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ROPES & GRAY

Sports Law Today

Newsletter

In This Issue

What Have Our Sports Lawyers Been Up To?

- Tune in to the ***R&G Dugout***, **the Ropes & Gray podcast series** that delves into the dynamic world of sports investing, with a focus on the evolving ecosystem of media, entertainment, and private capital ventures.
- On January 17, **Erica Han and Jackie Cohen spoke at the ICR Conference** on a panel discussing "Hot Topics in Publicity Rights (aka "NIL") for Consumer Brands." Ropes & Gray was a sponsor of the three-day event in Orlando, Florida.
- On May 16, **Lindsay Richardson spoke at the Sports Lawyers Association 50th Annual Conference** on a panel discussing "The Globalization of Sports Finance – International Investment Opportunities and Challenges and How to Manage Them." Ropes & Gray was a sponsor of the three-day event in Nashville, Tennessee.

Opening Kickoff

Chris Conniff
Partner, Co-Chair, Sports Industry Initiative

This summer exhibited dynamic movement in the sports industry, with the Ropes & Gray Sports Industry Initiative busy fielding new developments. Recently, our team has worked on complex regulatory, intellectual property, and investigative matters, as well as dynamic transactions, with both our legacy sports clients and those that are newer to the sports industry. We have greatly enjoyed connecting virtually and in-person with you at events like the NCAA Final Four, Sportico's Invest West, World Congress of Sports, and the Sports Lawyers Association Annual Conference.

I hope you enjoy this newsletter, which showcases private investment in sports, including articles on private investment in the NBA and WNBA, and the newer entry of private investment into college sports. We further discuss how college sports has been totally transformed by the recent *House* settlement, with implications that we are continuing to monitor. Finally, we address the latest developments in NFL media rights.

Please don't hesitate to be in touch with your questions and comments. We are happy to be of service.

Wishing you a splendid start to the fall season!

Sincerely,
Chris

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Private Equity Playbook: Comparing Investments in Professional and College Sports

By: Lili Flores, Maureen Greason
Edited By: Patrick Dorime, Tatum Wheeler, Kennedy Myers

Private equity firms recognize the value of investing in U.S. professional sports—the sector's growth is outpacing other industries and asset classes due to the rapid increase in franchise valuations.[1] However, those same firms have not yet fully taken the plunge into college athletics.[2] The opportunities in this sector will continue to expand, and already sports funds like Elevate have reportedly closed deals with Power Four schools.[3] Though the bottom line in professional and collegiate athletics investments may be the same, the sharpest private equity investors will apply distinct strategies for investing in each industry—particularly due to differences in applicable regulations and structures.[4] The below explains the key differentiators between professional and collegiate sports that institutional investors need to know.

Current Field of Play in Professional and College Sports

Private equity is not new to the world of professional sports. It is a key player in everything from team ownership to stadium financing.[5] Private equity firms play an important role in many sports-adjacent industries as well, investing heavily in sports-related media and technology.[6] While private equity's role in professional sports has been evolving for years, private equity firms were not permitted to invest in U.S. professional sports franchises until 2019, and these investments have grown significantly since.[7] The MLB was the first U.S. league to allow institutional investors to acquire ownership stakes, followed shortly by the NBA, NHL and MLS, and most recently, the NFL.[8] NFL team owners voted in September 2024 to allow several private equity firms to acquire passive stakes of up to 10% of an NFL franchise.[9] Some of the first private equity investments in the NFL have now come to fruition with Arctos Partners acquiring a 10% stake in the Buffalo Bills and Ares Management being approved to acquire a 10% stake in the Miami Dolphins, in addition to its investments in Hard Rock Stadium and the Formula 1 Miami Grand Prix.[10] Now, all the U.S. major men's professional sports leagues allow private equity investments in franchises, and financial opportunities continue to grow.[11] For instance, 10 of the 30 NBA teams are private equity-backed, and 10 other NBA teams are affiliated with private equity firms.[12] These 20 teams are valued at an estimated $86.3 billion total.[13] Recently, private equity investment firm Sixth Street purchased a portion of the NBA's Boston Celtics, contributing $1 million to the record-setting $6.1 billion purchase price, the highest sale price of any North American sports team.[14]

Private equity firms are also targeting other professional leagues and organizations, including NASCAR, Formula 1, and the National Women's Soccer League, as well as more niche professional leagues.[15] For instance, Left Lane Capital led the initial funding round of $15 million for the Snow League, a professional winter sports league launched by snowboarder Shaun White.[16] Further, private equity firms have become increasingly interested in emerging leagues, such as the professional padel league World Padel Tour, and the professional pickleball leagues Major League Pickleball and the Professional Pickleball Association, which have merged to further propel the growth of the sport.[17]

Due to the significant changes to the business of college athletics over the past five years and continuing shifts in the industry, private equity firms are now starting to consider college sports investments. Name, Image, and Likeness (NIL) deals have bypassed the amateurism model of the past, and top conferences see large profits and media contracts.[18] Yet, at the same time, college and university operating costs have increased,[19] the opening of the transfer portal is driving competition among schools, and Division 1 schools that opt in to the *House v. NCAA* settlement (the "*House* settlement") have the additional burden of annual revenue sharing.[20] As the revenue gap between schools in different athletic conferences continues to widen, and less profitable schools are left without viable conference exit options, schools could be left with little choice but to turn to outside investors.[21] Simultaneously, schools that are already athletically and financially successful may seek to further commercialize their sports programs, adding additional resources to remain competitive and increase the quality of their programs.[22]

While the framework for investing in college athletics has not yet been solidified in the same manner as in professional sports, investors have begun to consider a variety of potential investment opportunities. Private equity investors see college sports media rights, sponsorships, merchandise, and ticket sales as "underleveraged assets" with strong revenue potential.[23] Further, investors are signaling interest in investing directly in university athletic departments, with a focus on football, which many investors see as undervalued.[24]

As an example of a school seeking private capital, Florida State University (FSU) has been working for years to close the revenue gap between itself and higher-earning rivals, and has turned toward private equity.[25] The school reported an athletic department debt of $2.5 million in FY 2023, and cited an approximate $7 million revenue gap between the school and peers in the Big Ten Conference and Southeastern Conference (SEC) in 2024, projected to increase to $30 million in 2025, with conference realignment and new media deals.[26] FSU's private equity discussions began in part due to its reported desire to exit the Atlantic Coast Conference (ACC) because of this inter-conference revenue gap.

