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WHAT THE INDUSTRY READS FIRST

Mickey's New Era: Disney's Streaming Strategy Taking Shape

The countdown is officially on for **ESPN** as it crawls closer to the launch of its direct-to-consumer service, and Wednesday added an abundance of fuel to the anticipation exuding from the sports network and its parent **Disney**. However, at the same time ESPN begins writing a new chapter for its almost 47-year-old story, Disney's other streaming properties are set to undergo their own recalibration as well.

ESPN's DTC product will launch Aug. 21, the same day **Fox** said it was making **Fox One** [available](#) to consumers. The two subscription options, Select and Unlimited, will be available for \$11.99 and \$29.99 per month, respectively, with the former providing **ESPN+**'s full library and the latter granting access to ESPN DTC's full suite, which includes all of ESPN's linear networks, ESPN on **ABC** and ESPN+. Beyond premade bundling options with **Disney+** and **Hulu**, Disney CEO **Bob Iger** said the door is open to making packages with other companies.

"We believe there may be opportunities for us to bundle other companies' sports offerings. We've actually had some discussions with some other companies on doing just that," Iger said during Disney's 3Q25 earnings call Wednesday.

While there's nothing concrete to report so far, Iger noted that bundling not only enables ESPN to grow engagement, but it also benefits consumers experiencing the pains of fragmentation—himself included. "As a devoted sports fan, I often have to work to try to find what platform sports are on.

If we can help consumers in that regard, we're certainly going to try," Iger said.

ESPN has [long touted the technical capabilities](#) it'll supply DTC with, but content-wise, it's looking at the **NFL** for ways to bolster its portfolio ahead of launch day. Late Tuesday night, ESPN and the NFL made official a non-binding agreement that'll have ESPN obtain **NFL Network**, **NFL RedZone**, NFL Fantasy and other media assets in exchange for a 10% equity stake. Additionally, the two made a second pact for the league to license certain NFL content and intellectual property to ESPN. Disney Sr. EVP/CFO *Hugh Johnston* said the asset swap likely won't close until the end of 2026.

"The result of these agreements will give ESPN more NFL games than they've ever had before," Iger said, affirming plans to continue distributing NFL Network on linear platforms in addition to a full integration on ESPN DTC. "The seven games that will be on the NFL Network will all be part of ESPN's direct-to-consumer offering. That's obviously where the major value will come," he continued.

ESPN also gets the ability to sell and bundle **NFL+ Premium**, which includes NFL RedZone, and Iger's vision is to offer NFL+ Premium alongside the trio of Disney+, Hulu and ESPN, as well as a separate option just with ESPN.

Disney+ and Hulu are part of the realignment, too. Disney said it was moving forward with fully integrating Hulu into Disney+, with a unified app expected to be available next year. Hulu will transition to a global entertainment brand and replace

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the Star tile on Disney+ internationally in the fall, while the Hulu app is phased out.

"This will give our sales organization a chance to package them far more effectively than they have before. I imagine down the road, it may give us some price elasticity as well," Iger said. "When we gave people an opportunity to have a more seamless experience between Disney+ and Hulu, we saw engagement increasing, and we would hope that when we take this next step, which is basically full integration, that engagement will go up even more."

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ESPN, WWE STEP INTO THE RING

