THE IMPACT OF TELEVISION ON THE GROWTH AND DEVELOPMENT
OF THE NATIONAL FOOTBALL LEAGUE, 1961-1966:
A DESCRIPTIVE STUDY

A Thesis
Presented in Partial Fulfillment of the Requirements
For the Degree Master of Arts

by
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# Table of Contents

**LIST OF TABLES**

<table>
<thead>
<tr>
<th>Table</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>v</td>
<td>xi</td>
</tr>
</tbody>
</table>

**CHAPTER**

**I. INTRODUCTION**

<table>
<thead>
<tr>
<th>Subsection</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
</tr>
</tbody>
</table>

**II. TELEVISION DEVELOPMENTS FOR THE NATIONAL FOOTBALL LEAGUE IN 1961**

<table>
<thead>
<tr>
<th>Subsection</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Background of the Package Contract</td>
<td>11</td>
</tr>
<tr>
<td>Individual team contracts</td>
<td>11</td>
</tr>
<tr>
<td>The Final Judgment of 1953</td>
<td>12</td>
</tr>
<tr>
<td>The adverse effects of the individual team contracts</td>
<td>14</td>
</tr>
<tr>
<td>The Package Contract Plan</td>
<td>13</td>
</tr>
<tr>
<td>The development of the plan</td>
<td>13</td>
</tr>
<tr>
<td>The package contract</td>
<td>22</td>
</tr>
<tr>
<td>Package Contract Litigation</td>
<td>22</td>
</tr>
<tr>
<td>The contract and the court</td>
<td>22</td>
</tr>
<tr>
<td>The Justice Department position</td>
<td>23</td>
</tr>
<tr>
<td>The League position</td>
<td>24</td>
</tr>
<tr>
<td>The package contract ruling</td>
<td>31</td>
</tr>
<tr>
<td>The Invalid Contract</td>
<td>33</td>
</tr>
<tr>
<td>The terms of the contract</td>
<td>33</td>
</tr>
<tr>
<td>Production arrangements</td>
<td>33</td>
</tr>
<tr>
<td>Sponsorship</td>
<td>36</td>
</tr>
<tr>
<td>Individual Contracts</td>
<td>37</td>
</tr>
<tr>
<td>The arrangement of individual contracts</td>
<td>37</td>
</tr>
<tr>
<td>The inadequacy of individual contracts</td>
<td>33</td>
</tr>
<tr>
<td>Sponsorship under individual contracts</td>
<td>40</td>
</tr>
<tr>
<td>A production policy change</td>
<td>41</td>
</tr>
<tr>
<td>The Championship Game Contract</td>
<td>41</td>
</tr>
<tr>
<td>The bids for the contract</td>
<td>42</td>
</tr>
<tr>
<td>The contract provisions</td>
<td>44</td>
</tr>
<tr>
<td>Sponsorship</td>
<td>45</td>
</tr>
<tr>
<td>The Celler Bill</td>
<td>45</td>
</tr>
<tr>
<td>The origin of the bill</td>
<td>48</td>
</tr>
<tr>
<td>The League position</td>
<td>47</td>
</tr>
<tr>
<td>The bill provisions</td>
<td>49</td>
</tr>
</tbody>
</table>

11
III. TELEVISION DEVELOPMENTS FOR THE NATIONAL FOOTBALL LEAGUE IN 1962-1963

The Regular Season Game Contract
The contract terms
Reactions to the contract
The production plan
1962 Championship Game Developments
Theater television
The blackout lawsuit
The effect of the lawsuit
1963 Championship Game Developments
The contract
Sponsorship
Theater television
Blackout Developments
The Stubblefield bill
Detroit blackout problems
Audience and Cost Analysis
Audience statistics
Program selection method
Advertising cost efficiency
The quality of the audience

IV. TELEVISION DEVELOPMENTS FOR THE NATIONAL FOOTBALL LEAGUE IN 1964-1965

The Regular Season Game Contract
The contract
The bidding procedure
The impact of the bid contract
The contract provisions
Innovations by the Network
Program innovations
Station relations innovations
Sales innovation and sponsorship
Other Developments
The championship game contract
Schedule controversy
Legal matters
Television Production, 1964
The double-header
Production innovation
The success of the innovation
<table>
<thead>
<tr>
<th>CHAPTER</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Closed-circuit Television.</td>
<td>130</td>
</tr>
<tr>
<td>Theater television.</td>
<td>130</td>
</tr>
<tr>
<td>Theater television results.</td>
<td>139</td>
</tr>
<tr>
<td>Pay television.</td>
<td>140</td>
</tr>
<tr>
<td>Audience and Cost Analysis, 1964</td>
<td>142</td>
</tr>
<tr>
<td>Regular season games.</td>
<td>142</td>
</tr>
<tr>
<td>Double-headers.</td>
<td>145</td>
</tr>
<tr>
<td>Post-season games.</td>
<td>146</td>
</tr>
<tr>
<td>Non-game programs.</td>
<td>147</td>
</tr>
<tr>
<td>Advertising cost efficiency.</td>
<td>148</td>
</tr>
<tr>
<td>Television Developments for the League in 1965</td>
<td>149</td>
</tr>
<tr>
<td>Pro Bowl Contract</td>
<td>149</td>
</tr>
<tr>
<td>Fears of Overexposure</td>
<td>150</td>
</tr>
<tr>
<td>Expansion</td>
<td>151</td>
</tr>
<tr>
<td>Legal matters</td>
<td>152</td>
</tr>
<tr>
<td>Theater television.</td>
<td>155</td>
</tr>
<tr>
<td>Television Production, 1965</td>
<td>155</td>
</tr>
<tr>
<td>The regional networks</td>
<td>156</td>
</tr>
<tr>
<td>The game telecast format.</td>
<td>160</td>
</tr>
<tr>
<td>The optional time-out</td>
<td>165</td>
</tr>
<tr>
<td>The television producer's role.</td>
<td>168</td>
</tr>
<tr>
<td>The announcer's function</td>
<td>170</td>
</tr>
<tr>
<td>Cases of NFL Programming Value</td>
<td>172</td>
</tr>
<tr>
<td>The Presidential conference pre-emption</td>
<td>172</td>
</tr>
<tr>
<td>Twentieth Century pre-emption</td>
<td>173</td>
</tr>
<tr>
<td>News special pre-emption</td>
<td>174</td>
</tr>
<tr>
<td>Audience and Cost Analysis</td>
<td>174</td>
</tr>
<tr>
<td>The ratings.</td>
<td>174</td>
</tr>
<tr>
<td>Comparative audience rankings for sports</td>
<td>176</td>
</tr>
</tbody>
</table>

