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WHAT THE INDUSTRY READS FIRST

Anytime, Anywhere: What ESPN's Digital Future Looks Like

Sports has been at the center of a colossal shift in media, and **ESPN** is no stranger to that notion. The company has been vocal about its desire to extend itself more into the digital space, with its most notable move being taking the network and its properties direct-to-consumer sometime next fall.

ESPN chairman *Jimmy Pitaro* has long maintained a stance that ESPN won't leave linear in the rearview mirror, but in terms of the long-term priorities, the direction is digital. "We need to be everywhere. When I say everywhere, that means linear television, and we will continue to be made available through the MVPD ecosystem, but just as importantly, or perhaps more importantly, going forward it means being present on digital platforms, or more present on digital platforms, and then making our services available direct to consumer," Pitaro said during ESPN's Media Day on Wednesday at its Bristol headquarters.

Digital takes on multiple meanings under the ESPN umbrella. Leading that charge is its imminent DTC product which Pitaro referred to as "Flagship" throughout the day. Pitaro said it'll launch around this time next year—presumably before the 2025 football season begins. When it debuts, he said it'll be the culmination of progress made by **ESPN+** since its launch in 2018.

There's not a name (Pitaro confirmed it won't be "Flagship") nor a price point for the DTC offering quite yet, but Pitaro said ESPN is "somewhat agnostic" about the pricing. He added that ESPN has been good about obtaining the rights to launch the

flagship DTC product with recent MVPD renewals, with the most recent being Disney's carriage negotiations with **Charter** last year.

"There are many millions of people on the sidelines right now, including sports fans, that are not interested in the big bundle. So Flagship, while there will be some cannibalization, we are really looking at this in totality as being additive," Pitaro said. "I think it's fair to say that if people see Flagship and they do their own math, and they value it in a certain way, and they ultimately decide to stick with the larger bundle, we're very good with that."

Though nothing official was announced, Pitaro floated the prospect of adding value to Flagship through regional sports components. ESPN already has partnerships with folks like **NESN** that are team-specific, and the network remains keen on adding to that portfolio.

"It seems like every day I'm reading about a different team that is changing their approach in terms of local in-market games, and we want to be at least part of the solution," he said.

Flagship still has plenty of tasks to complete before it launches. ESPN is all hands on deck for anything pertaining to product and development, front-end and back-end technology and general product enhancements so that it can integrate its other brands. For example, someone who uses ESPN Bet and watches a game on Flagship will be able to get on-screen updates regarding the wager. That's in addition to integrating aspects like social media and other forms of content to accompany a live event.

"You're going to see deep connective tissue between video programming and ESPN Bet," Pitaro said.

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ESPN's desire to be everywhere puts content in the spotlight and how it's delivered to viewers. Content President *Burke Magnus* wants to encourage content that can reach different generations, but also that's fit for both linear and digital platforms.

"Social, digital and streaming are becoming every bit as important as linear distribution from a reach and relevance perspective," Magnus said. "I would like our programs, and by association our talent roster, to reflect the widest variety of fans that we possible can ... We're not going to succeed to the level we need to unless we reflect the taste of contemporary sports fans. That is different today from 10 years ago, certainly 20 years ago."

Even while ESPN defines its plans for a digital future, there's the overhanging question about the future of **Venu Sports**. The trio of **Disney, Fox and Warner Bros. Discovery** filed their appeal of a preliminary injunction that delayed Venu's launch. *Pitaro*—who couldn't expand much on Venu—affirmed his belief that the jv provides an alternative for those who've never subscribed to the traditional ecosystem.

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MORE FROM ESPN MEDIA DAY

What does **ESPN** Chairman *Jimmy Pitaro* think will be a hot topic at the 2024 ESPN Media Day? Besides a hopeful wish to reminisce on another New York Yankees dynasty, he settled on something that's already a common discussion point: artificial intelligence. "AI is not the awful, terrible disruptor that many people think it will be," he said. "I personally believe that AI will be very helpful and beneficial to the sports industry and the sports fan, and we're starting to see that." Pitaro's long-term vision sees AI being a critical component of personalized editions of "SportsCenter," using the technology for clip generation and narration. There are also benefits of text-to-speech, closed captioning at scale and cutting highlights from games. – In a move that targets the frustration of content fragmentation, ESPN is introducing a "Where to Watch" feature on its app and website. The guide will include broadcast, cable, regional sports networks and streaming services. Fans will be able to see all sporting events for a specific day. The guide will let users prioritize their favorite teams and leagues. They can also access those streams if they're on an ESPN network or ESPN+, or if the user is linked to an ESPN partner network (**NESN** and **Monumental Sports**).

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GOTHAM SPORTS FIND UNIFIED DTC HOME WITH YES AND MSG

YES Network and **MSG Networks** are launching the Gotham Sports App this fall ahead of the **NBA** and **NHL** regular seasons. The app, which will operate under the **Gotham Advanced Media**

and **Entertainment** jv formed by MSG Networks and YES earlier this year, will house MSG+ and the YES app and become the exclusive regional DTC and TV Everywhere home for the services. Teams featured include the New York Knicks, New Jersey Devils, Buffalo Sabres, Yankees and more. Fans within the networks' regional coverage territories in New York state, Connecticut, north and central New Jersey and northeastern Pennsylvania who are authenticated MSG Networks and YES subscribers through their pay TV providers will receive the Gotham Sports App at no additional cost. Beyond traditional programming the app will include free-to-play real-time games, a loyalty program and live stats.

