

Sports & Entertainment Spotlight

The FCC Sees the Light! The Federal Communications Commission Eliminates Sports Blackout Rule

Alysha Preston on 1.5.15 | Posted in NFL, Sports, Web/Media

On September 30, 2014, the Federal Communications Commission (FCC) released a [statement](#) repealing its sports blackout rule, a rule that the National Football League (NFL) has defended and relied on since 1975. The blackout rule strengthened the [NFL's own blackout policy](#), which prohibited local broadcast stations from televising a game that did not sell between 85% and 100% of its tickets at least 72 hours before kickoff. Similarly, the FCC rule prohibited cable and satellite operations from airing any game that was blacked out on local broadcast stations. Although the FCC's rule applied to all sports, the NFL has not only relied upon it the most, but also fought the hardest to preserve the rule.

To justify its decision, the Commission found that the rule was no longer needed due to significant changes in the sports industry. When the FCC rule was enacted nearly 40 years ago, the NFL's primary source of income derived from ticket sales, and most NFL games failed to sell out. The policy was enacted as a way to incentivize fans to attend the games in person, instead of watching them from home. In its statement, the FCC noted that there have been "significant changes in the sports industry since these rules were adopted[;] [t]oday, television revenues have replaced ticket sales as the NFL's main source of revenue, and blackouts of NFL games are increasingly rare." The FCC found that the NFL averages six billion dollars in television revenue per year and only blacked out two games last season.

The Commission's decision did not rest solely on its conclusion that the NFL and other sports leagues may no longer need the rule. There is some indication that the FCC wanted to remove itself from the sports arena all together. According to [Politico.com](#), FCC Chairman Tom Wheeler stated, "Everyone needs to be aware of who allows blackouts to exist, and it is not the Federal Communications Commission." Does this mean that the FCC's action will eliminate all sports blackouts moving forward? The FCC answered that question with a "no," making it clear that "the NFL may choose to continue its private blackout policy," as it has "current contracts with the broadcast networks [that] extend through 2022." The NFL's contractual agreements with local television networks for distribution rights can still be used to maintain its private blackout policy, but without the help of federal regulation. However, even if a game is blacked out on local broadcast stations, cable and satellite providers would no longer be prevented from airing that game due to the removal federal regulations. The Commission concluded that,

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because of its change in policy, the NFL “must rely on the same avenues available to other entities that wish to protect their distribution rights in the private marketplace” by utilizing private contracts with distribution partners.

NFL fans feared that the FCC’s decision would shift NFL programming to pay TV, ultimately depriving them of the ability to watch games for free. However, the NFL ensures that as the “only sports league that televises every one of its games on free, over-the-air television [, t]he FCC’s decision will not change that commitment for the foreseeable future.” What the foreseeable future might hold, however, is unclear, as the NFL holds the right to change its mind once the various contracts have ended. One thing the NFL guarantees, however, is that “with or without the rule, the league will continue to work to find new ways to bring more people to the game, and bring the game to more people.” The FCC’s decision became effective on November 24, 2014.

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Tags: Blackout, FCC, Media, NFL, Sports