

Rupert Murdoch's High-Stakes Blitz Against the NFL

Fox founder lobbies Trump to preserve air rights for broadcasters as powerful streamers encroach on their turf

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By Dana Mattioli, Josh Dawsey, Andrew Beaton and Joe Flint

Rupert Murdoch had a pressing matter to raise when he and his top lieutenants dined at the White House in February.

The National Football League was already by far the richest game in town, but it wanted more. The league was angling to reopen existing media deals, potentially giving deep-pocketed streamers a chance to make even more inroads into America's most popular sport. Murdoch's Fox network, the smallest of the NFL's partners, would have to pay up or risk losing its whole franchise to the likes of Amazon and YouTube.

At the dinner, Murdoch warned Trump that if streamers gained rights to more games, it would kill broadcast networks, a person familiar with the evening's events said. Trump listened to the concerns and asked questions about the business, the person said.

It was a bold play call, even for a media titan known for making them. Fox's fear of losing games created a highly unusual situation where Murdoch was seeking to stir up trouble for a partner it pays billions, fraying a relationship that has lasted for decades.

Last month, the Justice Department opened an investigation into whether sports leagues, the NFL most prominent among them, should continue to enjoy antitrust protections under the 1961 Sports Broadcasting Act,

which allows them to collectively negotiate television rights on behalf of teams.

Details of the probe couldn't be learned, and a person familiar with the matter said it is unlikely to result in a DOJ lawsuit against any of the leagues. The department declined to comment.

Still, the added scrutiny could embolden broadcasters to hold their ground when the NFL comes knocking. It could also turn into a political hot potato for the league if Congress decides to reconsider the SBA. After all, what football fan would disagree with a bill to make games more accessible?

Murdoch's gambit underscores the stakes not only for Fox but also for other major media players. The NFL is the most watched content on American broadcast television. It provides huge ratings to networks that are generally suffering from viewership declines as traditional media teeters, cord-cutting continues and subscription streaming services nab a growing amount of U.S. TV viewership.

"In the swamp that is entertainment," said former Fox Sports Chairman David Hill, "the only solid ground is sports."

The league has launched a political blitz of its own. Commissioner Roger Goodell spoke to White House chief of staff Susie Wiles in April, according to people with knowledge of the call. He expressed concerns over the new investigation and said the league was happy to show that its media model is the fairest among major sports leagues, one of these people said. Trump has also spoken to New England Patriots owner Robert Kraft in recent weeks, a senior White House official said.

The NFL has consistently touted its approach to media as the most fan-friendly in sports. Last season, 87% of games were available on broadcast networks—and matchups are aired on local TV in teams' home markets even if they also appear on paid streaming services.

“That’s something that’s been the core of our success,” Goodell said ahead of the Super Bowl, “and will continue to be my view.”

The National Association of Broadcasters, which lobbies on behalf of networks including Fox, questioned that figure, saying, “it does not describe what a typical fan can watch on local channels in their own market.”

In many respects, NFL fans are better served than when President John F. Kennedy signed the SBA into law. Back then, viewers could watch only their home team on local TV. Now, if they’re willing to pay the price for products such as YouTube’s Sunday Ticket, they can stream every single Sunday afternoon game. And unlike leagues such as MLB and the NBA, where the majority of games air on cable via regional sports networks, most NFL games are available on free over-the-air channels.

But the balance of economic power has shifted as well. When the SBA was enacted, streaming services didn’t exist and the NFL was still something of a second-tier sport at the mercy of broadcast networks. Being allowed to negotiate on behalf of all teams protected small-market franchises.

Now the roles have reversed. The NFL is all-powerful and broadcast TV is waning. Critics say the league is using an antitrust exemption made to benefit public broadcasters to negotiate lucrative streaming deals.

The broadcast networks—particularly Fox and CBS—are also frustrated because even as NFL games get spread out among more outlets, their price tag keeps going up. The Sunday afternoon packages for Fox and CBS have been diluted over the years by games moving to streaming and other days of the week.

Fox has also argued that if the cost of sports continues to rise it will harm its ability to serve the public with local news and other programming.

Murdoch and his top executives have sought many avenues to make their case. White House officials said they had heard about the issue from several of Murdoch's lieutenants across his sprawling empire.

Murdoch is chairman emeritus of both Fox and News Corp, parent of The Wall Street Journal.

Lawyers for Fox wrote in a recent letter to the FCC that if more live sports move to paywalled streaming services, it could have “devastating consequences for consumers and broadcast stations alike.”

“Without a media ecosystem that supports local broadcast stations delivering free live sports, fans face the prospect of skyrocketing fees to watch their favorite teams,” Fox wrote.

Local stations also expressed concern about sports moving to streaming in a [meeting with Justice Department officials](#) at a TV industry convention last month. Charlie Beller, deputy assistant attorney general for the Justice Department's antitrust division, and the division's chief of staff, Sara Matar, listened to a range of complaints from the broadcasters at the Las Vegas Convention Center.

Game changer

Fox disrupted the status quo in 1993 when it beat out CBS for the rights to air the NFL, leaving its rival without games for the first time in decades.

Murdoch, who had just run a similar play overseas in soccer for English Premier League rights, believed football's popularity could supercharge a network that was still seen as an also-ran to ABC, CBS and NBC.