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CTA, CES' NEW SHARED LOGO

The **Consumer Technology Association** is launching a [new look](#) to celebrate its 100th anniversary, and the revamped logo is, for the first time, a shared one between the organization and CES, its trademark event. The group said the logo embodies the connection between technology and humanity, and the unified mark brings together the two brands and the power behind them. CTA also redesigned and rebuilt CES.tech in honor of the anniversary, and the hope is it will now be a better destination to show off the individuals and technology bettering our world as well as the latest innovations.

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VERIZON EMBRACES SKYLO

Verizon partnered with non-terrestrial network communications company **Skylo** to launch a commercial direct-to-device messaging service for the wireless provider's customers. Starting this fall, customers with certain smartphones will have access to emergency messaging and location sharing even at times when a terrestrial cellular network is unavailable. Come next year, Verizon will offer the ability to text anywhere via satellite for customers with select devices.

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ESPN, USTA EXTEND DEAL

ESPN and the **U.S. Tennis Association** extended their rights agreement by 12 years. It'll kick in beginning in 2026 and run through 2037, keeping events like the U.S. Open on ESPN platforms. The deal also includes ESPN maintaining the U.S. Open in Latin America, the Caribbean and in Canada on TSN and TDS.

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LET THE PARALYMPICS BEGIN

It's the Paralympics' turn to take over Paris. The Opening Ceremony kicked off Wednesday on **USA** and **Peacock** and was led by NBC Sports host *Ahmed Fareed* and 13-time Paralympic

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medalist *Chris Waddell*. **NBC** will have three primetime windows of coverage recaps: Friday at 9pm with the first two days of competition, Sunday at 7pm with Days 3 and 4 and Sept. 6 at 9pm with everything from Week 2. USA will have at least nine hours of coverage every day starting Thursday. Peacock's streaming coverage will include the most ever for a Paralympic event, airing approximately 1,500 hours of coverage across all 22 sports. Peacock will also bring its successful "Gold Zone" show to the games, which will be hosted by *Carolyn Manno*. Gold Zone will stream each day through Sept. 7 from 11am-4pm. Other streaming features include discovery multiview, which will have the top events as they're happening, and a Paralympic-dedicated hub.

WEEKLY RATINGS

Last week's Democratic National Convention shook up the weekly primetime ratings for the week of Aug. 19-25. **MSNBC** took the primetime crown with an average of 3.37 million viewers P2+, followed by a close race between **CNN's** 2.2 million and **Fox News'** 2.17 million. **ESPN** and **NFL Network** continued to get ready for football season after posting 728,000 and 725,000, respectively. It was an all-out battle for the total-day crown. Fox News barely beat MSNBC after posting 1.454 million viewers compared to the latter's 1.449 million. CNN trailed with 916,000 with ESPN behind it at 556,000. **Hallmark Channel** finished the week at No. 5 in total day with 349,000.

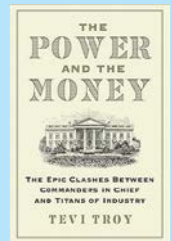
PROGRAMMING

Spectrum News NY1 will be live from the US Open starting at 6am ET Tuesday. "Game, Set, Match: Live from the Open" will feature interviews with players past and present like *Andy Roddick* and *Casper Ruud* as well as special reports on NYC's hidden tennis courts and the business side of the annual tournament. – As the exclusive Spanish-language broadcaster for FIFA through 2026, **Telemundo** has outlined its plans for FIFA U-20 Women's World Cup Colombia 2024. Coverage of the group stage will begin Saturday at 3:55pm ET with Cameroon vs. Mexico. The group stage will conclude Sept. 8, with New Zealand vs. Ghana at 6:55pm ET. Additionally, Telemundo will follow all Hispanic teams participating in the tournament, providing exclusive coverage and analysis of games and rising stars. Each game will be available to stream on the Telemundo app and Telemundo.com, with featured games simulcast on **Universo**, **NBCUniversal**, and Telemundo's Spanish-language broadcast channel. – Eight-time Super Bowl champ *Bill Belichick* is set to be a featured guest on all 11 "Monday Night Football with Peyton and Eli" alternate telecasts on **ESPN2** and **ESPN+** this upcoming season. Belichick will also launch a multiplatform show with *Peyton Manning* dubbed "The Breakdown with Peyton and Belichick." It'll debut around Week 1 of the NFL season. – **ESPN** greenlit "The Sack Exchange," a 30 for 30 documentary about the defensive line of the New York Jets throughout the 1980s. More details will be unveiled at a later date.

What We're Reading



With an election looming in November, CEOs and their reports are spending a lot of time contemplating what changes are on the horizon. Enter presidential historian Tevi Troy with his new book "[The Power and the Money: The Epic Clashes Between Commanders in Chief and Titans of Industry](#)."



