

Trumping Trump and Howling at the Moonves

Donald Trump and the U.S. news media have an incestuous but symbiotic love-hate relationship. Trump rails against the media and the media rails against Trump, while both sides profit, says JP Sottile.

By JP Sottile

Les Moonves cannot lose ... and he knows it. The all-too-well compensated CEO of CBS said as much back in late February of 2016. The Bataan Death March of presidential campaigns had finally kicked into high gear and a month-long barrage of primaries, caucuses and televised debates portended just the sort of never-ending story-line that makes a media mogul's dreams come true.

The man at the center of that long, pitched battle for the hearts and mindlessness of the American people was none other than future Reality-Star-in-Chief and all-around good for business-man President Donald J. Trump. His starring role in the daily melodrama also known as "The race for the White House" had Les leaping over the moon with financial excitement.

Moonves was so effusive that, in a fit of gleeful honesty, the titular head of America's number one network told the denizens of a Morgan Stanley Technology, Media & Telecom Conference in San Francisco that Trump's candidacy "may not be good for America, but it's damn good for CBS."

At the time, Moonves was just pondering all the advertising dollars that would inevitably pile up on the way to a profitable political train-wreck. And Les was right. Train-wrecks may make for bad politics and even worse policy, but boy-oh-boy ... do they ever make for great television!

In fact, televising train-wrecks, car crashes or any kind of contentious conflict is a sure-fire way to goad world-weary audiences into rubbernecking. In this age of low-overhead/high-drama reality programming, it's also the cheapest and easiest way to pile up cash on a corporate media balance sheet.

And no doubt, Moonves could see early on that Trump would pile it higher and deeper than anyone who'd come before him. As the Hollywood Reporter detailed, Les wanted a lot more. He hoped the "circus" full of "bomb throwing" would continue all the way through the campaign. And why not?

In 2012, the Obama vs. Romney match-up generated nearly \$900 million on television ads. With the Clintons' infamous fundraising machine kicking into

high gear and a billionaire businessman crashing the other party, Les was understandably forecasting a contest that would make it rain like never before.

As Moonves noted, “The money’s rolling in and this is fun.” He went on to say, “I’ve never seen anything like this, and this going to be a very good year for us. Sorry. It’s a terrible thing to say. But, bring it on, Donald. Keep going.”

That’s exactly what Donald did. He kept it going all the way to the White House. And the ever-prescient Moonves – who retroactively dismissed his gleeful honesty as a “joke” shortly after video emerged of Trump touting his penchant for grabbing a woman’s genitals – would not be disappointed by the reality star’s hit political psychodrama.

But really, Les was only halfway right. Although Trump’s GOP opponents would spend millions on their way to ignominious defeat, Les hadn’t foreseen the bigger picture that came into focus when Trump squared off with Hillary. Ironically, Les and the media he so fully embodies were about to be recast in a whole new reality show.

Reality Bites

What Les didn’t yet know back in February of 2016 was that the profligate trend-line of recent campaigns was about to be broken. Political ad spending would not be the full story ... or even the main story ... of 2016.

Actually, combined spending by the two campaigns was down. According to a post-mortem by Reuters, Trump dished out a mere “\$107 million on advertising, including television ads.” A report by analytics firm Borrell Associates found that the overall Trump campaign “spent around 34% less” than Mitt Romney did in 2012. That year, Romney dropped a cool \$1 billion, which nearly matched the \$1.1 billion spent by President Barack Obama. But in 2016, Trump and pro-Trump groups raised about \$600 million and he was almost as likely to use that money to reimburse his own companies as he was to buy advertising.

Although Hillary Clinton spent nearly as much as the Obama campaign did in 2012, many broadcasters found that early predictions of “the most expensive race ever” kinda fell flat. And that drop – which has been attributed in no small part to Trump’s “unconventional campaign” – turned into a significant financial pinch for smaller networks of local stations that rely on revenue from political ads every two and four years. The bottom line is that the well-heeled half of the Two-Party system simply didn’t deliver on broadcasters’ champagne wishes or their caviar dreams.

On the other hand, analytics firm mediaQuaint found that Trump scored a staggering \$4.96 billion worth of “free” media. That’s all the non-stop

coverage, the constant kibitzing of the blatherati, the hours upon hours of live rallies, the one-on-one interviews, the Sunday show call-ins and everything else that transformed the campaign into a 24-hour version of TrumpTV.

Hillary Clinton got her share of freebies, too. But her \$3.24 billion worth of gifted gab could not compete with the trump card Donald played in the middle of nearly every news cycle. Trump's tendentiousness, his relentless tweeting and his campaign's increasingly pugilistic attitude toward the press recast the contest.

