

## **The Price We Are Paying to See Sports on TV**

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It's a good thing the New Jersey Nets made their championship run this season, because if they waited one year, a good number of their fans would not have been able to see them beat Boston to advance to the NBA Finals on free TV.

Starting next year, there will be fewer NBA games on free TV, including the Conference Finals, and more on cable TV.

Sports has migrated from local free television—remember the Nets were once on Channel 9—to cable TV and is on the move again. And it's costing all of us money. NBC decided that the NBA wanted too much money for them to renew its network agreement and lost out to a combination of ESPN and AOL-Time Warner.

Cable can pay more money than network TV because it gets money from subscribers and advertisers and that's the rub for me. I don't want my NBA TV. I don't want my YES Network. I am getting tired of paying increases for cable TV because of sports programming.

Sports owners and their cable TV network partners have no regard for cable customers like you and me. They have caused most of those rate hikes because sports programming is very expensive.

We don't have any voice in whether or not we want ESPN, ESPN 2, ESPN Classic, ESPNNews, Fox Sports Channel, Madison Square Garden Network, the proposed NBA TV and the Yankees Entertainment and Sports Networks because entities want to be part of the basic package.

And since most cable operators live on the theory there are more sports fans than non-sports fans, they reluctantly cave into sports demands. The ratings tell a different story. There just isn't a mass interest in ESPN and its affiliates and regional sports networks. Still, all subscribers pay for what a relative few watch.

Sports owners and network operators would be terrified to find out how many people really would pay for sports on TV.

Remember the old "I want my MTV" slogan when cable operators were saying no to the network? Those cable operators,

through the National Cable Television Association, have pleaded with cable networks for more than three years now to slow down the money stream to sports leagues. It hasn't happened yet, but now should be the time.

Those cable operators should take a stand against the new National Basketball Association deal with both AOL-Time Warner and the Walt Disney Company's ESPN. It will cost consumers money. One component of the NBA agreement with AOL-Time Warner calls for the creation of an NBA-AOL Sports Channel to air games. That's all well and good for the business of both companies until one looks at how the new channel will be funded. The NBA will ask cable operators for a 50-cents-per-subscriber per month charge. That means all subscribers, whether they are basketball fans or not, will be asked to chip in \$6 annually for NBA games. The cable operators will then face pressure from both the NBA and AOL-Time Warner to add that programming to its roster and, if they decide not to, AOL-Time Warner could leverage the operators by taking CNN, TNT, TBS, the Cartoon Network, or any combination of those networks away from their subscribers.

Sports teams now operate on the principle of getting truck loads of money from cable and they do so because no one is stopping FOX, Disney or AOL-Time Warner from upping the ante during negotiations with leagues, or individual teams.

ESPN, which just passed on a 20 percent rate hike to cable system operators, is charging about a \$1.50 per subscriber per month, along with a 50-cents-per-month surcharge for National Football League games. My cable company, AOL-Time Warner, charges me \$3.04 per month for the YES Network. The combination FOX Sports Network and Madison Square Garden is costing me \$3.70 per month. When all the costs are added up, sports fans around this area are paying at least \$7 a month to networks and teams. That's a bargain for sports fans, but not for those not using the service. In fact, it is a rip off for those non-sports fans.

The solution is simple. Place all sports on a premium channels and charge viewers the same way the HBO or Showtime or Cinemax packages are available.

Just do what Charles Dolan, Cablevision's chairman, suggested many years ago. Offer sports on an a la carte basis where consumers

can choose what to buy. It's all about choice. And if that happens, maybe the cable audience will be so small, that local and network TV will once again be able to bid on sports making it available to all on free TV.