The need for capital could be increased if conferences, rather than individual universities, begin to make private investment deals. Notably, as of late February 2025, the Big 12 Conference was reportedly near finalizing a deal with RedBird Capital.[27] This cash infusion, combined with the Big 12's existing media rights deals with Fox and ESPN, would move the conference significantly closer to the earnings of the Big Ten Conference, which leads all of the college sports conferences in media earnings.[28] However, the Big Ten is also evaluating private equity partnership opportunities, which could again widen the economic gap between conferences.[29] The Big Ten has begun taking bids from private equity firms, despite already being the highest-revenue conference in the National Collegiate Athletic Association (NCAA).[30] However, conference rules may require a majority to approve these investments, which means that holdouts from conference members could prevent or slow potential investments.[31]

Scoring Big: Opportunities for Private Equity Investments in Professional and College Sports

Professional team owners are welcoming private equity investors as a new solution to their liquidity issues as team valuations continue to skyrocket, and as a new way to infuse capital behind their assets.[32] Historically, professional team ownership was generally dominated by high-net-worth individuals and families; however, many people are now priced out due to the significant growth of team valuations.[33] Due to the rising valuations and costs to own stakes in franchises, institutional capital offers a route for existing owners to raise money to help drive the continued growth of their franchises.[34] The infusion of capital enables franchises to invest in and advance their talent, technology, and overall profitability.

From an investor perspective, college athletics present a unique opportunity to enter an untapped, revenue-generating market.[35] Entering into partnerships with university athletic departments, especially those in the largest athletic conferences, could expand brand awareness. Strategically, this new market represents a diversification opportunity for firms and an opportunity to capitalize on this new asset class.[36]

In practice, a traditional debt financing structure—in which a private equity fund would invest into an athletics department in exchange for revenue (e.g., ticket sales, media revenue)—may be private equity firms' preference for investing in college athletics.

For example, sports and marketing agency Elevate has launched a $500 million "Collegiate Investment Initiative" college sports fund alongside private equity firm Velocity Capital Management and the Texas Permanent School Fund Corporation.[37] Elevate has reported that two eight-figure transactions with Power Four schools have been agreed upon, with additional deals expected before college football season kicks off. [38] The Collegiate Investment Initiative's investment strategy will prioritize key infrastructure and commercial projects.[39] As Elevate's Chief Business Officer for College Jonathan Marks told *Front Office Sports*, capital will be provided to schools through private credit agreements without Elevate taking an equity position.[40]

Private capital firm College Athletics Solutions (CAS), launched by Redbird Capital and Weatherford Capital founders, plans to partner with athletic departments by offering a loan in exchange for a share of revenue over a specified time period.[41] CAS will be led by RedBird managing partner Gerry Cardinale and Weatherford Capital's Drew Weatherford, and reportedly plans to invest between $50–$200 million each into five to 10 public or private athletic departments across "top-tier college sports."[42] CAS intends to use a standard management fee structure, similar to those used in professional sports investing, which will likely be used by other private equity investors in college sports in the future.[43] Essentially, CAS would lend university athletic departments money in exchange for the ability to share in revenue for a set number of years. In a hypothetical "case study" CAS provided in a pitch deck, CAS estimated that a $150 million loan to an athletic department, in exchange for revenue-sharing for the next 15 years, would yield a $26 million return in the first year, and a recouping of CAS's initial investment by year five, ultimately more than doubling its money over the 15-year period.[44] CAS stated that it would create a university-controlled special purpose vehicle in which athletic department income would land, and revenue would then be shared with CAS and the school.[45]

Alternatively, private investors and universities may be able to work together on equity financing deals, creating new, separate entities.[46] Universities could form separate, affiliated entities to sell equity to third parties. The separate entities would have their own governance structure and leadership.

Beyond the infusion of capital, private equity firms could also provide strategic expertise to universities working to maximize profits from the commercialization of media rights.[47] Firm experience and business acumen could lead to significant increases in school profits.[48] In the CAS pitch deck referenced above, the firm emphasized its sports-specific investment experience, which could be a selling point for schools looking to alternative capital sources.[49]

A New Playbook: Challenges for Private Equity Investments in Sports

While many professional leagues are now welcoming private equity investments, they have also created restrictions. These come in various forms, including limitations on the percentage of ownership stake that can be held by private equity firms, and on the number of franchises a private equity firm may invest in.[50] For example, the NHL, MLS, and NBA allow up to a 20% ownership stake by a single private equity fund, while the MLB allows a fund to own up to 15% of a single team, and the NFL only allows up to 10%.[51] While the other major men's professional sports leagues allow a team to sell up to 30% of its equity to funds, the NFL caps this sellable equity at only 10%.[52] These financial limits ensure that institutional investors do not hold voting power, but instead remain passive investors.[53] While in other industries, private equity firms often seek control in connection with their investments, private equity firms do not generally take on any operations-related decisions in these men's professional sports investments due to league regulation and governance factors.[54]

Private equity will continue to play a role in professional athletics, offering new opportunities for franchises, leagues, and investors to profit, and we're already seeing this investing playbook be used in the world of college athletics. Similar to the professional level, universities and college teams will need to carefully consider new hurdles that the introduction of institutional capital may present and will likely need to implement restrictions on private equity investing.

For example, the academic mission of colleges may clash with strictly commercial investor interests, as universities are typically structured as nonprofits and are resistant to abdicating governance over their programs.[55] Although some universities are eager to work with private equity investors, others are hesitant. For instance, Notre Dame's athletic director, Pete Bevacqua, has previously turned down private equity offers.[56] Prior to the *House* settlement, Bevacqua stated that the school can handle the *House* financial pressure itself, thanks to its alumni-run NIL collectives, academic prowess, and current financial position.[57]

Other schools may be hesitant to turn over control of their athletic programs to investors. Private equity investors may seek to buy controlling stakes in college football programs, which could result in significant on-campus changes. Marc Lasry, CEO of Avenue Capital Group, previously stated that he thought schools would begin selling their football teams to private equity firms, which would "buy 51% of the team . . . ."[58] In that case, schools may lose control and decision-making power over their teams. However, this scenario may be unlikely, due to the nature of schools and their athletic programs, and the fact that universities may mirror professional leagues by imposing funding limitations. The structure of college athletics may also pose difficulties for investors because university athletic programs are not necessarily separate entities from their universities.[59] Gerry Cardinale, RedBird Capital and CAS founder, previously acknowledged that it would be "complicated" to uncouple a college football program from its college.[60] In addition to this entity structure, universities are frequently structured as nonprofits, which poses additional investment challenges.[61] More specifically, private equity firms do not generally see nonprofits as commercially optimized.[62]

Risk-averse private equity firms may be hesitant to enter this new market amid litigation directed at schools, conferences, and the NCAA, and the resulting uncertainty surrounding athlete compensation and employee status.[63] In addition to this pending litigation, the college athletic landscape continues to change in the face of shifting NIL policies, guidance, and legislation.[64] Realignment of college sports conferences in recent years, as well as the introduction of the transfer portal, has also increased turmoil within the NCAA.[65] Further unpredictability comes in the inherent nature of sports itself, in which teams and universities can fall out of public favor quickly, whether it be because of team performance issues, coaching changes, or scandal.[66] Private donors decrease their contributions when teams perform poorly.[67] Thus, some investors think college sports are too risky and unpredictable to invest in as the landscape continues to shift.[68]

