

wants to get as much circulation and as much audience in every community in the United States as he can. But the ball teams that own the rights to television exhibition condition their contracting those rights on such conditions as this. It is a condition that is imposed on us, none that we either wish or initiate.

Mr. MACDONALD. Could you not refuse, if they blacked out a certain area, and you have said this is a bad practice—and I could not agree with you more—could you not refuse to let the rest of your network carry that game? You are not entirely helpless in this.

Mr. ADAMS. We are not entirely helpless but there is competition in the business. I don't think Mr. Monderer would let us agree with the other two networks that the only basis on which we would negotiate for sports rights is a three-network agreement not to accept blackout provisions.

Mr. MACDONALD. The worst example I can think of did not affect me directly, although I did get mail about it. When Mohammed Ali was fighting some guy from Arizona—Folley, I believe. They allowed the programing every place except where it was being fought, which I think was Madison Square Garden, in New York City. Then they blacked it out in Phoenix, Ariz. Do you think this was a good practice?

Mr. ADAMS. I don't know the circumstances. On the basis you describe it does not sound to me like a good practice, but I do not know the conditions that prompted it nor do I know under what conditions the blackout was imposed.

Mr. MACDONALD. They blacked it out because Folley was from Phoenix. I guess they had theater TV and therefore they did not want it to go on free TV to knock out the hometown boys' theater revenues in Phoenix. So they blacked it out in Phoenix and the people in Phoenix who wanted to see him fight in this heavyweight match had to go to a theater and pay money to see it.

Mr. MONDERER. I seem to recall, I believe it was the RKO people who had the rights and they apparently chose to do it on that basis in their hometowns.

Mr. MACDONALD. Don't you think that continuation of this type of thing would make people willing to pay to see some programs?

Mr. ADAMS. I think the example you used of the fight, Mr. Chairman—

Mr. MACDONALD. I am talking about blackouts really.

Mr. ADAMS (continuing). Is the same sort of example we use when we are concerned with pay television over the air. We think that also would result in blacking out home screens for free viewing. We do not like the blackout principle. Until we have the ability to negotiate our way out of it we have to accede to demands on the part of the rights holders for it. Their interest is an economic interest.

Mr. MACDONALD. Do you see any chance in the future that the blackout question will stop?

Mr. ADAMS. I would hope so, but I don't see the basis on which rights holders would agree to let us broadcast in the very places where they are inviting an audience into a stadium.

Mr. MACDONALD. Mr. Kornegay.

Mr. KORNEGAY. Mr. Adams, would you have any basis for your statement other than the fact that Hartford had 1 percent of the subscribers, the statement that it was not interested in or, whatever it was, there was no public interest in pay TV?