

**STATEMENT OF
CHAIRMAN TOM WHEELER**

Re: *Sports Blackout Rules, Report and Order*, MB Docket No. 12-3 (September 30, 2014).

Football is the most popular sport in America.

Accordingly, the NFL is the most powerful sports league and arguably the most powerful organization in American entertainment.

One of the ways that NFL flexes its muscle is its TV blackout policy, which is effectively a tool for blackmailing fans to go to games – at a cost of roughly \$500 for a family of four.

Today, I'm pleased to say that the FCC is standing up for football fans and common sense. Completing the work the Commission began last December, we are eliminating the FCC's sports blackout rule, which punishes fans and has outlived its usefulness.

In 1975, the Commission enacted rules barring cable television systems from airing a game that has been blacked out on the local television station because it was not sold out. The league's contract with the broadcast networks already contained this provision. But for some reason, it was necessary for the federal government to pile on.

These rules make no sense at all.

The sports blackout rules are a bad hangover from the days when gate receipts were the league's principal source of revenue and most games didn't sell out. Today, sell-outs are the norm. More significantly, pro football is now the most popular content on television. With the NFL's incredible popularity, it's not surprising that last year the League made \$10 billion in revenue and only two games were blacked-out.

But the NFL's blackout policy remains a real concern for fans. During last year's playoffs, Cincinnati, Green Bay, and Indianapolis hadn't sold out their games 72 hours before kickoff. The only way those games weren't denied to fans was that local businesses bought blocks of tickets just so the game could be officially "sold out."

We at the FCC shouldn't be complicit in preventing sports fans from watching their favorite teams on TV. It's time to sack the sports blackout rule.

Not surprisingly, the NFL loudly opposes this effort. They claim that the system is "working" and the FCC shouldn't disrupt America's most popular sports league.

I find it hard to believe the league's representation that it's fighting to preserve the FCC's sports blackout rules for the sake of the fans! In a perverse, "stop me before I shoot," they argue that removing the Commission's rules could mean the end of pro football on free over-the-air television because the league would move its games to pay services like cable and satellite. But look who controls that decision in the first place – certainly not the FCC.

To hear the NFL describe it, you would think that putting a game on CBS, NBC, or Fox was a money-losing proposition instead of a highly profitable multi-billion dollar business. But the fact is that the NFL currently distributes most of its games through broadcast television because it is more profitable for it to do so. NFL games are the most highly rated programming on broadcast television, which allows

broadcasters to charge the highest advertising rates for spots during NFL games and, in turn, to pay the NFL multi-billion dollar/year television revenues.

Unfortunately, eliminating the FCC's sports blackout rules may not end all sports blackouts. The NFL and other sports leagues may choose to continue their private blackout policies. But if they decide to continue to their blackout policies, they will have to do so without being able to hide behind the federal eagle.

NFL has told us they might have to start blacking out more games and the FCC will, somehow, be to blame. Let's be clear, it is the league that makes the blackout decision. Today, we withdraw from a bad policy that protected this anti-fan conspiracy. These anti-fan regulations need to go, and today, they finally will.