

## Federal Communications Commission Washington, D.C. 20554

January 8, 2015

DA 15-23

# **Small Entity Compliance Guide**

### **Sports Blackout Rules**

Report and Order FCC 14-141 MB Docket No. 12-3

This Guide is prepared in accordance with the requirements of Section 212 of the Small Business Regulatory Enforcement Fairness Act of 1996. It is intended to help small entities—small businesses, small organizations (non-profits), and small governmental jurisdictions—to comply with the new rule/s adopted in the above-referenced FCC rulemaking docket/s. This Guide is not intended to replace the rule/s and, therefore, final authority rests solely with the rule/s. Although we have attempted to cover all parts of the rule/s that might be especially important to small entities, the coverage may not be exhaustive. As a result, in any civil or administrative action against a small entity for a violation of a rule or rules, the content of the Small Entity Compliance Guide may be considered only as evidence of the reasonableness or appropriateness of proposed fines, penalties or damages. This Guide may not apply in a particular situation based upon the circumstances, and the FCC retains the discretion to adopt approaches on a case-by-case basis that may differ from this Guide, where appropriate. Any decisions regarding a particular small entity will be based on the statute and regulations.

In any civil or administrative action against a small entity for a violation of rules, the content of the Small Entity Compliance Guide maybe considered as evidence of the reasonableness or appropriateness of proposed fines, penalties and damages. Interested parties are free to file comments regarding this Guide and the appropriateness of its application to a particular situation; the FCC will consider whether the recommendations or interpretations in the Guide are appropriate in that situation. The FCC may decide to revise this Guide without public notice to reflect changes in the FCC's approach to implementing a rule, or to clarify or update the text of the Guide. Direct your comments and recommendations, or calls for further assistance, to the FCC's Consumer Center:

> 1-888-CALL-FCC (1-888-225-5322) TTY: 1-888-TELL-FCC (1-888-835-5322) Fax: 202-418-0232

#### **OBJECTIVES OF THE PROCEEDING**

Originally adopted in 1975, the Commission's sports blackout rules prohibited cable operators, satellite carriers, and open video systems from retransmitting, within a protected local blackout zone, the signal of a distant broadcast station carrying a sporting event if the event is not available live on a local television broadcast station. These rules were intended to ensure that the potential loss of gate receipts resulting from multichannel video programming distributor importation of distant stations did not lead sports clubs to refuse to sell their rights to sports events to distant stations, which would reduce the overall availability of sports programming to television viewers. In the Report and Order in MB Docket No. 12-3, the Commission eliminated the sports blackout rules, concluding that these rules are no longer necessary to ensure that sports programming is widely available to television viewers. The Commission also found that eliminating the sports blackout rules will remove unnecessary and outdated regulations and will remove regulatory reinforcement (and the FCC's implicit endorsement) of the NFL's private blackout policy, which prevents consumers – many of whom have subsidized NFL teams with their tax dollars through publicly-financed stadiums and other tax benefits – from watching their teams' games on local television.

Elimination of the Commission's sports blackout rules may not eliminate all sports blackouts because the NFL and other sports leagues may choose to continue their private blackout policies. Nevertheless, to the extent that the NFL or any other sports league decides to continue its private blackout policy, it will no longer be entitled to the additional protections of the Commission's sports blackout rules. Instead, it must rely on contractual arrangements negotiated in the private marketplace.

#### **COMPLIANCE REQUIREMENTS**

The Commission's rules no longer prohibit cable operators, satellite carriers, and open video systems from retransmitting the signal of a distant broadcast station carrying a sporting event which is blacked out on a local television broadcast station. However, the sports leagues may choose to continue their private blackout policies through contractual arrangements with programming distributors (i.e., broadcast television networks and stations, cable operators, satellite carriers, and open video systems). Thus, programming distributors may be subject to blackout requirements included in their private contractual agreements with the sports leagues.

#### **INTERNET LINKS**

Sports Blackout Rules, Report and Order in MB Docket No. 12-3, 29 FCC Rcd 12053 (2014):

https://apps.fcc.gov/edocs\_public/attachmatch/FCC-14-141A1.docx https://apps.fcc.gov/edocs\_public/attachmatch/FCC-14-141A3.docx https://apps.fcc.gov/edocs\_public/attachmatch/FCC-14-141A3.docx https://apps.fcc.gov/edocs\_public/attachmatch/FCC-14-141A4.docx https://apps.fcc.gov/edocs\_public/attachmatch/FCC-14-141A5.docx https://apps.fcc.gov/edocs\_public/attachmatch/FCC-14-141A6.docx https://apps.fcc.gov/edocs\_public/attachmatch/FCC-14-141A6.docx https://apps.fcc.gov/edocs\_public/attachmatch/FCC-14-141A1.pdf https://apps.fcc.gov/edocs\_public/attachmatch/FCC-14-141A3.pdf https://apps.fcc.gov/edocs\_public/attachmatch/FCC-14-141A3.pdf https://apps.fcc.gov/edocs\_public/attachmatch/FCC-14-141A4.pdf https://apps.fcc.gov/edocs\_public/attachmatch/FCC-14-141A5.pdf https://apps.fcc.gov/edocs\_public/attachmatch/FCC-14-141A5.pdf https://apps.fcc.gov/edocs\_public/attachmatch/FCC-14-141A5.pdf https://apps.fcc.gov/edocs\_public/attachmatch/FCC-14-141A5.pdf https://apps.fcc.gov/edocs\_public/attachmatch/FCC-14-141A5.pdf https://apps.fcc.gov/edocs\_public/attachmatch/FCC-14-141A3.txt https://apps.fcc.gov/edocs\_public/attachmatch/FCC-14-141A4.txt https://apps.fcc.gov/edocs\_public/attachmatch/FCC-14-141A5.txt https://apps.fcc.gov/edocs\_public/attachmatch/FCC-14-141A6.txt