



National Basketball Association

**Testimony of William Koenig
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“Field of Streams: The New Playbook for Sports Fans”

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Good morning Chairman Cruz, Ranking Member Cantwell, and members of the Committee. My name is Bill Koenig, and I am the President of Global Content and Media Distribution for the NBA and am responsible for the NBA’s and WNBA’s media arrangements. I have been with the NBA, in various capacities, for nearly 35 years, focused on media distribution of our content, including our live game telecasts, for the majority of that time. Thank you for inviting me to testify about the NBA’s approach to game telecast distribution and about the media issues facing sports leagues more generally.

I am especially pleased to testify about the NBA’s new national media arrangements with Disney, NBC Universal and Amazon. Starting next season, our fans will have unprecedented access to (i) more than 300 nationally telecast games, (ii) five-times more national game telecasts on free over-the-air networks and (iii) every national game telecast through broadly-distributed streaming services.

Brief NBA Broadcasting History

As brief background, the NBA is made up of 30 teams throughout North America, 29 in the United States and one in Canada. Our live game telecasts are available on television and other devices throughout the United States and over 200 other countries and territories. But it was not always this way. In the 1960s, our games were rarely available on national television – and when they were, they were often relegated to segments on ABC’s Wide World of Sports rather than as standalone broadcasts. And into the 1980s, our Finals games (featuring legends such as Larry Bird, Magic Johnson, Kareem Abdul-Jabbar and Julius Erving) were not aired live, but on tape delay (at 11:30 p.m. after the local news). I am pleased to say that we have come a

long way, which is a testament to our teams, players, the appeal of our game and our efforts to respond to technological advances in media for the benefit of our fans.

Importance of Serving Our Fans

Part of that success comes from a sustained focus on serving our fans by studying and adapting to evolving media consumption patterns, which have shifted dramatically over the past decade. Ten years ago when we entered into our current national television agreements with Disney and Turner Broadcasting Systems (now, Warner Bros. Discovery), more than 100 million U.S. households subscribed to “pay television” (i.e., cable, satellite and telco video providers that offer packages with linear networks like Fox and ESPN), the number of pay television households was almost 90% of the number of broadcast television households, and about 60 million households subscribed to streaming services (e.g., Netflix or Amazon Prime Video). Today, the number of U.S. households that subscribe to pay television has declined sharply to about 45 million – about one-third of the 126 million households that have access to broadcast television, and the nearly 120 million that subscribe to a streaming service. And some of the leading individual streaming services (e.g., Amazon Prime Video) reach nearly twice the number of households than any cable network reaches. As a result, far more video is consumed today through streaming services than through pay television – and this shift is particularly significant for the NBA which has the youngest average fan base of any major league (44 years old), whereas the average age of a cable network viewer during prime time is over 60 years old.

These trends were top of mind as we negotiated our new national media agreements, which will begin next season. One of our top priorities was to ensure that we serve all our fans. So, for those who engage with the NBA through pay television, we sought to significantly increase the number of games made available nationally on free broadcast television. And for the growing number of fans (particularly younger fans) who consume content predominantly through streaming services and digital platforms, we sought to significantly increase the number of games made available through those platforms and are hard at work with our partners to provide fans with the many benefits that digital distribution enables, including personalized, communal and immersive viewing experiences that engage fans with an array of interactive, fantasy and statistical features, alternative video and audio options, user-generated content and e-commerce integrations and much more.

New National Media Deals

We believe we achieved this balance in our new national media deals with Disney, NBC Universal and Amazon. Under these agreements, starting next season, more national NBA game telecasts will be available than ever before (over 300 games). An unprecedented number of regular season games will be broadcast on free over-the-air networks (ABC and NBC) each season (75 games – which is five times the number under our current deals). And approximately two times the number of playoff games, including every game of the NBA Finals, will be broadcast on free over-the-air networks each season.

In addition, to serve the growing number of fans who prefer to engage with the NBA through digital platforms, every single national game telecast will be available through broadly distributed streaming services – Amazon Prime Video, Peacock and the ESPN direct-to-consumer (“DTC”) service set to launch before next season. For many pay television subscribers (e.g., Charter customers in states such as Texas, Hawaii, North Carolina, Ohio and Wisconsin), the ESPN DTC service and Peacock will be included at no additional cost as part of their video subscription. And while there will be some games exclusively available on Amazon Prime Video, it is important to note that (i) Prime Video is the most widely available streaming service in the United States, with more than 100 million households that currently subscribe to it and (ii) our analysis shows that nearly 90% of our U.S. fans already watch non-NBA programming on Prime Video.

Overall, our new national media deals represent a significant step forward for the NBA and its fans. NBA games will be available nationally (and routinely) every night of the week in the latter half of the season: Monday on Peacock, Tuesday on NBC, Wednesday on ESPN, Thursday and Friday on Amazon Prime Video, Saturday evenings and Sunday afternoons on ABC and Sunday evenings on NBC. That is unprecedented and consistent exposure for our league and, most importantly, expanded access for our fans.