Looking Ahead: The Future of Private Equity Investments in the Sports Industry

Private equity investors are already circling the field, bringing additional capital to the burgeoning college athletics industry. With universities and athletic departments facing financial strain, private equity investors are pursuing opportunities to capitalize off the changing landscape.[69] Although some schools are struggling financially, college athletics as a whole has continued to become more lucrative as the shift away from amateurism continues.[70] Investors see college athletics as a burgeoning opportunity for profit, and investor confidence in the profitability of college sports is increasing.[71] The profit opportunity, in combination with schools seeking an influx of cash, could lead to university-investor partnerships with significant profits for both parties.[72] While valuations of college teams continue to grow, schools and conferences may make deals with institutional capital to assist with their liquidity needs.

As college athletics brings in private equity, schools and leagues will face an array of hurdles in introducing institutional investors into the game. To date, private equity investments in professional sports have often been in the form of ownership stakes, but the approach at the college level will likely differ due to the structure of college athletics, where teams are generally not separate legal entities and instead fall within the purview of athletics departments.[73] This structure may lead private equity investors to novel approaches to financing, perhaps focusing on media rights and sponsorship, rather than ownership stakes.[74]

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House v. NCAA Settlement Approved: Era of Direct Payments to College Athletes Begins

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On June 6, 2025, Judge Claudia Wilken of the U.S. District Court for the Northern District of California approved the landmark settlement in the *House v. NCAA* class action suit (the "*House* settlement"). The *House* settlement will fundamentally shift the economics of college athletics, allowing schools to pay Division I players directly and ending the long-standing amateurism model.[1] The settlement also allows former student-athletes, who did not have the opportunity to profit off their publicity rights (i.e., rights in their name, image, and likeness (NIL)), to collect damages.[2]

Below, we provide (1) an overview of the *House* settlement, (2) implications for brands and donors, and (3) issues to monitor post-*House* settlement.

Overview of the *House* Settlement

Background

The *House* case is an antitrust suit that was originally filed in 2020 by former student athletes Grant House and Sedona Prince, seeking damages and an injunction to prevent the National Collegiate Athletic Association (NCAA) from enforcing alleged anticompetitive restraints that prevented student-athletes from receiving NIL compensation. *House* was certified as a class action lawsuit in 2023, and an initial settlement was reached in 2024.[3] The now-approved settlement covers three combined class action lawsuits brought against the NCAA: *House v. NCAA*, *Hubbard v. NCAA,* and *Carter v. NCAA.*[4] In 2024, the parties to all three suits agreed to consolidate these cases and settle as part of a broad, 10-year agreement.[5] The class members of each suit argued that NCAA scholarship limits and the NCAA rules restricting student-athletes' ability to receive compensation from third parties, schools, and conferences violated the Sherman Act. They alleged that the rules were anticompetitive, collusive restraints on trade.

Approval of the *House* settlement came two months after a final hearing on April 7, 2025, in which Judge Wilken allowed student-athletes and attorneys to address issues and objections that were raised against the settlement.

After iterative settlement agreements were rejected, the final *House* settlement dated May 7, 2025, addressed two concerns that have been raised since the onset of proceedings, namely, notice to future class members and roster limits.[6]

Damages

Pursuant to the settlement agreement, the consolidated *House* defendants, the NCAA and Power Five Conferences,[7] will pay $2,576,000,000 into a settlement fund.[8] This money will be paid annually over the next 10 years and divided among class members according to an allocation plan.[9] For administration purposes, the class members were divided into three damages classes:

1. Football and Men's Basketball,[10]
2. Women's Basketball,[11] and
3. Additional Sports.[12]

The settlement fund will be split into two funds, a $1.976 billion fund referred to as the "NIL Claims Settlement Amount," and a $600 million fund referred to as the "Additional Compensation Claims Settlement Amount."[13] These two funds will be further divided and distributed based on the sort of injury class members suffered. Specifically, the NIL Claims Settlement Amount will be divided in the following manner: (i) $71.5 million[14] for video game NIL injuries, distributed pro rata to members of the Football and Men's Basketball class, (ii) $1.815 billion for broadcast NIL (BNIL) injuries, distributed pro rata to members of the Football, Men's and Women's Basketball classes, and (iii) $89.5 million for third-party NIL injuries, distributed to athletes who received third-party NIL payments after July 2021 and played during certain years prior to July 2021.[15]

The Additional Compensation Claims Settlement Amount will be distributed to members of the damages class with "pay-for-play (i.e., athletic services)" claims.[16] The fund will be distributed as follows: 95% will be allocated to Power Five football and basketball athletes, distributed 75%/15%/5% across football, men's basketball, and women's basketball, and will be distributed using a formula that begins with a standard minimum amount, and calculates individual adjustments based on seniority, recruiting rating, and performance statistics.[17] The remaining 5% of the Additional Compensation Net Settlement Fund will be distributed to the "General Portion," for athletes in other sports, with higher damages awards for those whose non-Power Five teams are among the highest revenue.[18]

Class members include all student athletes who were eligible and on a Division I team roster, regardless of the team or conference, between June 15, 2016, and September 15, 2024. To receive settlement payments, eligible athletes must have submitted a claim form for direct payment by January 31, 2025.[19]

Injunctive Relief

Injunctive relief under the *House* settlement is centered around four key provisions:

1. Scholarship limits are eliminated at Division I schools who opt in to the settlement.[20]

2. The NCAA *may prohibit* NIL payments to student-athletes by a limited set of Associated Entities or Individuals;[21] however, the NCAA may not prohibit NIL payments by other third parties.[22]

3. Roster limits for each sport must be adopted for Division I schools who opt in; provided that the *House* settlement exempts Division I class members whose roster spots were taken in the 2024-25 season or would have been taken away in 2025-26 from roster limits for the duration of their college athletics careers.[23]

4. NCAA rules will be modified to permit schools who opt in to the settlement to provide additional direct benefits and compensation to Division I student-athletes that are worth up to 22% of the Power Five schools' average athletic revenues each year, with yearly increases. This is the *Direct Payment* model as outlined below.[24]

The Power Five conferences have established a new legal entity, the College Sports Commission (the "Commission"), which will be responsible for enforcing the settlement provisions related to direct payment, roster limits, and third-party NIL agreements.[25]

Direct Payment

Under the *House* settlement, all Division I NCAA schools can choose to opt in or out of the new direct payment model.