V. TELEVISION DEVELOPMENTS FOR THE NATIONAL FOOTBALL LEAGUE IN 1966. 179

The Regular Season Game Contract, 1966-1968. 180
The television rights. 180
Audience-building provisions. 181
Contract alternatives. 184
The contract. 188
The modified blackout provision. 190
Harris Poll. 195
Sponsorship and Advertising Cost Efficiency. 201
<table>
<thead>
<tr>
<th>Chapter</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sponsorship</td>
<td>201</td>
</tr>
<tr>
<td>The cost efficiency concern</td>
<td>202</td>
</tr>
<tr>
<td>Other Television Developments, 1966</td>
<td>206</td>
</tr>
<tr>
<td>The championship game contract</td>
<td>206</td>
</tr>
<tr>
<td>Game telecast schedule</td>
<td>206</td>
</tr>
<tr>
<td>Closed-circuit television</td>
<td>207</td>
</tr>
<tr>
<td>Game telecast schedule controversy</td>
<td>209</td>
</tr>
<tr>
<td>Expansion plans and television</td>
<td>210</td>
</tr>
<tr>
<td>The Merger and Television</td>
<td>211</td>
</tr>
<tr>
<td>The merger.</td>
<td>211</td>
</tr>
<tr>
<td>The television role in the merger</td>
<td>211</td>
</tr>
<tr>
<td>Merger effects on television</td>
<td>214</td>
</tr>
<tr>
<td>The merger immunity bill</td>
<td>217</td>
</tr>
<tr>
<td>Audience Analysis</td>
<td>219</td>
</tr>
<tr>
<td>The Super Bowl</td>
<td>222</td>
</tr>
<tr>
<td>The television contract</td>
<td>222</td>
</tr>
<tr>
<td>Television promotion</td>
<td>224</td>
</tr>
<tr>
<td>Ratings</td>
<td>225</td>
</tr>
<tr>
<td>VI. NFL TELEVISION POLICY</td>
<td>229</td>
</tr>
<tr>
<td>The Television Blackout</td>
<td>231</td>
</tr>
<tr>
<td>The Area Coverage Pattern</td>
<td>233</td>
</tr>
<tr>
<td>VII. TELEVISION CONTROL</td>
<td>243</td>
</tr>
<tr>
<td>The method of evaluation</td>
<td>245</td>
</tr>
<tr>
<td>Areas of potential control</td>
<td>245</td>
</tr>
<tr>
<td>Alleged areas of control</td>
<td>246</td>
</tr>
<tr>
<td>Areas of actual control</td>
<td>249</td>
</tr>
<tr>
<td>The overall evaluation</td>
<td>252</td>
</tr>
<tr>
<td>League and network opinions</td>
<td>252</td>
</tr>
<tr>
<td>The reasons for concessions</td>
<td>253</td>
</tr>
<tr>
<td>VIII. NATIONAL FOOTBALL LEAGUE-TELEVISION ECONOMICS</td>
<td>255</td>
</tr>
<tr>
<td>The television rights fees</td>
<td>256</td>
</tr>
<tr>
<td>The reasons for increased fees</td>
<td>257</td>
</tr>
<tr>
<td>League uses of television income</td>
<td>260</td>
</tr>
<tr>
<td>The cost efficiency question</td>
<td>262</td>
</tr>
<tr>
<td>Pay television</td>
<td>269</td>
</tr>
<tr>
<td>CHAPTER</td>
<td>PAGE</td>
</tr>
<tr>
<td>---------</td>
<td>------</td>
</tr>
<tr>
<td>IX. A FINAL ANALYSIS</td>
<td>270</td>
</tr>
<tr>
<td>The past impact</td>
<td>270</td>
</tr>
<tr>
<td>The future impact</td>
<td>272</td>
</tr>
<tr>
<td>BIBLIOGRAPHY</td>
<td>225</td>
</tr>
</tbody>
</table>
# LIST OF TABLES

