

Broadcasting Cable

HIGH COURT RULES FOR WGN IN NBA CASE

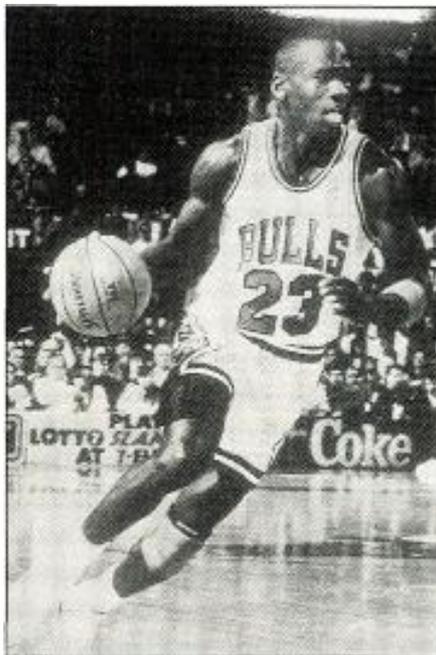
Association prohibited from setting cap on number of games aired on superstation

By Rich Brown

The Chicago Bulls scored their first win of the season last week by knocking down the National Basketball Association's attempt to limit the number of games aired on superstation WGN-TV Chicago.

The U.S. Supreme Court on Monday upheld an appellate court decision barring the NBA from setting a cap on the number of games that air on WGN-TV. The nation's highest court did not buy into the NBA's argument that games carried by superstations diminish the value of its \$875 million, four-year national TV contracts.

The dispute arose when the NBA decided in spring 1990 to adopt a rule reducing from 25 to 20 the number of games allowed on a local signal that is received outside the team's local market by more than 5% of U.S. cable subscribers. The ruling prompted a suit by WGN-TV and Chicago Bulls owner Chicago Professional Sports Limited Partnership, which had just signed a deal for 25 games per year. In January 1991, a federal judge in Illinois said the NBA's rule constituted unreasonable restraint of trade in violation of antitrust law and said the



Michael Jordan of the Chicago Bulls, whose games are carried to 34 million cable homes on superstation WGN-TV

five-game reduction would "reduce availability and competition in the hope of raising the price of product in the future." The Supreme Court affirmed the ruling without comment.

"It just reinforces that we have a right to do what we're doing," said

Shaun Sheehan, Washington-based lobbyist for WGN-TV parent Tribune Co. The station, which reaches 34 million cable subscribers nationally, had carried as many as 30 games last season during the litigation.

The NBA issued a statement that said it was "disappointed" in the Supreme Court's decision and said it was exploring its options.

The NBA has at least two options at this point, according to Gary Roberts, vice dean of Tulane Law School, who is also a senior officer of the Sports Lawyer Association and a former attorney for the National Football League. He said one option would be for the NBA to persuade all its teams to vote on possibly allowing the league to take control over all local broadcasts. But he added that is not a likely option, considering that three-quarters of the teams—including those with superstation deals—would have to agree on passage of a vote.

He said the other option would be for the NBA to adopt a similar arrangement to the one that currently exists between the superstations and Major League Baseball. In the case of baseball, the superstations contribute to two funds, which are separately handled by the MLB and the Copyright Royalty Tribunal.

Executives at Major League Baseball, who have also argued that superstation telecasts dilute the value of local and network games, did not seem surprised by last week's decision.

"The NBA approach in limiting games was an approach we shied away from simply because we thought it might be challenged as an antitrust violation," said David Alworth, executive director of broadcasting, Major League Baseball. "It turns out we were better off not going down that road." ■

WALLABIES, MEATLOAF HEAD TO NICKELODEON

Nickelodeon is said to be looking into opening a Los Angeles-based animation production studio to centralize the network's growing "Nicktoons" lineup. On deck are two animated pilots expected to air in August 1993—*Rocco the Wallaby*, about a comical wallaby that lives in an abandoned house in Australia, and *Psyched for Snuppa*, which focuses on the exploits of four cats. Rock musician Meatloaf is said to be providing the voice of one of the cats on the *Psyched* pilot. Nickelodeon spokesman Martin von Ruden would only confirm that there have been rumors regarding the possibility of Nickelodeon opening a West Coast animation production facility. Current Nicktoons product includes *Doug*, *Rugrats* and *The Ren & Stimpy Show*, which offered its first new episode of the season last Saturday following weeks of production delays. —RB