Opting In: Division I schools that opt in must comply with the *House* settlement's financial terms for directly compensating student athletes. The direct payment model allows for Division I schools to pay a portion of their revenue directly to student-athletes, with $20 million as the pool cap for the first year (2025-26). The pool cap increases annually[26] over the 10-year term of the agreement, reaching a projected $32.9 million in 2034-35. The justification for these direct payments from schools is that money earned by schools via media deals stems from student-athlete NIL. Importantly, the pool cap is the total money that will be distributed from schools directly to student athletes and does not include an athlete's third-party NIL deals.[27] However, if student-athletes are entitled to buyout payments under their agreements and elect to transfer to another school, then their transfer may trigger pool cap reductions. In that instance, the student-athlete's new school's pool cap is reduced by the buyout amount, and the new school is on the hook for paying the buyout amount to the student-athlete's prior school.[28] For 2025, non-defendant schools should declare their initial intent to opt in no later than June 30, 2025.[29]

Opting Out: Schools that choose to opt out of the settlement agreement terms will be bound by existing NCAA rules and an evolving framework of state legislation,[30] as well as compliance with Title IX and other regulatory authority that all schools must abide by.

NCAA Rule Changes

Two of the most contentious NCAA rule changes under the *House* settlement surround roster limits and the number of scholarships allowed per team for all schools included as defendants in the lawsuit, as well as any other schools that opt in to the settlement.

Pursuant to the *House* settlement, there are no longer limits to the amount of scholarship athletes a school that opts in can have on a team. However, there will be roster limits per sport.[31]

For example, NCAA rules previously limited Division I football programs to 85 full scholarships but put no limit on roster numbers. Under the *House* settlement, a school football team that opts in can only have 105 players on the roster; however, all of them may receive scholarships.[32]

As the settlement took shape, Judge Wilken expressed concerns that the roster limits would deny current athletes the right to continue to participate. As a result, the parties amended the settlement to allow for certain student-athletes to keep their roster spots for the remainder of their college eligibility, at the discretion of their school.[33] The school has the option to exempt from 2025-2026 roster limits any student-athlete that was on a roster during the 2024-2025 school year or any student-athlete entering during the 2025-2026 school year that was recruited or promised a roster spot by the school.[34]

Implications for Brands and Donors

With the *House* settlement also comes a change in how NIL deals are administered and regulated across college athletics.

Third parties interested in pursuing NIL deals with student-athletes must understand and adhere to university, state, and NCAA laws and regulations.[35] The *House* settlement stipulates that entities such as booster collectives, referred to as "Associated Entities or Individuals" in the settlement, are permitted to pay student-athletes for the use of their NIL, provided all payments are for a *valid business purpose*.[36] A valid business purpose must be "related to the promotion or endorsement of goods or services provided to the general public for profit, with compensation at rates and terms commensurate with compensation paid to similarly situated individuals with comparable NIL value who are not current or prospective student-athletes at the Member Institution."[37] In other words, the deals with booster collectives and other "Associated Entities and Individuals" must be entered into for the actual purpose of promoting a brand or business at market rates, rather than an athletic services deal, which can be at a higher value than what is considered fair market.

All NIL transactions with a total value of $600 or more must be reported by student-athletes and member institutions to the Commission. Reporting will be done via an online platform called NIL Go, which will be overseen by LBi Software and Deloitte.[38] The Commission will be responsible for determining whether reported NIL payments from Associated Entities and Individuals are at fair market value.[39] Thus, Associated Entities and Individuals must attempt to determine valuation based on other deals entered into by similarly skilled and similarly famous athletes. Deloitte will use data from past college and professional endorsement deals, along with other relevant data, to pinpoint whether each deal exceeds an athlete's fair market value.[40]

Organizations that are not categorized as "Associated Entities or Individuals"—for example, athletic apparel, sports drinks, and other consumer brands--may enter NIL deals with student athletes, without the need to comply with the fair market value rule. However, these transactions must also be reported to the NIL Clearinghouse.[41] Brands should keep in mind that sponsored student-athletes must comply with the Federal Trade Commission's Endorsement Guides[42] when endorsing a brand's products (including on social media), which includes disclosure of compensation and other material relationships.

<u>Issues to Monitor Post-*House* Settlement</u>

While the *House* settlement will bring some much-needed order to the world of college athlete compensation, there remain many difficult questions that still need to be answered.

Antitrust

Although *House* was an antitrust suit, issues remain as to the NCAA's status under antitrust law. The NCAA is seeking an antitrust exemption from Congress.[43] Professional sports leagues have such exemptions, allowing the leagues to regulate players more easily.[44] Although the NCAA has been lobbying Congress since 2021 on this issue with little progress, new draft legislation could give the NCAA the antitrust protection it has been seeking.[45] Specifically, the draft legislation would prevent legal challenges to direct payments to athletes. Republican lawmakers have also sought Education and Workforce Committee involvement in an effort to prevent student-athletes from becoming employees.[46]

Employment

The issue of employment status of student-athletes remains open. Judge Wilken noted that the unionization and collective bargaining issues were not adjudicated in this litigation.[47] Should a future suit determine that student-athletes are employees under federal or state law, requiring additional compensation, defendants could seek modification of the *House* settlement.[48] Ongoing litigation is attempting to resolve the statutory employment issue under the Fair Labor Standards Act, while several collective bargaining cases have been voluntarily dismissed or withdrawn.[49]

Tax

Some state legislatures are working to enact laws that offer tax breaks on NIL earnings in order to compete with states, such as Florida and Texas, that do not have any income tax.[50] For instance, a recently introduced bill in North Carolina would permit student-athletes to receive a nonrefundable tax credit, up to 50% of the money owed from NIL income.[51] In Georgia and Alabama, measures were introduced to explicitly exempt NIL earnings from income taxes.[52] In addition, non-profit colleges and universities preparing to enter into NIL deals with college athletes and third parties will need to be mindful of potential tax implications, including the private benefit doctrine, which generally prohibits 501(c)(3) organizations from conferring more than incidental benefits on private parties), along with tax on unrelated business taxable income (UBTI), which requires tax-exempt organizations to pay corporate income tax on certain income that is not substantially related to the organization's tax-exempt purpose.