Throughout a nearly 18 month-long process, the media and Trump switched back and forth between playing the role of bête noir and conquering hero. It was pure television gold that literally programmed itself.

And that's where Trump truly flipped the script ... not just on the political establishment, but on the way the media would interact with and cover both his campaign and, sadly, cover his nascent presidency.

Flipping Out

Until the 2016 election, the media business (local stations, regional networks, medium-sized station groups, cable news channels and the big four broadcasters) reliably reaped a bi-annual windfall from the hundreds of millions of dollars in political advertising they packed into the commercial breaks in-between their programming. The two-year election cycle was good. The presidential cycle was way better. But Trump changed the paradigm.

This time, the coverage became the political commercial and the political commercial became the programming. Simply put, Trump's bloviating, bombastic style translated into ratings. And those ratings translated into dollars that could be earned by charging more for the ads in-between the coverage.

So, while Hillary and anti-Trump groups were flooding the commercial breaks with hundreds of millions of dollars in ad buys, Trump's freebie coverage was raising the price of all advertising by keeping eyeballs glued to the boob tube. Perhaps even more importantly, the same free media that both served Trump's political campaign and, thanks to his power to hold audiences, the value of ad time ... also essentially rescued the cable news industry's flaccid business model.

Quite frankly, the cable news business was on the rocks before Trump. But Pew Research noted that 2015 (the start of Trump's long march) was the first time the industry saw primetime viewer growth after three years of decline. Daytime viewership grew, too. Pew also found that ad revenue grew a bit for the major networks, but cable news saw a much-needed 10 percent increase in both ad and subscriber revenue.

So, just imagine the revenue that poured in during 2016 when FOX News topped ESPN as the most watched basic cable network. The Trump effect produced a 36 percent spike that gave FOX News an “average of 2,475,000 viewers in primetime.” It also sparked CNN’s 77 percent rise in viewership (from 732,000 to 1,298,000) and MSNBC’s audience grew by 87% (from 596,000 to 1,113,000),” according to year-end numbers reported by IndieWire.

Amazingly enough, CNN didn’t even rank in the top ten of all cable networks in 2015. But thanks to Trump’s eye-grabbing impact, CNN went from the 24th to the 10th most-viewed network and MSNBC went from 29th to 12th on Deadline’s cable ranking list.

And all of those numbers can ultimately be attributed to Trump. He turned boring political coverage into an egg-laying golden goose. And the unctuous media’s substantial investment in “free” time paid some big dividends.

As Adweek reported, “the election resulted in big ad revenue bumps” with CNN notching a 57.8 percent jump, MSNBC an increase of 47.9 percent and Fox News bringing up the rear with a respectable 25.7 percent rise in ad income.

Overall, political advertising in 2016 reached a record high of \$9.8 billion spent on everything from local races for dog catcher all the way up to the Presidency. It was a respectable rise of 4.6 percent from 2012, but rise in digital media spending meant “broadcast television turned out to be the big loser of the cycle,” according to Mashable.

Broadcasting’s “commanding 58-percent market share in 2012” slipped by 13 percentage points in 2016. And in spite of Moonves’s early optimism, CBS saw a 6 percent drop in viewership. Still, they led all comers with an average 8.8 million viewers. Yet, for some reason Les is still bullish on Trump.

Why? Well, Moonves once again let the proverbial cat out of his cash-filled bag. And he did it at yet another bank-hosted media confab. This time, Les opined at the Deutsche Bank Media, Internet and Telecom Conference.

According to the Hollywood Reporter, Moonves is comforted by strong advertising and a strong balance sheet, but it’s Trump’s presidency that has him thinking even bigger. At a conference ironically hosted by one of Trump’s biggest creditors, Moonves “signaled his approval of the Trump administration’s deregulatory agenda, which could allow the network to buy up more TV stations and get more revenue from retransmission consent fees.”

That’s right. The guy at the center of the monomaniacal coverage Moonves touted during the campaign is the selfsame guy Moonves is now banking on to deliver yet more media deregulation.

If nothing else, it is newsworthy to note that more media deregulation *is even possible* after the one-two punch delivered by Presidents Ronald Reagan and Bill Clinton. Apparently, there is still more to monopolize, which is why Les is willing to put aside Trump's supposed war with the media to make peace with Trump's deconstructive agenda.

As he said, "Obviously, there is a lot of information coming out of Washington and although we are not the enemy of the people, we welcome the deregulations that are going on there."