<table>
<thead>
<tr>
<th>TABLE</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Income and Network Alignment of NFL Member Teams Under Individual Television Rights Contracts, 1961*</td>
<td>39</td>
</tr>
<tr>
<td>2. Audience Statistics for NFL Game Telecasts-1962*</td>
<td>81</td>
</tr>
<tr>
<td>3. Cost-Per-Thousand Data for Football Telecasts and Average Nighttime Programs, 1962-1963*</td>
<td>86</td>
</tr>
<tr>
<td>4. Audience Statistics for NFL Game Telecasts-1964*</td>
<td>143</td>
</tr>
<tr>
<td>5. Audience Statistics for NFL Game Telecasts-1965*</td>
<td>175</td>
</tr>
<tr>
<td>6. Television Rights Fees for NFL Regular Season and Championship Games, 1961-1966</td>
<td>256</td>
</tr>
<tr>
<td>7. Sponsorship Cost Per Minute of Advertising in NFL Telecasts, 1962-1966</td>
<td>263</td>
</tr>
</tbody>
</table>
CHAPTER I

INTRODUCTION

Sports have been an integral part of television programming from television's emergence as a mass medium in 1948\(^1\) through 1966, when this study was made. Indeed, a strong bond between sports and television was fashioned early as the ubiquitous roller derbies and wrestling matches appeared on television in the beginning fifties, and the relationship was enhanced in ensuing television seasons as other "minor" sports -- golf, tennis, skiing -- were added to the television sports calendar.

One of the sports commodities that has continued on television from the start is the National Football League, a professional sports league founded in 1920. The NFL, in fact, grew up with television, increasing in popularity and improving its financial condition as television rapidly penetrated American homes from coast to coast. The rise of the NFL to the stature of a national sport has paralleled the rise of network television.\(^2\)


It can be theorized that the growth of the NFL relates to the League's association with television. The League has been in existence since 1920 with modest success. Through the televising of NFL games the League gained national popularity. "Television brought NFL games into states, cities and towns where the sport had never been seen before." Television stimulated the interest of a national audience in NFL football. It attracted people's natural passion for sport, focused it on football, and the result was a nationwide television audience eager to watch the NFL games both on television and at the several stadia.

From a financial standpoint television also helped the League grow. As television spread interest in the NFL, attendance increased at NFL games with a corresponding rise in ticket sales. Also, television provided a direct income to the League, through payments for the television rights to the games. These expanding rights fees from television have been instrumental in the League's growing financial strength.

The benefits of this relationship have not been all one-sided. Television has acquired a popular program entity, and coincidentally, a profitable one.

This bond between television and the National Football League has existed since 1951, but the exact nature

3Ibid.
of the linkage has changed periodically, and most dramatically in 1961.

Initially, in 1951, each team separately negotiated its own television contracts with interested television stations. Stations located in the areas of the team cities were the original purchasers of the television rights to the teams' games. In effect, informal regional networks of television stations evolved as teams sold their television rights to television stations in their areas.\(^4\)

The second phase of this individual negotiation period came about as national television networks replaced the individual television stations that were telecasting the NFL games. The costs of telecasting, in general, were rising and the networks could televise the games more efficiently than the individual stations. With the individual television stations forced out by cost, NFL teams independently sold their television rights to national television networks. The networks continued to televise the NFL games on a regional basis.\(^5\)

The period of individual team negotiation, 1951-1960, while workable at first, precipitated several developments in the later years that were detrimental to the League's success. One development in particular had a potential to severely damage the League.


\(^{5}\) Ibid., p. 10.
Television networks and advertisers were shifting their interest from buying regional television rights of several teams to buying national rights of only a few selected teams. Rising costs made this change desirable. The television networks planned to purchase rights to a few teams that were more widely acclaimed and located in mass population cities where large television audience potential existed. Thus, television networks could avoid the extreme costs of servicing several teams yet still interest a national audience. This trend left teams in smaller cities neglected and faced with the prospect of losing all of their television income and coverage.\(^6\)

This situation, lucrative for some teams, but not for others, threatened to upset the League's financial balance and disturb the playing balance of the teams. Balance among teams -- so vital to any sports league's existence -- was imperiled. This critical development provoked the events of 1961.

In 1961 the member teams collectively sold their television rights in order to reverse the damaging forces in the National Football League's television policy. The teams empowered their Commissioner to sell the "package"

\(^6\)Ibid.
of the pooled television rights to any interested television broadcasting organization. The monies received from the sale were divided equally among all the clubs. By combining the television rights of the neglected teams with those of the "sought-after" teams, the entire "package" of television rights was sold at an equitable price. The distribution of this money among the teams provided each with supplementary income for continuing operation and growth. The rationale was evident: the teams would approach an equity of television income which would do much to insure the vital balance of playing strength between teams on the football field.\footnote{Ibid., pp. 3-6.}

This new method of contract negotiation (which was invalidated temporarily by a Federal court ruling) produced the desired results.

The NFL was able to sell the television rights collectively at steadily increasing prices in the sequence of transactions from 1962-1966. All teams, especially the small market ones, have benefited from the shared television income and the League has maintained its vital balance.

These years when the League teams sold their television rights collectively were the most significant ones in the history of the television-NFL relationship through 1966.
In these years, television became fundamental to NFL success. Television paid the NFL increasingly higher rights fees in the periodic transactions. The bond intensified as television and the NFL joined forces in legal defense of their contracts. And also, the bond took on added complexity as other aspects of television broadcasting had an effect on League operation.

The television developments in 1961 actually were the most important and the most crucial events of the League's operation. The decision to sell the teams television rights in a common "package"; the subsequent invalidation by a federal court of this procedure; the ensuing litigation; and the contract -- all occurred in 1961. All of these events, actually one issue, were critical to the future success of the National Football League.

These most significant years of television's impact on the NFL, from 1961 to the present 1966-67 season, are documented in this thesis. Formally, then, the thesis is a descriptive study of television's impact and relationship with the National Football League during these years.

