per year since the beginning of 2014. This despite the fact that new household formation seems to be **on an upswing** for the first time since the financial crisis, according to the U.S. Census Bureau. Wieser said the trend of cord-shaving will leave networks especially vulnerable over the long term, as skinny bundles become the norm and affiliate fees begin to reflect lower penetration for networks. "Affiliate fees are not necessarily impacted in the short-term as distributors will often be obliged to pay for certain minimum subscriber levels," Wieser wrote. "However, over longer time horizons we think that the trends captured by Nielsen are likely to be reflected in the subscriber numbers that programmers get paid for." – ***International Business Times***

Freshman Republican Sen. Pat Toomey's chances of reelection are much more uncertain if Donald Trump is the presidential nominee, according to recent analysis by political observers.

The Cook Political Report, an independent, non-partisan newsletter of political analysis, has shifted Pennsylvania's Senate race from "Leans Republican" to "Toss-Up." One of the reasons is the success of Republican presidential front-runner Trump.

Trump's wins in other state primaries but overall unfavorability in his party have led some to predict a Trump nomination and then a loss in the general election to the Democratic nominee, whether it's front-runner Hillary Clinton or Sen. Bernie Sanders. "Is it possible for Toomey and (Republican Ohio Sen. Rob) Portman to outperform the Republican presidential nominee and go on to win? Yes, but it is very difficult," writes Jennifer Duffy, of The Cook Political Report. "The closer the presidential race is in these states, the more likely that can happen. Conversely, the wider the margin of victory at the top of the ticket, the less likely a Portman or a Toomey can survive."

Toomey was elected by a narrow margin in 2010 over former Navy admiral and then-congressman Joe Sestak. Sestak is vying again for the nomination, along with former gubernatorial candidate Katie McGinty, Braddock mayor John Fetterman and small business owner Joe Vodvarka. A **statewide Franklin & Marshall College poll released last week** found Toomey was viewed favorably by 30 percent of registered voters and 35 percent unfavorably. The poll also found Sestak had 31 percent of registered Democrats' support. McGinty had 14 percent, Fetterman had 7 percent and 46 percent were undecided. – ***Lancaster Intelligencer***