So Les's golden opportunism – which got him into a bit of hot water after his "bad for America means good for CBS" quip – is about to pay even more dividends. And that's despite the fact that more isn't exactly what Les ... or the media ... really needs.

Bark at the Moonves

Moonves was recently named "the most overpaid CEO on the S&P 500"... and for good reason. As the head of CBS, Moonves enjoys one of corporate America's best compensation packages. According to the last SEC filing, CBS lavished Les with a staggering pay package totaling \$56.8 million for the 2015. That was actually down a little bit from 2014. As Variety duly noted, that year he brought home a cool "\$57.2 million, including a \$25 million bonus and \$25 million in stock awards and options."



By comparison, Jamie Dimon of JPMorgan Chase garnered a "paltry" \$27 million for 2015 ... and, as the New York Times explained, that was a 35 percent *increase* over the previous year's sum. Lloyd Blankfein of Goldman Sachs came in just below Dimon with \$23 million in 2015. And then there's Bank of America CEO Brian T. Moynihan. He "earned" \$16 million for his role atop one of the nation's biggest banks.

Sure, that's a lot of coin for running a bank. But it doesn't quite compare to Moonves or the pharaoh-like compensation packages given to the small group of people who sit atop the media pyramid. Deadline noted that in 2015, the top seven "chiefs collectively made \$283.8 million" and they followed Moonves all

the way to the bank.

Here they are in descending order: Philippe Dauman of Viacom (\$54.2 million), Bob Iger of Disney (\$44.9 million), Brian Roberts of Comcast (\$36.2 million), David Zaslav of Discovery Communications (\$32.4 million), Jeffrey Bewkes of Time Warner, (\$31.5 million) and last, but in many ways the least of all, Rupert Murdoch of Fox (\$27.9 million).

So, the takeaway here is that the lowest paid of the top media dogs (Murdoch) actually made more than one of banking's biggest wigs (Dimon). In other words, the bankers who are so widely regarded as the poster boys for America's ever-widening wealth and income gaps actually pale in comparison to the television titans who lord over the vast majority of the Fourth Estate. But that's not the whole picture.

Some of the "news" media's biggest on-air talents garner salaries that approach the territory of the bankers so many Americans love to hate. Business Insider tallied the totals and Matt Lauer of NBC makes \$20 million, Bill O'Reilly of FOX News makes \$18 million to \$20 million, Shepard Smith pulls \$10 million, boyish George Stephanopoulos tallies \$10 million, Anderson Cooper "earns" somewhere between \$9 million to \$11 million and former Fox star and Trump antagonist Megyn Kelly is going to take home between \$15 million and \$20 million from her new gig with NBC, according to The New York Times and The Wall Street Journal.

So, what does any of this have to do with the price of tea in China?

It's a good question. The problem is that we'll never find out the price of tea in China ... or anything else, for that matter ... by turning on what now passes for "the news" on television. That's because the television news media – which has long since seen its coverage whittled down as investigative units were culled, international bureaus were shuttered and even regional bureaus were amalgamated into ever-more sparsely populated offices housed in four or five of the biggest media markets – just got it's great programming chief of all time. They essentially "hired" President Donald J. Trump to run their shops.

Just think of the \$4.96 billion in free media that helped Trump get elected as an industry-wide investment in a four-year long reality show. It was non-stop Trump during the campaign. It was non-stop Trump during the transition. It's been non-stop Trump since the inauguration.

And the permanent campaign Steve "Apocalypse Soon" Bannon obviously wants to run is made sustainable by the self-reinforcing feedback loop Trump and the media first created during the campaign. Basically, the permanent campaign is here and it is far too juicy of a role for the media to turn it down.

Television News Made Easy

Remember when Trump was down in the polls and speculation about his post-election play had him starting his own network? The popular rumor was that he was positioning himself to start a venture with former FOX News Svengali and fellow sexual predator Roger Ailes. Oddly enough, Trump didn't lose nor did he have to start his own network. Instead, he just took over the entire news media by lassoing them into the ultimate feedback loop.

We know that Trump is a voracious consumer of the media. And we know that Trump's number one priority is to see himself being covered by the media. He's also a disciple of professional wrestling. And as a reality showman, he knows exactly how to drum up ratings and interest with conflict.

Remember the rubbernecking power of train-wrecks that had Moonves so happy during the campaign? Well, Trump has slammed that train into the White House. He's made the media his villain and since they oblige by covering him at nearly the exclusion of all else, Trump keeps on having good reasons to respond to the media's relentless coverage. And then they lavish coverage on his response to their coverage ... and so the next cycle begins. Basically, the news cycle gets a ready-made story each time he peddles his irresistible brand of reality showmanship.

