

There are a few things I would like to ask you for my own information and edification.

No. 1 is that you suggest that the rule with reference to sports events be changed or made in such a way as to permit the showing on STV in blacked out areas of particular sports events. I don't quite understand that because as I understand it, that is a part of the contract between the network and the institutions involved in the sports events.

Mr. HALL. Yes.

The NCAA rule provided that there be no telecast within the home area within a 75-mile radius. But the NCAA very easily could, and in my opinion very definitely would, say that the game may, however, go on STV in that area.

Do I answer that question?

Mr. KORNEGAY. Would they not be—

Mr. HALL. No, it would extend the box office so that they might—now this would be a calculated measure. If I were the director of athletics at the particular institution where the game is to be played and that game is blacked out, if the interest is running very high in that game, (a) I would like to satisfy the public who can't get in my stadium (b), I would like to pick up additional revenue; I would then balance how much would I get from the pay TV telecast as against what erosion will there occur in the sale of my tickets at the box office at the stadium.

Mr. KORNEGAY. I can certainly see that if it is a sellout. Is your suggestion limited only to those cases where it is sold out?

Mr. HALL. I think the rule would not necessarily cover that. I think that is the rule that would be made by the people who have the sports event themselves. There is no thought here that the FCC is telling anybody that they have to go on television in any form if they don't want to.

I say in the way it is actually happening now you will as far as I can determine, forever have a situation where you can't buy the ticket and yet it won't be shown in your area. That is the conditions that exist.

But those are made by the owners or the proprietors of the event, not by the networks themselves.

Mr. KORNEGAY. You are starting with the network in that case. The network would prefer to have it shown all over, would they not?

Mr. HALL. Absolutely.

Mr. KORNEGAY. So they would probably pay more for the show if it could be shown all over without any blackout.

Mr. HALL. Yes. Take the Michigan-Michigan State game, for example. That is a very important market so that the advertiser would have paid additional revenues, advertiser dollars, for the privilege of putting that game on Detroit. But STV would also be there to put it on.

Mr. KORNEGAY. But the promoters of the institutions involved, the teams involved, have not seen fit to take the risk, that calculated gamble you spoke of?

Mr. HALL. Because the amount that the advertiser dollar can come up with can't match the erosion of the free offering in the home right in your backyard.

Mr. KORNEGAY. In other words, you say subscription TV can come up with a greater amount of money to buy the show for the blackout