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Before the United States Senate Committee on Commerce, Science and Transportation

“Field of Streams: The New Channel Guide for Sports Fans”

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Chairman Cruz, Ranking Member Cantwell and the members of the Committee, thank you for inviting me here today to give MLB’s perspective on how the sports media ecosystem is evolving.

My name is Kenny Gersh, and I serve as Executive Vice President, Media and Business Development for Major League Baseball. In my role, I oversee MLB’s relationships with media rightsholders and distribution partners as well as our direct-to-consumer product, MLB.TV.

Currently, there are three main ways that we make live MLB games available to fans in the United States:

1. **National Games:** The League itself distributes our Jewel Events consisting of all postseason games, the All-Star Game and the Home Run Derby as well as a package of regular season games that are distributed nationally, consisting of fewer than 10% of the 2,430 regular season games we play each year.
2. **Local Regular Season Games:** Each Club retains the right to distribute their regular season games within their own home television territory, with the exception of the small amount of games that are chosen for national broadcast.
3. **Out of Market Regular Season Games:** The League itself makes all regular season games of every Club available outside of each Club’s home television territory via two subscriptions products – Extra Innings which is sold via Pay TV providers as an add on service to their customers and MLB.TV which is sold as a direct to consumer product by the League and available on all internet connected devices including Smart TVs, mobile devices and computers.

Looking to the future, as existing contracts expire, we intend to partner with entities that will make our games available to the broadest possible audience and to eliminate territorial restrictions to make our games available on one or more platforms to any fan that wants to watch them regardless of location.

At the national level, our most important events, the World Series and All-Star Game, along with approximately 60 exclusive nationally broadcast regular season games are made available on FOX, an over the air broadcast network. Our other primary national broadcast partner, WBD, makes postseason games available via the widely distributed Pay TV channel TBS and on their direct-to-consumer service, MAX. We also work with new media entities, including Apple and Roku, to make a selection of regular season games available to fans that are outside of the Pay TV ecosystem.

Since the late 1990's, the predominant way that MLB Clubs have distributed live games to fans in their local markets has been through the Pay TV ecosystem. The bulk of each individual Club's regular season games have traditionally been licensed to Regional Sports Networks (known as "RSNs") which were primarily distributed in each Club's home television territory via Pay TV systems including cable, satellite and IPTV providers. This system worked well for baseball fans for many years. Most homes in the United States subscribed to a pay TV service, peaking at approximately 105 million households in 2010. An overwhelming majority of those households subscribed to basic-tier packages that included access to their local sports teams. However, over the last decade, as more and more entertainment content began to migrate to streaming services, fewer households subscribed, or continued to subscribe, to pay television packages. To make matters worse, as the number of pay television subscribers continues to decline, Pay TV distributors have begun to relegate the RSNs to more expensive tiers or not carry them at all. As a result, the RSN model has begun to crumble. The lack of availability of the RSNs on many Pay TV systems, or the need to subscribe to a higher tier to receive them, has created what is known as "local blackouts."

In addition to the regular season games that are available via our national partners and locally via RSNs, Major League Baseball makes all regular season games available outside of each Club's home television territory via Extra Innings and MLB.TV. MLB.TV is a direct-to-consumer service originally launched by Major League Baseball in 2003 to make games accessible to the fans that live outside of their favorite team's home television territory. In 2024, MLB.TV streamed over 14 billion minutes of live game action to our fans and we are on pace to surpass this record setting level in 2025. Overall, the fans response to MLB.TV has been overwhelmingly positive, however, historic contractual arrangements prevented us from making games available in the Club's home television territories, leading to additional fan frustration with local blackouts.

The combination of declining, affordable access to Regional Sports Networks, and the lack of access to fan's home team games via MLB.TV or other direct-to-consumer offerings presents obvious challenges. Commissioner Manfred identified expanding MLB's

reach as one of his top priorities. I am happy to report that, thanks to the Commissioner's focus on this issue, more MLB games are available to fans than ever before in the history of our sport.

Faced with the crisis hitting the Regional Sports Network business, MLB built out the capability to produce and distribute live baseball games directly. Due to MLB's preparation and efforts, when certain RSNs shut down or dropped the rights to carry an MLB team, MLB was able to step in to immediately produce and distribute those games, ensuring there was no interruption for our fans ability to continue to watch those games on the same Pay TV systems that had previously carried them. Each time MLB took over the production and distribution of a Club's games, we immediately launched local direct-to-consumer services, expanding the availability of those Club's games to every fan in their market, many of whom had previously been blacked out due to their local RSN not being made available on their Pay TV system, if they subscribed to one at all.

After the recent launch by MASN here in Washington of their own direct to consumer service, for the first time ever, 29 of our 30 MLB clubs are now accessible in their home television territory via direct-to-consumer offerings, virtually eliminating the problem of local blackout of MLB games in the United States.

In addition to the wide availability of direct-to-consumer options, we have also been experimenting with other methods of making more games available to more fans. For the 2025 season, a majority of our Clubs now make a package of games available locally via free over the air broadcasts. On the national level, we have experimented with making games freely available via Internet connected devices, most recently with a package of games that are freely available via the Roku Channel.

Going forward, we will continue to focus on responding to the changes in the evolving media environment in a way that increases our reach and fan access to our games, so that whether a fan is a Pay TV subscriber or not, there is a frictionless opportunity to watch any game the fan wants to watch.

Thank you again for inviting me to testify today. I would be happy to answer any questions you might have.