The NFL put Fox on the map and allowed it to get stronger distribution and greater ad revenue.

As its rivals embraced the streaming era and sought to get bigger, Fox took the opposite approach. After a failed attempt to acquire what was then Time Warner, Murdoch sold most of the company's entertainment assets to Disney for \$71.3 billion in 2019. That move left it more dependent on the NFL than its rivals.

The company focused primarily on news and sports, protecting the current ecosystem rather than investing billions into streaming. It owns the ad-supported streaming platform TUBI and has launched the subscription services Fox One, which repackages feeds from its

broadcast and cable outlets. Fox Nation, an on-demand subscription service, carries both Fox News content and original programming.

The NFL, meanwhile, has capitalized on a media landscape that Goodell has said is changing dramatically.

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The \$110 billion in rights deals the NFL forged in 2021 with Amazon, CBS, ESPN, Fox and NBC represented a windfall. Thursday Night Football moved from Fox to Amazon exclusively and Goodell said the shift from broadcast to streaming dramatically lowered the average age of the viewing audience.

And despite Fox's recent alarmism about streaming, it opted to give up Thursday Night Football, clearing the way for Amazon to get the rights. It even pulled out of its deal a year early.

Netflix aired its first game in 2024, part of what Goodell has called a push to meet fans where they are. These days, that's less and less on traditional television networks. The NFL takes in several billion annually in nonbroadcast rights fees including Sunday Ticket and "Thursday Night Football."

The pacts brought in a huge increase in revenue for the league through 2033 and included opt outs after the 2029 season. Despite the scale of those deals, league insiders began to feel it wasn't enough.

So when the National Basketball Association signed its own collection of record deals in 2024, more than doubling the fees the league receives per season, the NFL wanted more, people familiar with its thinking said.

NFL owners and executives saw their own soaring ratings relative to basketball and other sports and shared the same thought: We're way underpaid.

The league didn't have a mechanism to go back to the bargaining table, but an opportunity would soon arise.

Skydance's Paramount merger, which closed last year, triggered a change of control clause in the NFL's contract with CBS that gave it the option to renegotiate. CBS currently pays about \$2.1 billion annually for its Sunday package and the league is seeking an increase of at least 50%, according to people familiar with the matter.

The NFL, which owns stakes in CBS parent Paramount and Disney's ESPN, is betting that it can use that renegotiation to bring other media partners back to the table. It has told some broadcast partners it would remove the 2029 opt-out clause if they are willing to pay more now, people familiar with those discussions said. Those who don't extend could see the league pursue other partners after 2029.

Networks with multiyear deals in hand have bristled at the move. They want the league to extend the deals beyond the current 2034 end date if they are going to pay more, said people familiar with their thinking. The NFL has said in internal discussions that it isn't interested in extending the deals, but hasn't yet approached all of its partners, people familiar with the matter said.

With more companies such as Netflix showing an interest in buying [rights](#) to stream more games, the league could credibly threaten that if the others aren't willing to renegotiate, packages of games could be sold elsewhere by the time the opt-outs arrive.

Justice probe

The Justice Department's probe puts the new reality of entertainment in the spotlight: Sports fans and consumers now subscribe to a multitude of streaming services, which led to a fragmented viewing experience compared with cable bundles.

Viewing access and affordability issues have galvanized some conservative lawmakers and consumer advocates.

“Watching a season of your favorite NFL team has turned into a \$1,000-a-year scavenger hunt,” said Grant Spellmeyer, President and CEO of America's Communications Association. “It is not only unfair to sports fans, but also to pay-TV subscribers everywhere who are forced to subsidize excessive league fees.

Republican Sen. Mike Lee is among the lawmakers scrutinizing the new reality of fandom that has resulted from the antitrust exemptions leagues enjoy.

Lee, who has positioned himself as a competition expert within the Senate, has expressed issues with all antitrust exemptions, including protections under the 1961 SBA. His view, according to a person familiar with the matter: Why should some industries enjoy carve-outs while others don't?

Last year, he urged the Supreme Court to overturn a precedent that shielded professional baseball from antitrust laws. He introduced a bill to repeal the antitrust exemption for graduate medical resident matching programs. And in March he wrote a letter to the DOJ and Federal Trade Commission requesting a review of whether the NFL's media deals comply with the SBA.

“To the extent collectively licensed game packages are placed behind subscription paywalls, these arrangements may no longer align with the statutory concept of sponsored telecasting or the consumer-access rationale underlying the antitrust exemption,” Lee wrote.

He is concerned that fans have to sign up for costly streaming services to watch games, the person familiar with Lee's thinking said.

Brendan Carr, chairman of the FCC, has similar concerns. In February, the FCC began a probe into whether the changes in the sports-media business are harming consumers and broadcasters by placing so many games on streaming services causing costs to rise for fans.

A longtime sports fan, Carr encouraged DOJ officials to open its investigation, according to people familiar with the matter.

In recent weeks, NFL officials have met with the FCC. In a 17-page presentation, the league explained how allowing it to negotiate media rights deals on behalf of its 32 teams is better for consumers. “Without Leaguwide Media Deal = Higher Costs and Confusion,” one slide read.

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