The documentary value of such a study is evident. The thesis attempts a comprehensive, systematic report on this important area of television programming. This
assumes, of course, that such an area of television pro-
gramming is worthy of examination. There are several
sound reasons to support this assumption.

First, the NFL programming on television has
obtained a large viewing audience. Audience is the essence
of television both as a mass medium and a viable economic
system. Football programming on television was able to
attract viewers on a national scope. On a given Sunday
in 1965, viewers in 8 million U. S. homes had their
television sets tuned to NFL football; for the 1966
championship game, this figure doubled.

Second, the economic aspect of the audience reveals
the importance of NFL programming. In the commercial
system of broadcasting, audience is the basis of the
economics; the factor which attracts the advertiser:

Only through successful programming that wins
large audiences do television and radio become
attractive to advertisers seeking mass circula-

The audience of the NFL telecasts, therefore, was very
valuable to television -- as an attraction to the
advertiser. This value is seen in the television payments
to the NFL for the television rights to the League games.

8Ciraud Chester and Garnet Garrison, Television and
p. 95.
Here is the financial statement of the importance of this area of programming.

In 1961, CBS-TV, a national television network, paid the NFL $9.3 million for the rights to the regular season games of all clubs for the 1962 and 1963 seasons. CBS-TV again purchased the rights for the 1964 and 1965 years, but this time the purchase price was $28.2 million -- more than triple the terms of the preceding contract. For 1965 and 1966, CBS-TV once more bought the television rights for the spiraling figure of $37.6 million. In addition, the networks (CBS and NBC) purchased the rights to the championship and other post-season games for large prices in separate contracts. CBS-TV, in 1966, bought the championship game rights for 1966 and 1967 for a price of $2 million dollars per game.

At these prices, the network paid approximately $1,000,000 to televise NFL football on one given Sunday. Network expenditures for other programming types -- even network "special" programs -- were rarely this high. This major outlay of television money for football programming infers the importance of this programming -- surely important enough to be worthy of a thorough study.

Coupled with the audience and financial aspects are the other primary characteristics of the television-NFL relationship: the large number of hours that NFL football appears on television, the elaborate and intricate
production arrangements, the unusual interest that advertisers manifest for this costly programming. These characteristics define a large and complex area of television programming. To understand the inner-workings of such an area of television programming has definite value.

Further rationale for this study comes from an understanding of the facets that have made this relationship so uniquely beneficial to both television and the League. Both the NFL and CBS-IV (the network that has bought the television rights to the League's regular season games in the 1961 "package" negotiation and in every succeeding re-negotiation) have profited from each contract. Television rights payments to the League by CBS-IV have increased significantly during these years. Yet CBS-IV has been able to sell sponsorship in the football game programming at prices that allow the network to recoup the sizeable television rights cost plus a profit. What were the factors that promoted this mutual benefit?

Another purpose of this study is to show television's impact on a particular sport. (Television's role in the near-demise of boxing always incites verbal sparring.) the effect of the television medium upon NFL football games -- in terms of stadium attendance, national interest, changes in the way the game is played for television --
are covered in this thesis and suggest the extent to which television can harm or help a sport. NFL television policies that have proven to be prudent for the League's success are included in the analysis.

This study of the National Football League and television, starting with the 1961 season, is arranged chronologically beginning with Chapter Two. Chapter Two describes the 1961 season, and each succeeding chapter covers the events of subsequent contract negotiations in following years. Each chapter is sub-divided into various meaningful aspects of the television-football relationship, such as production technique, contract terms, sponsorship of games. In addition, three chapters are devoted to analysis of the three most controversial and important facets of the relationship; control of the football game by television, the League's television policy, and the cost spiral. The last chapter contains conclusions and a final analysis.
CHAPTER II

TELEVISION DEVELOPMENTS FOR THE NATIONAL FOOTBALL LEAGUE IN 1961

Television developments regarding the National Football League in 1961 were surely the most significant events in the League's recent history. It was in 1961 that the member teams of the NFL agreed to pool their television rights and empowered their Commissioner to sell the rights collectively to any interested television broadcasting organization. This change of television policy -- that was challenged in a federal court -- was basic to the League's future success. To fully understand these NFL-TV events of 1961 and the factors which forced them, a review must be made of the League's early television policy.

I. BACKGROUND OF THE PACKAGE CONTRACT

Individual team contracts.--From 1951 through 1960, the National Football League television policy consisted of individual team negotiation of television rights. Each team, acting as an independent business enterprise, made the best possible television contracts that it could
arrange with television stations in its immediate area. (Later the teams negotiated with television networks.)¹

The individual team negotiation arrangement began in order to allay anti-trust action by the Department of Justice. A complaint by a San Francisco television station in 1950 called attention to the League's television area restrictions upon the telecasting of NFL games. The NFL, fearing repercussions from the Justice Department, switched to a new policy that had the teams, and not the League, determine their own television rights contracts and provisions.²

The Final Judgment of 1953.—The Justice Department took action, nonetheless, bringing an anti-trust suit versus the NFL in 1951. In the hearings attendant to the court action, the Department reinforced the new League policy of individual team negotiation. According to the Justice Department, the NFL had a monopoly on professional football — there were no other competitive professional football leagues. The Department, therefore, desired that the league teams operate independently of each other in the disbursement of their television rights. This procedure

would guarantee that simultaneous telecasts of two or more NFL games would be available to the viewing public on game days.

