

action, including ordering the operator to carry the station or carry it on a given channel, as necessary." Said INTV: "Stations should not be required to incur significant economic harm before relief will be granted."

The commission's analysis of network business is incorrect, INTV said, because there is a "blind faith that revenues gained from owning cable services will somehow" go back into the off-air network. ABC's recent announcement that it will move several college football games to pay per view, INTV countered, shows the opposite will happen. "At some point, a network will be more than happy to forgo reaching 100% of the [over-the-air] audience, avoid compensation payments and clearance problems from affiliates in return for increased income from subscriber fees and program payments," INTV said.

The networks have countered that it

Relaxing the rules will lead to "dangerous levels of horizontal concentration in local broadcast markets."

INTV comments

would be economic suicide to harm affiliates through channel positioning or deleting the stations because it will harm the system's value. INTV countered that the opposite is true. "Such behavior can increase a system's value because it places a cable system in a superior position when competing for local advertising revenue."

The commission's new network-cable crossownership rules, INTV said, combined with the relaxed financial interest and syndication rules—which do not apply to cable systems—will lead to off-network programing bypassing the independent station market and moving directly to network-owned cable systems.

INTV also criticized the commission's 50% local ownership cap, arguing instead for a 25% cap of homes passed in a market. According to INTV, under a 25% ownership cap, a network could buy outright 13 of the top 50 MSO's passing 6.5 million TV households. ■

VINCENT DEPARTURE IMPACTS MLB'S WASHINGTON AGENDA

Superstation blackout backed by league fails to make it into cable legislation

By Joe Flint

How Fay Vincent's resignation as commissioner of Major League Baseball will affect baseball's upcoming labor and television rights negotiations remains to be seen, but it has already had a negative impact on its Washington agenda.

House and Senate conferees last week reconciled cable legislation without adding a baseball-backed provision that would have required cable systems to black out games imported on superstations if they were being telecast locally.

During the House-Senate conference, House Energy and Commerce Committee Chairman John Dingell (D-Mich.) said he was sympathetic toward the blackout provision and the need to protect local rightsholders from superstations.

But support for the provision quickly dissipated following Vincent's announcement, Dingell said. "It just didn't seem like there was any reason to go forward," he said.

The owners "made a very unfortunate choice and it impacted on their affairs here," Dingell said. "They lost their focus, they lost their leadership and they lost their principal advocate."

Representative Dennis Eckart (D-Ohio), another of the House conferees, concurred, saying the steam went out of the provision the day Vincent resigned.

Howard Paster, baseball's principal Washington lobbyist and the newly named president of the Hill & Knowlton public relations firm, said the amendment had support in the House but not the Senate and the amendment was not going to "hold up the bill."

There may have been more substantive reasons for the provision's failure. Some critics claimed it was aimed more at setting the stage for pay-per-view baseball than at protecting local rightsholders.

The blackout provision was just part of Vincent's campaign to curtail the baseball-laden superstations. And

while the effort may have been supported by most owners, it antagonized the two team owners that broadcast their games nationally via superstations—Tribune Co. (Chicago Cubs, WGN-TV Chicago) and Turner Broadcasting Co. (Atlanta Braves, WTBS[TV] Atlanta). Both were among the 18 owners that called on Vincent to step down.

Earlier this year, MLB required a language change in its local broadcast contracts that would allow a team to terminate its contract if broadcasts were retransmitted "by any means" to more than 200,000 homes outside the team's territory.

Most viewed it as an attack on superstations. Shaun Sheehan, vice president, Washington, Tribune Co., said he hoped the next commissioner has a "full enough plate" because the "notion of eliminating events on superstations is not consumer-friendly." Tribune has become a force in local baseball rights—by next year, seven Tribune stations will be carrying baseball, and it owns superstations WGN-TV Chicago and WPIX(TV) New York, which carries the New York Yankees.

Although baseball's stance against the compulsory license (a position also at odds with Turner and Tribune) likely will not change with Vincent's departure, its efforts to repeal it could be slowed.

The compulsory license allows cable systems to pick up superstations and other distant broadcast signal without consent, paying a relatively modest federally set fee to the baseball and other programing rightsholders. Baseball receives about \$40 million from cable and superstations.

Tribune was also angered over Vincent's attempt to shift the Cubs into the National League West division, where the West Coast start times might hurt viewership in the rest of the country. Tribune has sued to block the plan.

Meeting in St. Louis last Wednesday, the team owners tapped one of their own, Milwaukee Brewers owner Bud Selig, to take over for Vincent. ■