Discoverability and Accessibility

As the NBA negotiated our new national media agreements, we were mindful of the concerns expressed by some consumers regarding the fragmentation of telecast outlets for sports (and other) content and the related concern that, with so many outlets distributing games of a particular league or sport, it can be difficult for fans to find and access the content (including game telecasts) that they want to watch.

Cognizant of those concerns, in our national media negotiations, we took steps to address them. First, although several media and technology companies sought national NBA telecast distribution rights, we concluded that having just three national media partners would best serve the interests of our fans and decided against dividing our national rights into more packages. Second, it was important to us, in determining the optimal combination of partners, that Peacock and the ESPN DTC service are increasingly being included in video subscriptions offered by many pay television providers and that Amazon Prime Video is already available to almost every U.S. television household.

We also sought to make our games easier to find and access in a number of ways. As described above, we structured our schedule so that games air on a consistent night of the week for each national partner, making it easier for our fans to remember, adapt and watch. In addition, each of our media partners has agreed to allow the NBA App and other NBA platforms to serve as “front doors” to all national (and virtually all local) game telecasts. When fans want to check a score, or are unsure where a game is being telecast, all they need to do is go to the NBA App and be automatically directed to the game telecast on the relevant digital platform. Similarly, we are working with a myriad of league and team business partners to promote game telecasts and provide similar direct access to live telecasts. For example, if a fan is watching a highlight on a social media app, we will provide links and other tools endemic to the platform that will enable that fan to go straight into a game telecast. These fan-friendly options are only possible because every national game telecast is available on a digital platform.

Local Game Telecasts

A team's games that are not selected for national telecast by one of the NBA's three national partners are made available in the team's local market, typically by a regional sports network ("RSN"). More than any other participant in the pay television ecosystem, RSNs have been adversely affected by "cord-cutting," carriage disputes and re-positioning of networks to more expensive, lesser-penetrated programming tiers. Pay television subscribers to RSNs have dropped by nearly 50% in just the last five years and continue to decline. In addition to negatively affecting our teams' ability to reach fans with game telecasts, team revenues from both RSNs directly and other business lines, such as merchandise and ticket sales, that depend on broad telecast exposure have been negatively affected by the decline in RSN subscribers.

Because reaching fans with game telecasts is so important to the NBA, our teams continually look to optimize the distribution of their local telecasts through both traditional linear television channels as well as streaming services. To that end, a number of teams have shifted in recent years from RSNs (due to the factors mentioned above) to a combination of local over-the-air broadcasts and digital DTC distribution for their game telecasts. In each such case, they have been able to reach more fans. In fact, this season, there were more local game telecasts available on free over-the-air stations (570) than at any time in the last 20 years. Twenty-one of our 29 U.S. teams distributed games on broadcast stations this season (compared to one team only three years ago).

Although the NBA for more than a decade has authorized RSNs to distribute game telecasts through digital means, it has been only in the last three years that RSNs have begun to do so on a digital direct-to-consumer (i.e., streaming) basis. Recognizing the importance of reaching fans (especially young fans) through digital platforms and the many ways digital distribution can engage fans, teams have encouraged RSNs to deliver games through digital means and, in some cases, do so themselves. As a result, whereas no package of a team's games was available on a digital platform only a few years ago, today, 28 of the 29 domestic teams' games are distributed through digital subscription offerings.

WNBA

The WNBA also entered into national media agreements with Disney, NBC Universal and Amazon last year, commencing with the 2026 season. Under those agreements, more WNBA game telecasts will be available nationally on broadly distributed national television networks and streaming services (the ABC and NBC broadcast networks, ESPN and USA cable networks and the Prime Video, Peacock and ESPN streaming services) than at any time in the league's history. From a revenue perspective, these new WNBA arrangements, in the aggregate, represent the largest media deal ever in women's sports. And there is more to come. The WNBA has retained the flexibility to do additional national media deals (and thereby achieve even greater exposure and revenue), which the league is actively exploring. The popularity of the WNBA has grown exponentially in recent years, and these arrangements will enable that growth to continue.

Conclusion

The NBA is committed to providing all fans – whether they subscribe to pay television, streaming, or both – with access to hundreds of game telecasts each season. Expanding the reach of, and engagement with, our game telecasts are the principal objectives underlying our new national media agreements, our evolving linear and digital distribution approach to local telecasts and our popular NBA League Pass offering (the NBA's so-called "out-of-market" subscription service that gives fans access to all non-national game telecasts outside the market in which they reside, and which is available through both traditional pay television providers and digital platforms).

By making more games available nationally (including a record number of games on free broadcast networks) and every national game telecast available through widely available streaming services, and by continuing to distribute local and League Pass game telecasts through both pay television and digital services, we believe that our arrangements are well positioned to accomplish those objectives. We also believe the steps we are taking to make our games easier to find and access will address any fragmentation-related concerns as our distribution paradigm continues to adapt to changes in the video consumption habits of our fans. Our goal remains to

serve the interests of our fans, and we will continue to adjust our arrangements and approach with that goal in mind.

Thank you, and I look forward to your questions.