The Justice Department's challenge in the lawsuit really centered on the League's television blackout policy and other League restrictions on telecasting in particular areas. Under the blackout policy, the home city of a team and the surrounding area within a 75 mile radius were "blackened out" -- no television station could televise a NFL game in or into this area when the home team was playing a game in the home city. The League still enforced these restrictions on all team contracts even though it had transferred all other authority in television rights determination to the individual teams.

This litigation ended with the 1953 Final Judgment. Judge Allan K. Grim of the U.S. District Court for the Eastern District of Pennsylvania ruled in the Final Judgment that the League's television "blackouts" were reasonable to safeguard the attendance at the stadia, but not beyond a 75 mile radius of the site of the game.

This ruling sanctioned the League's vital blackout policy. Later, in 1961, the ruling was judicially

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4 Ibid.

5 Ibid.
construed to prohibit the League's "package" contract. With such immediate and long-range effects, the 1953 Final Judgment was one of the most significant legal decisions in the League's history.

The adverse effects of the individual team contracts.-- With the legal issues settled for the moment, the period of individual team negotiation of television rights contracts continued. These arrangements resulted in informal regional coverage of NFL games as teams contracted with several television stations in their areas. The television market for NFL games was regional at this point.  

In the mid-1950's, television carrying charges climbed (charges for the electronic transmission of a television signal from one point to another using American Telephone and Telegraph facilities). Individual stations and local sponsors could not meet these necessary costs for NFL telecasts and subsequently discontinued their coverage of NFL games. The television networks however, entered into negotiation with the individual teams to televise their games regionally.  

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7 Ibid., pp. 4-5.
The television networks, with their economic advantages of a network of affiliated television stations, replaced the individual stations in telecasting NFL Games. CBS-TV in 1956 and 1957 had television contracts with 11 of the 12 NFL teams; in 1958, with all 12; in 1959, with 11 of the 12; and in 1960, with 10 of the 13 teams (a new franchise was added to the League in this year). NBC-TV made contracts with two teams in 1960 and purchased the rights to the championship game between the League's divisional winners several years in a row.8

In the late 1950's, television circumstances continued to change, and the League's policy of individual team negotiation of television rights began to work to the League's detriment. The following adverse effects developed:

1) Television carrying charges were increasing as a result of the duplication of facilities, agency costs, line charges, and promotional and overhead costs from individual contracts. 9

2) Sponsors were losing interest in purchasing advertising time in NFL game telecasts. The relatively high carrying charges and low audience ratings for NFL game telecasts were discouraging sponsors. The television audiences for the NFL games were being fractionalized because the NFL was not only competing with itself (simultaneous games on

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different networks) but also with a newly organized professional football league, the American Football League, in 1960.  

3) A lack of order and stability in television contract relationships was developing. The television coverage and television income bore no relationship to the inherent value in the television rights that were sold. "Access to television facilities was determined more by happenstance of contract termination dates...and the effects of internal jockeying for position than by any realistic interplay of competitive forces." "Prices obtained were frequently determined more by terms of contracts to which the seller was not a party than by the sale contract itself" (One club's television income rose three-fold from 1959 to 1960 due to circumstances beyond its control and unrelated to its operations).  

4) A growing disparity of television income was occurring among the teams. One League divisional champion in 1960 received $445,000 in television rights fees; the other divisional champion could only sell its 1960 television rights for $127,000. This marked difference of income would eventually disturb the teams' relatively equal playing balance because some teams would have more money than other teams to spend on players.  

5) Inadequate values on a team average basis were accruing from the sale of NFL television rights. In 1960 the average television income per club was $198,000 ($181,000 if the two teams that received $800,000 from a television network for national coverage were excluded from the computations). The teams in the new American Football League, by comparison, would receive $215,000 each in television income in 1961.  

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10 Ibid., p. 7.  
11 Ibid., p. 8.  
12 Ibid., p. 8.  
13 Ibid., pp. 8-9.
6) Vigorous objection to the NFL's television policy was being made by the competing American Football League. In a lawsuit the AFL was charging the NFL with "pre-empting available facilities and flooding AFL markets with competing NFL telecasts". The AFL was seeking relief--both through the courts and Congress--from this NFL policy that had originated in a position taken by the Justice Department.

7) Television coverage and television income might cease for some teams. Many teams were being neglected by the television networks and sponsors who were turning their attention to a few teams that had national appeal and large television audiences. With increased carrying and rights costs and declining audience ratings, the networks and sponsors recognized that real profit margins lay "not with the acquisition of the regional rights of a large number of clubs but with the acquisition of national rights to a select few clubs." The teams lacking national appeal and in small population cities, therefore, would be neglected and would possibly lose all television coverage and income in the near future.

NBC-TV proved the profitability of national telecasting of selected teams' games in 1960. The network televised games of two teams on a national basis and competed effectively with CBS-TV which had contracts with ten teams for regional telecasting. In addition, the television income that the two teams received from NBC-TV was one-third of the total television revenue of League teams. The teams lacking national appeal and located in small television audience markets faced the prospect of being neglected and would possibly lose all television coverage and income in the near future. These teams then would suffer the effects of a loss of fan interest and financial stability.¹⁵

¹⁴Ibid., p. 9.
¹⁵Ibid., pp. 9-10.
8) The "free enterprise" motivations no longer existed. The self-interest that used to motivate individual teams in making television contract arrangements is giving way to a recognition of joint interest among teams in their television rights negotiations. This identity of common interest is leading to contract negotiations in which each team, in effect, is representing every other team in the League and seeking a commensurate price.\textsuperscript{16}

It was evident that the individual team television contract system, as it operated in the television conditions of the late 1950's, was not harmonious with the League's future welfare. If the individual system were continued, it would imperil the existence of the National Football League.