One of the surprises of the day was the announcement that **Disney** cut a five-year deal with the **WWE** to make **ESPN** the exclusive U.S. broadcaster of all of the wrestling company's premium live events (PLEs), including "WrestleMania," "Royal Rumble" and "SummerSlam," starting in 2026. Per **CNBC**, the House of Mouse [will pay](#) \$325 million per year for the rights, totaling \$1.6 billion across five years. The events will air on ESPN's new DTC streamer, with select PLEs simulcast on the network's linear channels. While cable/satellite/vMVPD customers will be able to access ESPN DTC via authentication, the move to ESPN will mean a considerable price hike for WWE fans who are cord-cutters and cord-nevers. Currently, WWE PLEs stream exclusively through ad-tier **Peacock** Premium for \$10.99/month or ad-free Premium Plus for \$16.99/month, but ESPN confirmed to **CFX** that its PLE coverage will only be available on the \$29.99/month ESPN Unlimited Plan. WWE seems to be a winner here. Its new deal with ESPN is a significant increase from its previous five-year deal with **NBCUniversal**, which totaled \$900 million and included the U.S. broadcast rights to the PLEs. NBCU will continue to air WWE's weekly Friday night "SmackDown" program on **USA** and Peacock, as well as the quarterly "Saturday Night's Main Event" primetime show on **NBC** and Peacock, until 2029. **LightShed Partners'** *Brandon Ross* wrote in a note that the ESPN deal is even more lucrative for WWE than it may initially seem, pointing out that while the deal with NBCU also included WWE's content library, the ESPN one doesn't, meaning WWE will be able to shop its library to the highest bidder while getting the expanded reach and promotion ESPN can offer. "The deal is better on the cost side as well," Ross added. "Previously, WWE was responsible for 250 hours of original ancillary programming per year and five documentaries—all at WWE's expense. Those costs all go away." Another key takeaway is that WWE's most high-profile events of the year are returning to traditional pay TV in the U.S. for the first time since the company's pay-per-view days,

back when you had to order each WrestleMania, Royal Rumble, etc. a la carte via a cable or satellite provider. These premium events went to OTT streaming in 2014 with the launch of **WWE Network** before moving to Peacock in 2021. While it's not currently known how many of the company's 10 yearly PLEs will be simulcast on ESPN's linear channels, it wouldn't surprise us to see WrestleMania airing on cable in the near future, as the WWE and ESPN will undoubtedly want as many eyeballs (and ad dollars) on its biggest annual event as possible.

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FCC FLURRY

The **FCC** made a string of maneuvers as it gears up to hold its [Open Meeting for August](#), but it means some changes to Thursday's agenda. Up first, the Commission voted to begin an annual review of the pace and cadence of broadband deployment. It's taking a new approach to the Section 706 Report, shifting more focus on "the plain language of the statute" and the question of whether broadband is being deployed in a timely and reasonable manner. While Commissioner *Anna Gomez* supported the Notice of Inquiry, she expressed trepidations over the change in direction the FCC may take when it comes to giving a "clear and accurate picture of broadband availability in this country." With fixed wireless and satellite being considered more in programs like BEAD, Gomez went to bat for fiber. "We must recognize that there is great promise in satellite and fixed wireless technology, and they can both serve areas with immediate need. However, these two approaches are capacity-limited, and are not the silver bullet to close the digital divide," Gomez said in a statement. "On the other hand, fiber service has more upfront costs and is not a feasible approach for every community. But in many cases, it is a better long-term investment for building the capacity we need to compete as a global leader in emerging technologies like AI." The FCC voted to open an inquiry into its business data services rules, specifically regarding the possible elimination of ex ante price controls and tariffing obligations. It's also taking a look at updating the system in which the agency collects data on network outages and restoration during major disasters, making room for reforms to the Disaster Information Reporting System that was first established in 2007. With the votes, the three proceedings will no longer be on the agenda during the FCC's August Open Meeting. Something that may work its way into the meeting is the L.A. Summer Olympics taking place in a few years. Chairman *Brendan Carr* was named to the White House Task Force on the 2028 Games, where he and the FCC will be responsible for assisting with the planning and carrying out of Olympic-related events. Carr joined President *Trump* at

the signing of the Executive Order establishing the Task Force and put spectrum at the forefront of his Olympic goals. "In keeping with the President's action today, the FCC will bring our expertise to bear to meet the spectrum needs and other operational requirements of this historic event. I look forward to working with the Task Force and all stakeholders to deliver on the President's goal of making this one of the most successful sporting events in history."