Civil Rights

Title IX of the 1972 Education Amendments, a federal civil rights law, has been viewed as a means of requiring schools to distribute equitable opportunities to participate in sports between genders.[53] As NIL payments in the NCAA have grown annually since their genesis in 2021, payments from third-party collectives have not been subject to Title IX and have flowed primarily to football and men's basketball players.[54] However, going forward, direct payments from schools to athletes must be Title IX compliant.[55] While objectors raised this issue in the *House* proceedings, Judge Wilken iterated her focus on antitrust, rather than Title IX, issues.[56]

There are already challenges on the basis of Title IX following the *House* settlement. For example, a challenge has been raised by eight female student-athletes alleging the disproportionate nature of the back damages portion of the settlement.[57] This appeal will not influence the implementation of direct payments beginning on July 1, 2025; however, damage payments will now cease pending outcome of that appeal.[58] Additional Title IX claims in connection with the *House* settlement are likely to arise in the coming days and months.[59]

Direct Payments

Schools have been aware of the general contours of the *House* settlement and have been preparing for months following the announcement of the initial settlement in May 2024. Many schools are exploring creative ways to brace themselves financially for direct payments to athletes beginning on July 1, 2025, including spinning out different entities for their athletics programs, private equity financing, and other alternatives. Virginia Tech has announced it will increase tuition and fees for the 2025-2026 academic year, with a large portion going towards helping its athletics program fund direct payments to athletes,[60] while Kentucky announced its athletic department would transition to a separate nonprofit limited liability company.[61]

The Ivy League announced months before the settlement's approval that all eight member institutions will not be opting in, with the conference intent on keeping its educational intercollegiate athletics model intact.[62]

For other schools, opting in may result in drastic measures, such as eliminating certain varsity sports, or even reclassifying to a lower division, both of which have already occurred.[63] University of North Carolina Asheville announced that it will not opt in to the settlement for the 2025-2026 school year, stating, "[T]he revenue generated by our athletic department is essential for enhancing and sustaining various aspects of our program, including scholarships, sports medicine services, mental health resources, and more. At this time, opting into the House Settlement would not be advantageous for our long-term success."[64]

While certain schools are well equipped to handle the financial undertaking of the new landscape, others are still determining the best course of action for their athletic departments.

Efficacy of NCAA Enforcement Arm

Although athletic conference commissioners are reportedly confident in the Commission and its ability to successfully oversee enforcement,[65] some critics are skeptical as to the effectiveness of the new enforcement arm. Specifically, some coaches and athletics administrators have argued that the prior system, where recruiting inducements are disguised as NIL payments, will not be easily eliminated.[66] The emergence of NIL collectives puts boosters and collectives at the forefront of college athletics, with the amount paid to student-athletes on some college football rosters alone nearing or exceeding the $20.5 million in annual direct payments allowed by athletic departments under the *House* settlement.[67]

And while the *House* settlement imposes restrictions on payments by Associated Entities including collectives, it is unlikely that NIL collectives will take a back seat despite the settlement. Especially in the early days of the Commission, it is likely that collectives will look for workarounds or revert to exercising their influence behind the scenes as they once did as boosters.[68]

Conclusion

Some say that "it's been a long time coming" for college sports as student-athletes, schools, and the NCAA enter into this post-*House* era. We will continue to monitor the legal issues and developments of this era, and any to come.

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7. The Power Five college athletics conferences are the Atlantic Coast Conference ("ACC"), the Big Ten Conference, the Big 12 Conference, the Pacific-12 ("Pac-12") Conference, and the Southeastern Conference ("SEC").
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9. *Id.*
10. Members include any student-athlete who received full grant-in-aid ("GIA") scholarships and competed on a Power Five (plus Notre Dame) team for their sport and was initially eligible from June 15, 2016 through September 15, 2024 (*Id.* at 8).
11. Members include any student-athlete who received full GIA scholarships and competed on a Power Five (plus Notre Dame) team for their sport and was initially eligible from June 15, 2016 through September 15, 2024 (*Id.*).
12. Eligibility date requirements are the same as above, but the GIA scholarship requirement is not in place, rather, the athletes need only have competed on a Division I team (*Id.*).
13. *Id.* at 9-10.
14. The Settlement Approval stipulates that these figures are calculated "before deducting a proportional share of any amounts approved by the Court for fees, costs, awards, and administrative expenses."
15. *Id.* at 9-10.

16. *Id.* at 10. For clarity, "pay-for-play" in the Opinion refers to payments based on athletic services.
17. *Id.* at 10.
18. *Id.* at 10.
19. *Id.* at 6.
20. *Id.* at 11-12.
21. "Associated Entities" include (a) entities that are or were known to "the athletics department staff of a Member Institution (NCAA Division I schools), to exist, in significant part, for the purpose of (i) promoting or supporting a particular Member Institution's intercollegiate athletics program or student-athletes; and/or (ii) creating or identifying NIL opportunities solely for a particular Member Institution's student-athletes," (b) "have been directed or requested by a Member Institution's athletics department staff to assist in the recruitment or retention of . . . student-athletes, or (ii) otherwise has assisted in the recruitment or retention of . . . student-athletes," (c) "any entity owned, controlled, or operated by, or otherwise affiliated with, such entity or an Associated Individual, other than a publicly traded corporation."

    "Associated Individuals" are those who (a) are or were "a member, employee, director, officer, owner, or agent" of an Associated Entity, (b) "who directly or indirectly . . . have contributed more than $50,000 over their lifetime" to a particular Member Institution or to an Associated Entity, and (c) that "(i) have been directed or requested by a Member Institution's athletics department staff to assist in the recruitment or retention of . . . student-athletes, or (ii) otherwise has assisted in the recruitment or retention of . . . student-athletes."
22. *Id.* at 12-13.
23. *Id.* at 13.
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25. *Final NIL Settlement Marks New Era for College Athletics, While Leaving Many Legal Issues Unanswered and Creating the Need to Mitigate Risk*, Lexology (June 9, 2025), https://www.lexology.com/library/detail.aspx?g=130f8dcf-26f9-42f6-98c0-92c6049201a7.
26. The cap will be calculated by taking the total of the eight Membership Financial Reporting System Reports ("MFRS") revenue categories for each school from the five defendant conferences and Notre Dame, and dividing the total by the number of schools from the defendant conferences plus Notre Dame, then taking 22% of the resulting dollar figure, subject to an escalator and two specific exceptions (for new broadcast agreements with a year-over-year escalator of >4%, and two options for class counsel to accelerate re-calculation of the pool). The MFRS revenue categories are ticket sales, input revenue from participation in away games, media rights revenues, NCAA distributions and grants; non-media conference distributions; direct revenues from participation in football bowl game, conference distribution of non-media and non-football bowls and football bowl revenues; and athletics department revenues from sponsorships, royalties, licensing agreements, advertisements and sponsorships. (*See* In re College Athlete NIL Litig., (Opinion Regarding Order Granting Motion for Final Approval of Settlement Agreement), 11.
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37. *Id.*
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PE Gets in the Game: Private Investment in Professional Basketball

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In recent years, U.S. professional basketball has opened its doors to private equity investments, reflecting a broader trend in professional sports leagues embracing institutional capital. This shift represents a new era of opportunity for stakeholders to get in the game. Today, most major American sports leagues, including the National Basketball Association (NBA), allow private equity firms to own minority stakes in their franchises.[1] Soaring team valuations and recognition of sports teams and league investments as unique asset classes have led to increased private investment in the larger basketball ecosystem.