II. PACKAGE CONTRACT PLAN

The development of the plan.--Two men immediately realized the gravity of these detrimental television conditions and tried to change the policy. Art Rooney, owner of the Pittsburg Steelers franchise, and Carl Rosenbloom, owner of the Baltimore Colts, were the spokesmen for change. They foresaw the serious implications for the League when the Cleveland Browns team changed its television coverage arrangement.

The Browns switched networks -- from CBS-TV to
Sports Network Incorporated (an organization that establishes

\textsuperscript{16} Ibid., pp. 10-11.
temporary television networks for television coverage of sporting events.) This event demonstrated that the well-financed teams with national appeal, like the Browns, could increase their television income with favorable contracts, while the less popular teams in small markets, would suffer losses of television income.  

The two men realized the consequences and campaigned for a single-network "package" television rights contract. All of the teams television rights would be sold as a "package" to a single television network. By selling the television rights collectively, the NFL could obtain an equitable fee that would be distributed equally among teams, and such a contract would insure television coverage for all teams. The two owners presented the plan; received some support from a few teams located in the smaller markets; but failed to interest any other teams.  

After more futile persuasion the two owners resorted to more dramatic means to indicate the need for a "package" contract. The owners in 1969 signed new contracts with ABC-TV for nationwide coverage when nearly all the other teams had contracts with CBS-TV. The result was to place

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18 Ibid.
League games in competition with one another on NBC-TV and CBS-TV each Sunday afternoon; to fractionalize the original audiences; and to eliminate the best selling point for sponsorship in telecasts of League games -- exclusive audiences.  

The two owners provided a preview of the damaging consequences to follow if the individual contract system continued. The preview was effective. The other team owners saw the dangers of continued individual contracting methods and accepted the "pooled" rights viewpoint of owners Rooney and Rosenbloom.  

An NFL study that was conducted in 1960 further reinforced the seriously harmful effects of the individual team contract policy. It was apparent from the comprehensive report that unless a single network system and "package" rights plan were adopted, many teams would not have television income to compete successfully on the field. Also, the unique policy of televising road games back to home team cities would be abandoned by networks and sponsors.  

With the League of one mind now, efforts were started to alter the television policy to a collective

19. Ibid.  
20. Ibid.  
television rights arrangement. The NFL began discussing such a plan in March 1960 with the Department of Justice. (This preliminary course of action was taken because there was some doubt about the legality of a "package" contract under anti-trust laws and the language of the 1953 Final Judgment court ruling.) The Department questioned the legality, so the NFL dropped the plan for the 1960 season. 22

In 1961 the League again consulted the Department of Justice about the legality of a single network "package plan". This time the NFL entered the talks with two additional arguments in support of its proposed contract. The American Football League had just made a similar one-network collective contract without any repercussions from the Department of Justice. Also, the AFL had filed suit against the NFL for using two networks -- a complaint against the mechanics of the NFL's system of individual team negotiation of television rights. 23

The NFL, however, was advised that the Justice Department was unwilling to commit itself on the continued use of contracts like the AFL made or the one the NFL proposed. 24

24 Ibid., p. 3.
The package contract.—"Confronted with these uncertainties and the tacit approval of like contracts," the NFL proceeded to sign a one-network collective rights contract with CBS-TV on Wednesday, April 26, 1961. The historic contract called for CBS-TV to pay the NFL $9.3 million for the television rights to all teams for the regular season games over a two-season period. The money—to be divided equally among member teams of the NFL—amounted to a $310,000 television income per club per year.25

The signing of the contract was not the end to a confusing television rights condition. It was a catalyst that caused the legal question to climax and brought the whole issue of television practices by sports leagues under investigation. The package contract effected the beginning of crucial litigation.

III. PACKAGE CONTRACT LITIGATION

The contract and the court.—The League immediately submitted the signed contract to Judge Allan K. Grim of the Federal court of the Eastern District of Pennsylvania for a ruling on its validity. Judge Grim, by virtue of his 1953 League decision (Final Judgment), had jurisdiction over National Football League radio-television policy.

25 Ibid., pp. 1-3.
litigation. The NFL felt this measure was necessary because the 1953 ruling contained language that might be applicable in an anti-trust sense to a single network collective rights contract. 26

Technically, what the NFL was seeking in Judge Grim's court was called a "construction" of the 1953 ruling, as provided for in Section XIII of the ruling. This section enabled parties to apply "for such further orders and directions as may be necessary or appropriate for the construction...of any of the provisions of this Final Judgment." 27

The Justice Department position.--With the contract issue in court, the Department of Justice declared itself openly on June 26. The Department filed with Judge Grim the first of two memoranda in opposition to the contract. The memorandum contended that the contract violated anti-trust regulations in general, not merely the provisions of the eight year old decree. The memorandum read, in part:

The government reserves the right to proceed against any sports league that adopts such package television contracts for an adjudication of anti-trust illegality and appropriate punishment or relief. 28

26 NFL Publicity Release, July 26, 1961, p. 3.
28 Department of Justice Memorandum, USA vs NFL, (E. D. of Pennsylvania, 1961), cited by NFL Publicity Release, July 26, 1961, p. 3.
The League position.--In support of the new contract, two documents were submitted to the court by the National Football League. A memorandum prepared by the NFL's attorneys, and an affidavit presented by Commissioner Rozelle, stated the League's defense of the new single-network package contract.29

Both documents were similar in content, using basically the same elements of argument. The memorandum, was a deliberate and elaborate presentation incorporating a cyclical style of reasoning that began with a description of the new contract; continued with the purposes of the contract, how the purposes had their origin in the sports league's unique problems, and the changing factors that aggravated the unique problems under the old television policy; and concluded the full cycle with the statement that the new contract was the sole solution. The Rozelle affidavit, by contrast, was briefer and less intricate.