In other words, Trump isn't just good for ratings ... he's television news made easy. He makes morning editorial meetings easy. He makes allocating resources – like reporters and camera crews and field producers – easy. Sometimes he even gets up in the wee hours to tweet out the forthcoming day's agenda.

And he doesn't just like to talk, but he almost always says something. Heck, he'll literally say anything. Each of the somethings and anythings he says are instantly news, even if they eventually turn out to be nothing. In fact, if something turns out to be nothing ... that's almost the biggest news of all.

And Trump's willingness to turning the news into a dumpster fire also makes life atop a television network very, very easy. Whether you run a cable news channel or one of the big four behemoths, Trump has injected a level of cost certainty into the surprisingly profitable news business. They know exactly what the primary focus of their incessant coverage will be ... so long as Trump keeps on shuttling between the White House and his golf course at Mar-a-Lago.

So long as Sean Spicer takes the podium. So long as Congress has to respond to the latest dust-up. Whatever comes up inside the bubble, they've got it covered. They've got the infrastructure in place. Their DC bureaus are, unlike almost everywhere else in America and the world, well-stocked with producers,

reporters, photographers and editors. And New York can still be the center of their universe ... one that turns on the axis of the Acela corridor.

Opportunity Costs

With TrumpTV pre-programming almost every single minute of every day's coverage, there's no need to worry about sending reporters around the world or around America to cover expensive stories that require hiring people and buying satellite time and booking travel and paying for insurance.

There's no need to go to Afghanistan to report on America's longest war (newsflash for the media: It's still going). There's no need to go to Yemen to chronicle America's escalating involvement. No need to trace the impact of bombs that America sold the Saudis that the Saudis, in turn, dropped on a funeral. Let the BBC do that. They've got reporters who do that sorta thing, anyway. And why bother following-up on the story of the women and children who saw other women and children killed in Trump's first military misadventure?

Why go there ... when they've got Trump right here, right now. And why send a reporter to Baghdad when she can just go check Twitter?

Instead, they can ignore the crisis at Fukushima. They can ignore the tragic plight of the Rohingya who are being brutally "ethnically cleansed" by Chevron's partners in the government of Myanmar. They can ignore a looming famine around the Horn of Africa. They can ignore the cycle of massacre and exhumation that bedevils the Mexican people just across the border. And they can incessantly talk about Russia without ever spending a dime to send reporters to Moscow or St. Petersburg or Crimea to actually do some actual interviews with actual Russians and find out what it is actually like to live in Putin's Russia.

Instead, the media has turned over the programming of news to Trump. It's just too cheap and too easy. That's why Fox Business channel basically converted to TrumpTV. Why not? Business news is probably all about the "Trump Rally" or his faux jobs deals, anyway. And despite a recent suggestion by NBC's Chuck Todd that his network reopen a bureau in Denver so they might better cover those parts of America outside the Acela Corridor, the media has a huge financial incentive to stay in TrumpTV's low overhead lane.

But what if NBC heeded Chuck's call and took \$5 million off Matt Lauer's salary and \$5 million of Megyn Kelly's salary and hired ten reporters to crisscross America in search of stories that have nothing to do with Trump? Or what if they spent the combined ten million bucks to produce daily reports from one of America's wars? Does anyone think any of those high-priced on-air presenters would walk away from television if they only made \$5 million per year? Or \$2

million per year?

And what if Les Moonves could get by on \$25 million per year? Heck, the extra \$31.8 million bucks could probably open ten new bureaus here and around the world. And how many reporters, producers and camera crews could be deployed with just half of the \$283.8 million made by the top seven media moguls?

Alas, unlike the Moonves' dream of a perpetually contentious campaign, that just ain't gonna happen. Not when the real masters of the universe – the obscenely compensated captains of the media industry – can get it coming and going.

To wit, the Hollywood Reporter noted, "Moonves ... said Trump's ubiquity during his early days in the White House was giving a ratings bump to late night CBS shows like Stephen Colbert's *Late Show*." Yup, not only is TrumpTV programming the news division, but it's also helping stoke the entertainment division.

Les went on to say without a hint of irony, "Obviously Stephen is a big social commentator and the things that are going on in the country with the president ... people want to see social commentary, they don't want to see fun and games."

And maybe that's all the people can expect – a little biting social commentary to help us laugh at the absurdity they've helped create. The people certainly shouldn't expect Les or his profiteering peers to invest much in actual news ... not when the fun and games of TrumpTV means everyone in the media can be a winner no matter the outcome of Trump's presidency.

Really, if **the** bottom line is their **only** bottom line ... they literally cannot lose.

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