Private investments in sports franchises present certain unique considerations for fund managers and investors. First, while private equity funds often target investment hold periods, with exits expected after three to five years, many of the recent private investments in sports have been for longer terms that require fund agreements to either permit such extended holds or structuring to provide flexibility.[2] Second, NBA team ownership assets are highly illiquid because sales are required to be approved by the NBA and other team owners. This illiquidity presents unique structuring opportunities for fund managers to generate liquidity for their investors. One way investors can find liquidity is through secondary sales of their interests and offerings of interest.[3] Third, interested fund managers and private equity investors have to go through an extensive reverse due diligence process before securing ownership. This process can be both costly and lengthy.[4] Finally, the NBA has its own rules limiting the fund structure and ownership, which may prohibit or delay liquidity events.

NBA Private Investment Ownership Rules

Like other professional leagues, the NBA—driven by team owners' need for liquidity and growth capital—changed its ownership rules to allow for private investment.[5] In 2020, the NBA owners voted to allow the first private equity fund to buy minority stakes in NBA franchises.[6] The NBA currently has nine franchises with known private firm investment ownership, with minority stakes in those teams owned by three private equity funds, one pension fund, and one sovereign wealth fund.[7] In 2022, the NBA voted to allow institutional funds, including university endowments, pension funds, and sovereign wealth funds, to purchase minority stakes in NBA franchises.[8] These rules have guardrails to limit the size of ownership shares, including:[9]

- The maximum equity a team can sell to private firm investors is 30%.
- The maximum equity a single fund can own in one team is 20%.
- The maximum number of franchises a fund can invest in is five.
- Any fund holding a team interest must have at least $750 million in assets.
- Any team investment may not account for more than 25% of the fund's assets.

These ownership criteria are established by the NBA Commissioner, Board of Governors, and the Advisory Finance Committee.[10] In addition to these rules, under the NBA Constitution, any sale of an ownership stake is subject to approval by a three-fourths vote by the NBA Board of Governors.[11]

Private Equity's Interest in Professional Basketball

A significant increase in NBA franchise valuations led to a push for NBA ownership rule changes and ownership access for private equity firms. U.S. sports teams have generated a higher rate of return than the S&P 500 over the last few decades.[12] NBA franchises are no exception. Each franchise's value is bolstered by steady income streams from media rights, sponsorship and merchandising deals, intellectual property and international brand value, sports betting, and ticket sales.[13] On average, an NBA team is worth $4.6 billion.[14] Thus, team ownership provides investors with historically reliable, recurring revenue streams (a private equity favorite) and high investment returns.

Since there are a limited number of franchises available for purchase and limited expansion opportunities, NBA teams are a scarce asset.[15] With such high franchise valuations relative to other investment opportunities, few individual investors can afford team ownership. Historically, ownership of sports teams was limited to ultra-wealthy individuals and families. Now, the entrance of private equity into this space allows greater numbers of individuals to purchase stakes by joining forces with institutional investors, changing the landscape of NBA ownership.[16] Funds that buy minority stakes in a team give ownership to investors, which is desirable to many for reputational reasons, as well as financially, while also providing the franchise with an influx of capital, benefiting both itself and the teams.[17]

WNBA Investment

The rise in popularity of women's basketball presents new opportunities for investment in the sport. In 2022, the Women's National Basketball Association (WNBA) announced its largest-ever capital raise, with commitments coming from various current WNBA and NBA owners, Nike, Inc., and other private investors.[18] The capital raise stemmed from the need for expansion teams, higher player salaries and benefits, and improved league infrastructure to support growth.[19] The WNBA experienced unprecedented growth in 2024, shattering records for viewership, revenue, attendance, and engagement.[20] Currently, the average WNBA franchise is valued at $96 million. In the last year, the WNBA announced expansion franchises, with three new teams coming to San Francisco, Toronto, Portland, Oregon, and a fourth city to be announced.[21]

Additionally, under the NBA's new collective bargaining agreement ("CBA"), NBA players are able to invest in WNBA teams.[22] The CBA specifies that only WNBA teams that do not share ownership with an NBA team are available for NBA player investment.[23] Furthermore, the CBA also places limits on ownership: Each NBA player cannot own more than 4% of a WNBA team, and all NBA player owners of a WNBA team cannot own more than 8% of that team.[24]

This growth makes the WNBA a prime target for private equity investment. For example, a private equity firm will own a minority interest in the WNBA's most recent expansion team in Portland.[25] Furthermore, women's sports leagues, historically considered undervalued, are now being considered an attractive emerging area for sports investment. WNBA franchises are more affordable due to lower valuations, and present investors with significant upside potential given the explosive growth in both the league itself and interest in women's sports leagues generally, if that growth proves to be sustainable.[26] Many are betting that it will be. From 2019 to 2023, the WNBA doubled its revenue from $100 million to $200 million, a similar revenue jump experienced by the NBA in its third decade.[27]

Investment in the Basketball Ecosystem

Investors have also been pouring capital into various professional basketball-adjacent opportunities, such as arena and practice facility real estate development, media rights, and rival leagues.

Real Estate Projects. In the WNBA alone, at least nine of the 13 current teams have opened or announced development of new facilities for their team since the beginning of the 2023 season.[28] Most recently, the Indiana Fever's announcement of a $78 million practice facility highlights the increasing investment in infrastructure by WNBA teams. This follows the Phoenix Mercury's $100 million facility in downtown Phoenix, the Chicago Sky developing a $38 million performance center by 2026, and the New York Liberty developing their own separate facility by 2026.

Media Rights. Competition for professional basketball media rights deals highlights the degree of fan interest in the sport, and large rights deals have a direct impact on team valuations. In July 2024, the NBA signed an 11-year, $76 billion media rights deal with Disney, NBC, and Amazon Prime after declining Warner Bros. Discovery's ("Warner Bros.") offer of $1.8 billion per year to maintain its ongoing agreement.[29] In November 2024, the NBA and Warner Bros. settled a lawsuit related to the Disney, NBC and Amazon deal, and reached an 11-year agreement for Warner Bros. to acquire live-game media rights in Latin America, Nordic countries and Poland and for Warner Bros. to license its popular show *Inside the NBA* to ESPN and ABC.[30] On the WNBA side, the WNBA announced an 11-year deal with Disney, Amazon and NBC in July 2024, which could be worth up to $3 billion to the WNBA.[31]

Rival Leagues. Increased investment in basketball is not limited to the NBA and the WNBA. As of January 2025, UBS Group AG and Evercore Inc. are attempting to raise $5 billion from private capital sources, including institutional investors such as sovereign wealth funds, to form an international basketball league.[32] The league is reported to have six men's and six women's teams in eight cities globally. Additionally, Unrivaled is a new women's basketball league founded by WNBA stars Breanna Stewart and Napheesa Collier in January 2025, which features a new basketball format with 3-on-3 games and a shorter court. Unrivaled has secured financing from prominent sports and media investors, including former ESPN president John Skipper and former Warner Bros. CEO Ann Sarnoff.[33] Unrivaled aims to offer the highest average salary in women's pro sports and issue equity in the league to its players.