The major argument of both documents was identical -- that television conditions have changed drastically since the 1953 Final Judgment. The Final Judgment determined for the League a television policy of individual team negotiation of television rights that, at the time, was

29 Defendants' Memorandum, USA vs. NFL, (E. D. of Pennsylvania, 1961); Affidavit by Pete Rozelle, USA vs NPL, (E. D. of Pennsylvania, 1961).
feasible, and was warranted by the League's monopoly of professional football. Since then, however, the controlling factors of television have changed and the individual team contract system was no longer feasible nor warranted. The factors that had evolved were 1) an increasing importance of television income and coverage in the League's success, 2) rising costs of television carrying charges and program time, 3) the development of national popularity for a few select member teams, 4) the creation of a competing professional football league, the American Football League.

Under the policy of individual team negotiation of television rights, these changing factors were causing adverse effects upon the League's operation. The memorandum enumerated these effects (which were described earlier):

a) Increased television carrying charges caused by duplication of facilities in telecasting games on several networks.

b) A decline of sponsorship interest in NFL game telecasts due to rising costs and limited audiences.

c) A lack of order and stability in television contract relationships.

d) A growing disparity of television income among member clubs of the League.

e) Inadequate values for the sale of NFL television rights.

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30 Ibid.
f) Vigorous objection to the NFL's television policy by the competing American Football League.

g) The imminent prospect of a complete loss of television coverage and income by certain member teams of the League.

h) A breakdown of free enterprise motivations by the teams. \(^{31}\)

These adverse effects were destructive to the unique method of operation of the National Football League, or any sports league for that matter. The individual team contract policy under the changing conditions was undermining the very foundation of the League's existence.

Both documents elaborated on the unique principles of sports league operation to amplify this point. A sports league, it was noted, has a joint venture aspect. Each team, whether playing at home or away, shares in the profits of every game it plays (game profits in the NFL are divided 60% for the home team, 40% for the visiting team, after deduction of expenses, taxes, and a 2% payment to the League). Every team thus has a direct stake in the successful operation of every associated team. \(^{32}\)

This joint venture aspect requires that teams maintain a balance on the playing field. This is the cardinal

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\(^{31}\) Defendants' Memorandum, USA vs. NFL, (E. D. of Pennsylvania, 1961), pp. 7-11.

\(^{32}\) Ibid., pp. 5-6; Rozelle Affidavit, USA vs. NFL, (E. D. of Pennsylvania, 19610, pp. 1-3.
objective of every sports league which explains the many
league controls over the member teams. When the teams
are evenly matched on the field, each team profits and
the common financial interest is served. Conversely, an
imbalance of playing strength has a corresponding bad
effect on team income. The weak team on the field suffers
a loss of income and weakens the entire league financially
on account of the joint interest aspect. 33

This unique relationship among member teams in the
League was capsuled in a statement in the Rozelle Affidavit:

The members of the National Football League are
therefore not competitors in a business sense
but partners supporting one another's business
activities. 34

The statement served a dual purpose. It identified the
League's true nature of operation, and it was a firm
rebuttal to the Department of Justice position that NFL
teams should be competitors economically.

This statement in the Rozelle Affidavit represented
the core of the NFL television crisis. The teams in the
League were told by the Justice Department to operate as
competing business enterprises -- the individual contract
system -- which was contrary to their true relationship.

33 Defendants Memorandum, USA vs. NFL, (E. D. of
Pennsylvania, 1961), pp. 5-6; Rozelle Affidavit, USA vs.

34 Rozelle Affidavit, USA vs. NFL, (E. D. of Pennsylvania, 1961), p. 3.
The result of this incongruity, under the changing television conditions, was damage to the League's unique operational system -- balance and joint venture.

The only way that these detrimental circumstances could be corrected -- the only way that the League could operate along its natural principles -- was through the single network "package" contract. Both documents emphasized this sole solution. The memorandum stated its flatly:

There are no means available to the League short of the present contract, for eliminating the injurious effects of the former policy or bringing the League's television practices into line with reality.\(^{36}\)

The new contract guaranteed an equal distribution of television income to member clubs and guaranteed television income and coverage to all teams -- provisions that would insure financial balance and thus balance on the field among the member teams.\(^{35}\) The League would return to a television contract system that was compatible with its unique nature.

Another League argument for the new contract was the fact that professional sports leagues had made similar contracts. The American Football League, significantly,

\(^{35}\) Defendants' Memorandum, USA vs. NFL, (E. D. of Pennsylvania, 1961), p. 10.

\(^{36}\) Ibid., p. 1-4.
was operating under a single-network "package" television rights contract. These other contracts were never challenged. The NFL, if its contract was invalidated, would be a victim of discrimination, forced to follow television policies that would be injurious to the League; the American Football League and other leagues, would continue with beneficial contracts that assured financial stability and television coverage for all teams.\(^{37}\)

The memorandum also contained as one of its parts a defense of the new contract on legal grounds. This section asserted that the contract did no violence either to anti-trust laws in general or to the prior litigation and Final Judgment of 1953.\(^{38}\)

The anti-trust laws were not being violated because the National Football League no longer had a monopoly on professional football. The new American Football League was competition. There was no anti-trust violation now for ending the individual team contract negotiation system.\(^{39}\)

The new contract did no violence to the 1953 Final Judgment, either, the memorandum continued. The NFL teams, under the new contract, would not be restricting the areas of telecasting by means of agreement among teams -- a

\(^{37}\)Ibid., p. 3.