"Although the universe of CEOs who deal with presidents is enormous, the number of CEOs with consequential interactions with more than one president is more finite," writes Troy in his forward. His book looks at 18 CEOs who navigated American politics during key periods, including Rupert Murdoch, Katharine Graham, Henry Ford, Oprah Winfrey, Bill Gates, the Warner Brothers and Mark Zuckerberg.

"For current and future CEOs, this book can be a guide for how to engage with an increasingly powerful and involved federal government, especially in our era in which both Democrats and Republicans target corporations in the rhetoric and often in the policy prescriptions," Troy writes. "For the rest of us, this is a cautionary tale of what happens when the federal government gets too big and too enmeshed in the activities of the producers and innovators in our economy: our costs go up while our freedom diminishes."



Troy, currently a senior fellow at the Bipartisan Policy Center, recently appeared on C-SPAN's "Booknotes+" [podcast](#) with Brian Lamb. The C-SPAN founder got him to open up about one of his favorite CEOs to research for the book—legendary movie mogul Lew Wasserman. He wanted to buy a studio, which was against the rules at the time. "And Wasserman, who had studiously ignored government his whole career, suddenly said, 'I have to pay attention to government.' And he got really good at it," he explained, detailing how Wasserman cultivated relationships with Lyndon Johnson, Ronald Reagan and Bill Clinton.

Troy's own history is interesting. He worked for several notable Hill figures, including Sen. John Ashcroft and Elaine Chao, who was Secretary of Labor under George W. Bush and Secretary of Transportation under Donald Trump. "She used to tell me really interesting things about corporations. She'd say, 'we think that corporations are on our side as Republicans, but you don't necessarily want to be in a foxhole with them, because they're kind of constant allies,'" he recalled to Lamb. "They go where the power is," meaning whichever party is in charge.

With [headlines](#) abounding about Elon Musk's donations to a pro-Trump Super PAC and Kamala Harris [reportedly](#) making a pitch to CEOs that she'd be good for business, the book and podcast are timely undertakings. In Troy's view, corporations are in some ways actors on behalf of the government given the large role it plays in shaping what they do. He might need to write a follow-up in 2025.

– Amy Maclean

Think about that for a minute...

Upcoming

Commentary by Steve Effros

It's always hard to know what to write about in a column just prior to a major "vacation holiday." There's a reluctance to get into any of the meaty stuff that I think everyone should be aware of and "...think about" when I know that a large cohort of the folks who normally read this column are nowhere to be found! Well, I know, many are in traffic, going somewhere. But the last thing they are, or should be thinking about is telecommunications and communications law, policy and the like. So hopefully we can get back to the nitty gritty stuff after Labor Day.

We're going to have to, because there's so much going on, and much of it at a national level, both politically and judicially, is going to have direct effects on what we in the business can, or cannot do going forward. It's going to be a really complicated time. So for this week let me just give you a short look at some of the things I think are upcoming.

To begin with, we have a telecommunications infrastructure that is morphing so fast it's not really clear what it's going to even look like. On a physical level, for instance, for quite a few years now the government has indicated that it favors fiber optics as the technology of choice for broadband distribution. To be sure, it's good stuff, and most major companies are heavily invested in building out fiber as fast as they can. But it doesn't make sense in a lot of more rural areas. So the FCC is finally looking, again, at the question of whether in those areas the subsidies that are being made available for fiber construction would be better spent on fixed wireless or satellite distribution. It's true that those technologies might not be as "ideal" as fiber in terms of specifications (throughput, speed, latency, etc..) but it's also true that they could deliver broadband to some areas a whole heck of a lot more efficiently and faster. What's more important?

Just as significant, there are rumblings in the background that I'm hearing regarding potential new breakthroughs on vastly improved, and inexpensive technology which could facilitate the upgrading of existing HFC plants to be able to

deliver broadband signals, two-way, almost as efficiently and with similar specs to fiber. What if that happens just after massive amounts of money have been allocated to build out a technology that is no longer unique? That's the challenge in just about every area these days.

And that brings up "AI" and LLM algorithms. They're developing unexpectedly fast, allowing new discoveries and creating new capabilities at a pace we have never seen before. They're also both the promise and the threat that various folks are talking about incessantly. But the irony is there may not be anything we can do to put "guardrails" around these developments to make sure they don't dangerously and uncontrollably run off the rails. That's because our legal and regulatory systems have been totally upended recently with the Supreme Court substituting the "Chevron" doctrine of deference to expert agencies with a new "Major Questions Doctrine" which says if there is something that could have major economic or political impact, its regulation (those guardrails) can only be put in place after Congress specifically says so regarding that technology or that specific "remedy."

But what does "major" mean, or how "specific" does legislation have to be before taking action that lower courts will not just immediately block if they are so inclined based on their own policy perspectives? That already appears to be happening. All of this and lots more, including new admin-



trations in Washington and probably lots of other curveballs are coming our way. I'll be "thinking about" all of it with you. Happy holiday.

Steve

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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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