Navigating Basketball Investments

Private investment in professional basketball, including the NBA and WNBA, presents lucrative opportunities but requires careful navigation of complex legal and regulatory landscapes. The evolving ownership rules, high franchise valuations, and unique asset structures necessitate thorough legal guidance to ensure compliance and optimize investment returns. Legal expertise is crucial in managing due diligence, structuring deals, and adhering to league-specific regulations, making it an indispensable component for stakeholders looking to capitalize on the growing basketball ecosystem.

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The Upcoming Battle for the NFL's Media Rights

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In 2021, the National Football League (NFL) announced 11-year media rights deals with a variety of TV networks and streaming partners worth over $110 billion. As part of these deals, the NFL renewed its agreements with the media organizations behind the "big four" broadcasting networks — ABC (together with ESPN, subsidiaries of The Walt Disney Company ("Disney")), CBS, FOX and NBC — and added a new partner, Amazon, in the NFL's first ever all-digital package. In addition, the NFL has demonstrated its commitment to digital offerings by moving its "Sunday Ticket" package to YouTube TV[1] and streaming Christmas Day games in the 2024-25 season on Netflix.[2] Below, we analyze how the NFL's media rights landscape is likely to change in light of the NFL's global reach and the evolving digital sports media rights landscape.

The NFL's Embrace of Streaming

While the NFL has retained its relationship with its big four traditional media partners, its recent deals show that streaming is a key part of the NFL's present and future media distribution strategy. In the 2025-26 season, there will be no NFL games exclusively available via traditional broadcast media partners.[3] Instead, all games will be available for streaming, including local market games that were previously only available through local broadcast. Alternatively, approximately 7% of NFL games will be solely available via streaming. In addition to these long-term agreements, the NFL recently has pursued more deals with streaming services, outlined below:

The Big Four: The companies behind each of the big four networks have launched platforms to adapt to the streaming age. These companies' current NFL media deals, all of which run through the 2033-34 season, allow them to stream NFL games and other NFL-related content on their platforms.

- *CBS:* Paramount Global (formerly known as ViacomCBS) pays approximately $2 billion annually to the NFL under its media rights deal.[4] Under its deal, Paramount Global has the right to broadcast NFL games on CBS and Paramount+ and distribute NFL content on other ViacomCBS platforms, including Pluto TV.[5]

- *FOX:* Fox Corporation ("Fox Corp") pays on average slightly over $2 billion annually to the NFL under its media rights deal.[6] Under its deal, Fox Corp broadcasts games on FOX, and has the right to use NFL footage across linear and digital programming and distribute NFL experiences through its free streaming platform, Tubi.[7] While Fox Corp has not streamed regular season NFL games on Tubi in the past, it streamed the 2024-25 season Super Bowl on the service.[8]

- *NBC:* NBCUniversal pays approximately $2 billion annually under its media rights deal.[9] Under its deal, NBCUniversal broadcasts Sunday Night Football games on NBC, and has the right to stream games on its streaming service, Peacock.[10] NBCUniversal also exclusively distributes six regular season NFL games (one from each of the 2023-24 through 2028-29 seasons) on Peacock and will launch a virtual NFL channel. Previously, NBCUniversal paid $110 million to stream a Wild Card game during the 2023-24 playoffs exclusively on Peacock.[11]

- *Disney:* Disney pays approximately $2.7 billion annually to the NFL to distribute games via ESPN and ABC.[12] Under its deal, it also has the right to stream one game annually exclusively on its subscription streaming service, ESPN+.[13]

Amazon: Amazon pays on average slightly more than $1 billion annually for the right to distribute Thursday Night Football (TNF) games on Prime Video until the 2032-33 season.[14] In separate deals, Amazon also agreed to pay $120 million for exclusive rights to a Wild Card playoff game and $100 million for a game on Black Friday for the 2024-25 season.[15] Amazon's TNF deal marked the first time the NFL moved a large package of games away from the big four networks and highlights a growing trend and focus on digital exclusivity. The agreement grants exclusive mobile and streaming rights to Amazon,[16] effectively ensuring that TNF is not available on linear television (aside from in the local markets of the relevant competing teams) or competing digital platforms. The NFL's partnership with Amazon also allows for the NFL to expand its fan base generationally by allowing users to access interactive streaming features, such as real-time stats, alternate commentary feeds, and personalized highlight reels, which may appeal more to younger, tech savvy fans. The investment also highlights Amazon's broader strategy to integrate sports content with its e-commerce and tech ecosystem, which increases subscriber engagement. For example, NFL merchandise and game tickets, as well as other exclusive content, can complement the viewing experience. While the advertisement of merchandise and tickets has been a staple of mid- and post-game commercials, Amazon's platform provides an easier way to purchase merchandise and game-day experiences.

Netflix: Netflix has also begun venturing into live sports streaming, including expanding to stream the NFL's 2024 Christmas Day game and halftime show. The deal will continue for the next three years, with Netflix having the opportunity to stream at least one Christmas matchup in both 2025 and 2026.[17] The NFL recently announced that, on Christmas for the 2025-26 season, it will stream two games on Netflix and one game on Amazon.[18] Netflix has also recently expressed interest in pursuing a package for Sunday afternoon games.[19] The NFL's deal with Netflix allows the NFL to access a global, non-traditional sports audience, enabling the league to further monetize its content in markets where it does not traditionally hold a significant presence.

YouTube TV: In 2023, YouTube secured the exclusive rights to stream via YouTube TV NFL Sunday Ticket, a package that allows fans to watch out-of-market games, which was previously distributed through DirecTV.[20] Under this deal, Google, YouTube's parent company, pays the NFL $2 billion annually through the 2029-30 season. The shift to YouTube, particularly for out-of-market viewing, carries meaningful implications for the NFL's digital rights management and revenue models, as well as YouTube's expansion into live sports. The deal involves a digital-only subscription-based model that offers NFL fans the option to access out-of-market games via YouTube TV or YouTube Primetime Channels. For YouTube, the acquisition of Sunday Ticket is key in its efforts to expand its live sports offerings and allows it to compete with other streaming services. For the NFL, the YouTube deal creates a direct-to-consumer model that bypasses traditional cable and satellite services, while expanding the league's digital footprint.

