

UNITED STATES GOVERNMENT

Memorandum

TO : Chairman Wiley

DATE: June 9, 1975

FROM : Commissioner James H. Quello

SUBJECT: Personal Views as to Carriage of Sports Programs on Cable Television Systems.

Due to unavoidable commitments, I will not be able to attend the June 24th Special Meeting to discuss the Distant Signal Sports Importation on Cable Television. Accordingly, I am submitting herewith a summary of my views on the matter.

In brief, I recommend the Commission take no action with respect to amending the present sports provisions now inherent in the rule, except for a proviso that when a professional baseball, basketball, football, hockey team, etc. is playing at home, no cable system located within the predicted Grade B contour of a station located within the home city of such team shall carry the television broadcast of the same game if such event is not available to a local television station.

I have not been convinced there is any need to amend the present rules governing carriage of sports events. Cable systems have for some time carried sports events as broadcast by stations without any showing of undue impact seriously affecting the interests of either broadcast or professional sports organizations. Absent a showing of specific impact, I am not persuaded that any need has been shown to amend the rules to further restrict cable carriage of sports programs.

I believe the proposed cable "blackout" rules would tend to protect the gate receipts of national sports teams (which are not subject to regulatory oversight by this Commission), more than to protect against impairment of audiences or advertising revenues of broadcasters. I do not believe that this Commission possesses the authority to adopt rules to protect professional sports teams. In my opinion, the Communications Act does not vest the Commission with authority to act in this capacity.

Finally, I believe the proposed blackout of sports programming would impair the economic viability of cable systems and would seriously disrupt existing cable viewing habits. For the above reasons, I don't think there is any demonstrable need to further restrict the carriage of distant signal sports events, with the exception of the "home game" proviso.



34

If, in the future, satellite transmission or other technical developments alter the economics of cable and broadcast networking, we should revisit the issue.

I'll be available by telephone for voting purposes (313 821-0068) and Al Cordon and Bill Harris will attend the meeting as my representatives.

James H. Quello