DISNEY KEEPS CARDS CLOSE TO CHEST ON FY26

Disney CEO Bob Iger and Sr. EVP/CFO Hugh Johnston spent a bit of time repeating themselves during the Q&A portion of the company's 3Q25 earnings call. They fielded a few questions about Disney's expected content spend and guidance for next year, as **ESPN** prepares to get into the **WWE** PLE business, launches its new DTC streamer and expands its **NFL** offerings, answering with a version of "I'm going to defer on talking about '26 until the big Q4 call" each time. As far as 3Q25 goes, revenues increased by 2% YOY to \$23.7 billion, while income before income taxes grew 4% YOY to \$3.2 billion. Total segment operating income was \$4.6 billion, 8% growth YOY. On the Entertainment side of the business, while DTC revenue grew by 6% YOY, linear network rev was down by 4%. Disney added 2.6 million **Disney+** and **Hulu** subscriptions since 2Q25, but the company announced that it'll stop reporting subs and ARPU for those streamers in 2026 and **ESPN+** in 4Q25. Domestic **ESPN** operating income declined 7% YOY due to the higher programming and productions costs reflecting contractual rate increases for the **NBA** and college sports. Disney's Sports segment revenue was \$4.3 billion, down 5% YOY compared to \$4.5 billion in 3Q24. Sports segment operating income grew by \$235 million to \$1 billion, 29% growth YOY.

BCE COMPLETES ZIPLY ACQUISITION

BCE's \$3.65 billion acquisition of Pacific Northwest-based provider **Zipty Fiber** closed. The deal expands BCE's fiber footprint in the U.S. by 1.4 million locations. Zipty will continue to operate as a separate business unit from its HQ in Kirkland, Washington, with its existing leadership aligned with BCE's strategy. The Zipty purchase, as well as a strategic partnership with PCP Investments to form wholesale network provider Network FiberCo, will allow BCE to continue its expansion into the U.S. market, with the potential to reach up to 8 million fiber locations in the States. BCE will update its 2025 guidance to reflect the Zipty acquisition when it reports its 2Q25 results Thursday.

NEW T-MOBILE INTERNET BENEFITS

New **T-Mobile** 5G Home and Small Business internet customers now get access to more benefits. Home Internet

Amplified plans will now include 24/7 tech support for new customers. Previously, this benefit was only available to All-In plan subscribers. Meanwhile, the Small Business Internet Amplified and All-In plans now come with Advanced Cyber Security for new customers, helping block harmful sites, detect suspicious activity and keep connected devices safe from online threats.

RATINGS

HGTV maintained its summertime cable ratings momentum for another week (July 28-Aug. 3). The **Warner Bros. Discovery**-owned network finished third in primetime with an average of 552,000 viewers P2+, only trailing **MSNBC** (754,000) and **Fox News** (2.39 million) but beating **ESPN** (543,000) and **CNN** (498,000). The news nets took the top-three spots in the total day category as Fox News, MSNBC and CNN posted 1.48 million, 506,000 and 353,000, respectively. HGTV followed with 309,000, while ESPN checked in at 298,000. Speaking of ESPN, the network said it's currently pacing to have its best season of Sunday Night Baseball in eight years. After this week's Phillies-Tigers game averaged 2.03 million—up 72% from last year's comparable game—SNB is averaging 1.68 million viewers, up 7% YoY. – Ahead of next week's **Independent Show**, **Jewish Life Television** said it had a 128% spike in the number of **NCTC** video operators that added the network to their lineups since TIS24. JLTV had 18 operator partners prior to last year's event, including **altafiber**, **Buckeye Broadband**, **Cox** and **Hotwire**. In the months since, 23 more members added JLTV, in addition to a carriage deal JLTV made with **Breezeline's** parent company **Cogeco** for distribution in Canada.