What's Ahead: The Shifting Media Rights Landscape

The NFL's current broadcasting contracts are set to expire in the 2032-33 and 2033-34 seasons; however, these agreements contain early opt-out provisions, which permit the NFL to terminate its agreements with certain media platforms as early as the 2029-30 season.[21] Reporting indicates that the NFL is likely to exercise its opt-out rights, with NFL commissioner Roger Goodell publicly stating that its opt-out rights are "incredibly valuable" and that its current media deals are "undervalued."[22] With the ever-shifting media landscape and rising value of broadcasting and streaming rights for live sports, the NFL may be incentivized to terminate its agreements prematurely and find new media partners.

NFL's Media Rights Strategy

The NFL is also bolstering its direct-to-consumer approach through its own platforms such as the NFL App and NFL+. NFL+ is the league's streaming service, which allows fans to watch local and prime time regular season and post-season games on their mobile devices.[23] Through the NFL App and NFL+, the NFL gains greater control over the customer experience, data analytics, and revenue generation. These platforms allow the league to avoid intermediaries with respect to consumer data and may lead to higher margins and more targeted marketing opportunities.

Aligned with the NFL's media rights strategy of streaming games outside of traditional markets, the NFL has been expanding its presence outside of the U.S.[24] The NFL has continued to grow its Global Markets Program, launched in 2022, which awards teams, in five-year terms, rights in specific international markets to build fan awareness through events and commercial opportunities.[25] The Global Markets Program now includes 29 teams across 21 international markets. Since 2007, the NFL has also held an International Series, in which countries outside of the U.S. host NFL football games, and in 2025 will hold games in Ireland, England, Germany, Brazil, and Spain.[26]

The Battle Between Traditional Networks and Streaming Platforms

The NFL's next set of media rights negotiations will likely occur in a different media landscape, especially if more sports content and subscribers move from satellite and cable to streaming. When the NFL's last media deal was announced, Paramount+ and Peacock were both less than a year old. By the time of the next negotiations in either 2029 or 2033, we can expect there will likely be new streaming platforms, or potentially one or more mergers or consolidations of leading networks or streaming platforms, that will be fighting for the rights to televise NFL games.

In particular, both traditional programming distributors and networks may seek new ways to compete with their new streaming competitors. For example, DirecTV, which no longer has the Sunday Ticket Package (after it moved to YouTube TV), launched MySports, a 40-channel streaming package.[27] The package includes content from Disney, Fox Corp, Warner Bros. Discovery ("WBD"), and NBCUniversal. Comcast Xfinity also announced a sports-focused "skinny" bundle for Xfinity internet customers.[28]

In addition, networks, though still competing against each other for sports media rights and other content, have collaborated on certain projects to help compete against established streaming companies. In February 2024, Fox Corp, WBD, and Disney announced a streaming joint venture, Venu, combining their sports programming and making the content available under a single application.[29] Venu was seen as a means for these companies to gain back the affiliate fees they lost as individuals canceled their cable subscriptions and moved to streaming.[30] Fubo, a streaming television service focused on live sports, filed a lawsuit alleging that the joint venture is anticompetitive and violates antitrust laws and prevailed on an injunction that blocked Venu from launching.[31] Thereafter, Fubo merged with Disney's Hulu + Live TV service, with Disney owning 70% of the new venture,[32] and Fox Corp, WBD, and Disney dropped the Venu venture.[33] The Hulu + Live TV and Fubo applications are still available separately, and additional ESPN content, including ESPN+, is available on Fubo. Disney is also planning to release a new direct-to-consumer streaming service this fall, simply titled “ESPN,” which will consist of all content ESPN has to offer.[34]

These changes demonstrate that traditional programming distributors are adopting means to distribute sports content to more fans at more competitive prices. Meanwhile, networks, which have lost significant revenue as the cable bundle has become less popular, are seeking ways to make their sports content offerings more attractive to consumers. While these networks may not have the incumbency advantage of native streaming platforms, they can potentially use their greater live sports content offerings to win back consumers. How successful these companies’ strategies are in gaining back leverage will undoubtably impact who is in a position to strike a deal with the NFL during the next set of negotiations.

Similarities to the NBA’s Recent Media Rights Deals

The new media rights deals of the National Basketball Association (NBA) may provide hints about the NFL’s next deal and the future of sports media more generally. As part of the NBA’s new set of media agreements, Disney, NBCUniversal, and Amazon will telecast NBA games from the 2025-26 through the 2035-36 seasons.[35] In addition to distributing games on the traditional broadcasting networks, games will also be distributed on Peacock and Prime Video. The deals, which are worth $76 billion in the aggregate over 11 years, are a shift from the NBA’s previous media rights deals with Disney and WBD.[36]

The NBA’s choice of Amazon over WBD, its long-standing partner, illustrates that the NBA is also prioritizing streaming and other digital offerings. Under its existing deal with the NBA, WBD was granted a right of first refusal to match the terms of another offer. While WBD claims it matched Amazon’s offer, the NBA saw key differences between the offers and selected Amazon.[37] Notably, the NBA preferred Amazon’s exclusive distribution on Prime Video over WBD’s offer to distribute via its cable service, TNT, and its streaming service, Max. WBD sued the NBA for not allowing it to exercise its matching rights but has since settled all legal disputes with the league.[38] The NBA’s deal with NBCUniversal also prioritizes exclusive streaming through Peacock. NBC and Peacock will collectively offer 100 NBA national games each regular season, and approximately 50 national regular season and post-season NBA games will be exclusive to Peacock.[39]

While the NFL has also embraced streaming, a vast majority of its games are still distributed through traditional broadcast networks. Should the NFL adopt the NBA’s posture going forward, it may opt for deals with larger streaming services such as Netflix and Amazon, even though these companies do not broadcast games over network television. If the NFL wants to maximize its revenue from media deals and its global audience of new fans, Netflix and Amazon may be attractive options as both are increasingly willing to spend the money and offer leagues more subscribers and thus more potential viewers.[40] While this doesn’t mean the NFL will abandon its traditional broadcast partners, on its current the trajectory, the NFL seems likely to continue to display games on streaming platforms.

Conclusion

Sports content is increasingly moving from the traditional cable bundle to various digital offerings, and the NFL has embraced this shift, with games now available on streaming platforms, and increasingly on an exclusive basis. Meanwhile, traditional programming distributors and networks have launched their own platforms to stream games and are implementing new services to adapt to the streaming age. With the NFL’s current media agreements set to terminate as early the 2029-30 season, companies that want to operate in this space, whether media companies or other partners, may already be working to position themselves for the next set of media rights negotiations. In the interim, these trends have and will continue to impact the distribution of other sports, both at the professional and collegiate level, as well as non-traditional sports that have historically not been prioritized by network television. Companies hoping to get involved in the sports ecosystem should consider these fundamental changes to the sports media landscape.

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