

The NFL gets \$28 million a year as a league from free television for the exhibition rights. This is divided, as I understand it, equally among the 16 teams, which would mean that each team gets \$1¾ million per year for its television exhibition rights.

Now, if the New York Giants, for example, were to decide not to make available its away schedule to free TV, it could say, "I will sell my home schedule to pay TV, seven games." It could say that under these rules as we read them.

Now, there are 5,049,000 television homes in the New York metropolitan area. Let us assume that 10 percent of those homes subscribe to this event. That is 500,000 homes. Let us assume a dollar per home per game. That would be 500,000 times seven, or three and a half million dollars.

Let us assume further that half of that money goes to the team and half goes to the pay TV company. The Giants would receive then, net, the exact same amount of money under those circumstances and under the assumption I have just made that they would have received had they sold their entire schedule to free television. Therefore, there would be no loss to the Giants, moneywise, in keeping those games off free TV for 2 years. After that, as we read the rules, they would then be free to sell their entire schedule at the top price to the top pay TV bidder.

In other words, under those assumptions, if they are reasonably accurate, that is how a team could afford to stay off free TV for 2 years while they were getting themselves free of the FCC's proposed restrictions.

Mr. VAN DEERLIN. So that the restrictions that the FCC would impose in its rules would not provide a real protection at all, in your opinion?

Mr. ERLICK. Not in our judgment; no, sir.

Mr. VAN DEERLIN. Thank you, Mr. Chairman.

Mr. MACDONALD. I will recognize Mr. Brotzman in just a moment. Are you sure you are right about that?

Mr. ERLICK. This is the way we interpret it, Mr. Chairman.

Mr. MACDONALD. I don't have the language with me but the language says events that were usually shown.

Mr. ERLICK. Within 2 years on free television.

Mr. MACDONALD. Usually sold on commercial TV.

Mr. ERLICK. That is right. All you have to do is stay off 2 years.

Mr. MACDONALD. That would take the whole schedule, would it not?

Mr. ERLICK. No, sir; just that event, as we read it.

Now, to answer your question, the home games are not usually shown. So that, under both circumstances, they would be free of that restriction.

Mr. MACDONALD. They are not shown in New York; yes, but you can see them in Boston.

Mr. ERLICK. Right.

Mr. MACDONALD. If it is being shown—there are no geographical boundaries in the regulation—if it is sold commercially and I can watch it in Boston, then I would think any lawyer could easily argue that it had been shown.

Mr. ERLICK. I think you could argue that.