

How benching Kimmel landed Disney's Iger in the middle of culture wars

Industry observers say the CEO who oversaw Disney's rise to global dominance is caught between a rock and a hard place.

By Shannon Najmabadi

In late 2022, Bob Iger stepped out of retirement to help return a struggling Disney to the golden age he'd ushered as chief executive from 2005 to 2020.

Now Iger is steering the entertainment giant through one of the most critical junctures of his second run: the suspension of late-night's "Jimmy Kimmel Live!" He's caught between two aggrieved factions: On one side, Trump administration officials with sway over mergers and public airwaves. On the other, Hollywood unions and critics of the president who accuse Disney of pandering to an increasingly censorious right.

"Where has all the leadership gone?" former Disney CEO Michael Eisner said in a social media post Friday. "If not for university presidents,



Bob Iger appeared on "Jimmy Kimmel Live!" in 2019. (Randy Holmes/ABC/Getty Images)

law firm managing partners, and corporate chief executives standing up against bullies, who then will step up for the first amendment?"

Disney-owned ABC pulled Kimmel's show off the air this week for comments he made in relation to the killing of right-wing activist Charlie Kirk. The announcement spurred an out-

cry and accusations that the network had buckled to a pressure campaign targeting a vocal critic of President Donald Trump.

Industry observers say Iger is caught between a rock and a hard place: the latest media executive to face blowback under a president who has alleged unfair treatment at the hands of

mainstream news outlets and said networks “against” him should potentially lose their licenses.

There’s been “an increasingly long line of capitulation and self-censorship,” said Lloyd Greif, chief executive of Greif & Co., a Los Angeles-based investment bank active in the entertainment and media industry. “Disney is the largest entertainment and media company in the world,” he added, “if it can’t stand up to this threat, what company can?”

Though Kimmel condemned the Sept. 10 shooting that claimed Kirk’s life in Utah, calling it “senseless,” he also said the “MAGA gang” was trying to characterize the accused killer “as anything other than one of them,” during his monologue on Monday.

He was referring to Tyler Robinson; the 22-year-old Utah man grew up in a Republican household, his mother has said, but had “started to lean more to the left” politically. Prosecutors say he admitted to killing Kirk — whose positions on diversity initiatives, transgender identity, guns and other hot-button issues could be polarizing — and alleged he was propagating hate.

Because Kirk’s killing had already prompted vows from

prominent Republicans to punish anyone who disparaged him — blowback was swift. Federal Communications Commission Chairman Brendan Carr suggested Kimmel should be disciplined. Executives at Sinclair and Nexstar, which own dozens of ABC affiliates, said they would stop airing “Jimmy Kimmel Live!” On Wednesday, ABC said it would preempt the show “indefinitely” — a decision cheered by Trump.

“Great News for America,” he said on social media.

Kimmel’s removal drew condemnation from Hollywood unions, and posts proliferated on social media from users warning they would cut off subscriptions to Disney-owned streaming services such as Hulu. Some conservatives raised free speech concerns; Republican Sen. Ted Cruz (Texas) said Friday it was “dangerous for government to put itself in the position of saying, ‘We’re going to decide what speech we like and what we don’t.’”

The White House, FCC, Sinclair and Disney did not respond to requests for comment Friday.

A spokesperson for Nexstar said “the decision to preempt “Jimmy Kimmel Live!” was

made unilaterally by the senior executive team at Nexstar, and they had no communication with the FCC or any government agency prior to making that decision.”

Eisner declined further comment through a spokesperson. Industry observers say Iger is prioritizing the interests of a global media and entertainment powerhouse. Disney, whose properties include Pixar, Marvel Studios and Walt Disney World, has a market cap north of \$204 billion.

Nexstar is in the midst of acquiring rival Tegna, which requires federal approval. Disney and ESPN, in which Disney has a majority stake, have pending deals with Fubo and the National Football League that need regulatory sign-off. The FCC grants and can revoke broadcast licenses to station owners. Disney provides programming and also owns some of its stations.

Disney is a “huge company with a lot of businesses and a lot of things that it works with and relies on the federal government for,” said Morningstar analyst Matthew Dolgin.

The company also has to consider potential backlash from streaming subscribers, though it remains to be seen how entrenched those views

might be. Dolgin doesn't anticipate mass cancellations of Disney+ or Hulu and doubts the blowback will significantly decrease viewership of NFL games and other popular programming.

"It seems clear to me that [Iger's] foremost concern is running Disney well and doing what's in the best interests of Disney and Disney's business" over taking more ideological stands, Dolgin said.

Disney closed Friday at \$113.76, down nearly 1 percent on the day and 1.9 percent for the week. The stock is up nearly 2.2 percent year-to-date.

Iger has waded into culture-war issues in the past. He resigned from a Trump business advisory council in 2017 over the president's decision to withdraw from the Paris climate agreement. In 2018, ABC axed the top-rated show "Roseanne" after its star, Roseanne Barr, posted racist comments about a former adviser to President Barack Obama. And he took a public stand against Florida Gov. Ron DeSantis (R) over a "Don't Say Gay" law that banned some classroom lessons on sexual orientation and gender identity, said Jeffrey Sonnenfeld, a professor at Yale School of Management.

"Sometimes he offends the left, sometimes he offends the right," Sonnenfeld said. He's not part of the "lemming effect of business roundtable cowards."

Trump's acrimonious relationship with news media has fueled a rash of lawsuits. In July, he reached a \$16 million settlement with the parent company of CBS News, over the editing of a "60 Minutes" interview with presidential rival Kamala Harris. In December, ABC News agreed to pay \$15 million to resolve a defamation lawsuit. Trump also sued the Wall Street Journal in July after it published a report related to his connection to wealthy financier Jeffrey Epstein. On Friday, a federal judge tossed out his \$15 billion defamation lawsuit against the New York Times.

Meanwhile his FCC chief, Carr, has opened investigations into NPR and PBS over sponsorship practices and has come to personify Trump's crusade against the mainstream media. Though Franklin D. Roosevelt, John F. Kennedy and Lyndon B. Johnson used the FCC to target broadcasters politically opposed to them, there aren't modern precedents similar to Carr, said George Mason Uni-

versity law professor Ilya Somin.

"I do understand the dilemma that broadcasters and media firms face," he said — namely that "the FCC can take ... actions against them like holding up license renewals or mergers."

Greif, the investment banker, said Disney's decision to reinstate or permanently cancel "Jimmy Kimmel Live!" will probably take into account the potential effect on its viewers, theme park goers, cruise ship passengers, advertisers and affiliates.

"All of this will have to be carefully weighed, in addition to the ethical considerations of taking a stand for free speech," he said. "I don't envy Bob his decision."