PEOPLE

After more than 19 years in the role, *Jo Pamphile* is stepping down as President/CEO of the **T. Howard Foundation**, a nonprofit org that helps college students start careers in the media, entertainment and tech industries. Pamphile will assume the honorary title of President Emeritus. Stepping into the President/CEO role is *Judi Lopez*, who was a member of the THF board from 2007-24 and served two consecutive terms as board chair, from 2020-24. She also previously served as EVP, Distribution and Content Strategy at **Hallmark Media**, led the content distribution strategy at **Fuse Media** and held multiple leadership roles at **AMC Networks**. *Sarah Giannakopoulos* has also been promoted to COO. She has served in senior leadership roles at THF since 2020. – **ESPN** promoted *Nick Rud* to VP, Sports Production for Diamond and College Olympic Sports. It's a newly made role that'll see Rud hold the creative development and production of multiple sports categories under his purview, such as college softball, baseball, field hockey, wrestling and Little League events. Rud has been with ESPN for 21 years.

Think about that for a minute...

Try It, You'll Like It

Commentary by Steve Effros

I'd normally write this at the end of a column: "try it, you'll like it!" The "it" is turning off all your interconnected devices for a day. That happened to me Monday (I have yet to learn exactly what happened) during a major fiber line rebuild around here. Everything went dead. I do mean everything. Broadband, cell service, all gone.

By noon, Verizon and AT&T were telling folks they didn't expect to get service back up until Tuesday. No phones (including "landlines"), no internet, no social media, no inane news (television was out, too, if you "stream"). It was wonderful. Talked with neighbors. Read a book. Listened to some music (I still have lots of CDs!). It was a mental holiday. Try it, you'll like it!

Now, on to the mind-bending stuff, like comments last week by FCC Chair Brendan Carr. He was explaining why it was absolutely in the public interest to investigate the big networks over their negotiating positions with local television stations regarding network affiliations and retransmission consent payments. The bottom line here is that the FCC Chair is putting his "thumb on the scale" in favor of "local stations" and threatening some networks. Part of his argument is there is an increasing lack of trust in the media. One might ask who has most loudly promoted that distrust. But I didn't see any comment on that.

On the "local control" issue, the reality is that some of the local broadcasters are really unhappy with the terms of new affiliation agreement negotiations. They also don't like the amount of money being charged to use network distributed programming. Now I'm not going to get into the issues of who is taking too hard a line, or asking for too much money. That's for negotiation among the parties. After all, the networks could probably pretty easily find another outlet in the local area, or online, to distribute their material. It's a wide-open marketplace decision. It shouldn't be a government decision. The Chairman says local, particularly small broadcasters, need to be protected because they are so valuable to the local population and are still "unique," even though most folks

now have multiple ways to see, hear and participate in media almost everywhere.

Nope, local, smaller stations are critical for the American populace and he's going to make sure they're protected from the "big guys" who are trying to impose too much control over local folks. Oh, did I mention that what he also didn't comment on was how he could square that "apple pie" "public interest" argument with the fact that the administration just gutted the financial base of the Corporation for Public Broadcasting, which has announced that it's going to have to shut down? Public broadcast stations, particularly small, more rural ones, are in some cases almost completely dependent on that CPB money. They likely will have to shut down too. There seem to be worms in the "apple pie" argument.

So what to do? Well, the "small, local" broadcasters the Chairman says he wants to protect apparently think the real answer is for them to get bought out by bigger owners. But there are current restrictions against any license holder owning too much. Ooops. There's also a proposal at the FCC to change the rules to enable those purchases! What? Local public stations are relying more on advertising revenue, the way their competitors in the streaming industry are doing? Oh, that's right, the Commission also launched an investigation looking into whether the current "contributing sponsors" of public stations are violating rules against advertising! And this, according to the Chairman, is all designed to protect local viewers' rights not to be unduly controlled by the "big network guys." Apparently the big government guy doesn't count.



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(Steve Effros was President of CATA for 23 years and is now an advisor and consultant to the cable industry. His views do not necessarily reflect the views of Cablefax.)

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