\(^{38}\)Ibid., pp. 12-15.

\(^{39}\)Ibid., p. 12.
practice that might be construed as conflicting with the Final Judgment. Rather, the CBS-TV network, the other party to the contract, had authority to determine which games would be telecast and where.

There were three exceptions to the network's authority in the new contract, however. The network was required to follow these League telecasting policies:

1) The network shall observe the NFL television blackout restrictions.

2) The network shall televise every regular season Sunday afternoon game in the home territory of the visiting team.

3) Television rights to pre-season or night games will revert to the teams if the network does not exercise its option on them.

But none of these restrictions were in conflict with the Final Judgment, the memorandum proceeded. In fact, one restriction, the blackout, was expressly sanctioned by the Final Judgment.40

Reviewing for a moment, the NFL defense was succinctly stated in one paragraph of the League memorandum:

At the time of the prior litigation covering National Football League television practices, the National Football League had a monopoly of professional football in the United States and television circumstances made a policy of individual contract negotiation feasible. Neither of these circumstances exists today.

40Ibid., p. 13.
Moreover, the prior litigation and the Final Judgment were not directed at a contract of this nature.\textsuperscript{41}

This defense and the contentions of the Department of Justice clashed in Judge Grim's court. The League's future hung in the balance with this important television decision of 1961.

The package contract ruling.--On July 20, 1961, Judge Grim ruled the contract invalid. The grounds were violation of anti-trust laws and the 1953 Final Judgment.

In expressing his judicial Opinion on the case, Judge Grim wrote that the new contract violated Section V of the 1953 ruling: Section V of the Final Judgment had enjoined the clubs from making any agreement with the League or member club that restricted the areas within which broadcasts or telecasts of games may be made.\textsuperscript{42}

Judge Grim wrote:

It is implicit in the 1961 contract that the member clubs have agreed among themselves and with the League that each club will not sell its television rights separate and apart from those of the other clubs, but that each club will pool its television rights with those of all of the other clubs, and that only the resulting package of pooled television rights will be sold to a purchaser. Thus, by agreement, the member clubs have eliminated competition among themselves in the sale of television rights to their games.\textsuperscript{43}

\textsuperscript{41}Ibid., p. 2.
\textsuperscript{42}Opinion, USA vs. NFL, (E. D. of Pennsylvania, 1961), p. 2.
\textsuperscript{43}Ibid.
On these grounds Judge Grim construed the 1953 Final Judgment as "prohibiting the execution and performance" of the NFL single network "package" contract.\textsuperscript{44}

The contract was invalidated but the NFL had recourse. On Wednesday, July 26, 1961, the NFL filed a petition in the same court requesting that the 1953 Final Judgment be modified to permit the new contract. A companion petition requested that the League be allowed to carry out one-half of the new contract -- for the 1961 season -- while hearings on the proposed Final Judgment modification were being conducted.\textsuperscript{45}

Two days later both petitions were rejected by Judge Grim.

This 1961 ruling on television policy by Judge Grim was a most crucial event in National Football League history. Television and the NFL had reached a state of incompatibility. A change in television policy to restore harmony was the League's only solution, but the ruling blocked the change. The NFL was forced to continue a relationship with television that could only be self-destructive.

\textsuperscript{44}Ibid., p. 3.

\textsuperscript{45}Ibid.
II. THE INVALID CONTRACT

The new package contract was short-lived. Three months after its inception it was ruled invalid by a federal court. Nevertheless, this was the first "package" contract attempted by the NFL, and it became the model for package contracts that would be arranged in the future. A close look at its structure is meaningful at this time.

The terms of the contract.--The contract was a two year agreement between CBS-TV and the National Football League. CBS-TV purchased the rights to televise all regular season NFL games for $9.3 million for 1961 and 1962 combined. The NFL signed with CBS-TV because the network had individual contracts in force with most of the teams at the time and had contracted with many NFL teams in previous years.46

The money from the contract sale of the television rights to CBS-TV would be apportioned equally among all member clubs of the League (after a 2% deduction for League administrative expenses). Each team would receive approximately $310,000.47

Production arrangements.--CBS-TV had purchased the television rights to all 98 regular season NFL games, and

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47 Ibid., p. 3.
intended to televise them. The network also received in the contract an option on the television rights of certain pre-season games and could televise any play-off games (unscheduled games that are played to determine a divisional championship when two or more teams are tied). But the rights "package" did not include the NFL championship game or other post-season game television rights -- they are sold separate from the regular season game television rights.48

CBS-TV, under the terms of the contract, had authority in determining which games would be telecast, and where geographically, with three exceptions. The network was restricted and had to follow NFL television policy in (1) observing the League's television blackout policy, (2) returning the television rights of pre-season games to the member teams if the network did not exercise its option, and (3) telecasting all regular season Sunday afternoon games in the "home territory" (the 75 mile radius area surrounding a team city) of the visiting teams.49

This third league restriction on telecasting rights greatly influenced the production plans of CBS-TV. With the network obligated to televise all games back to the

home territories of the visiting teams, it was practical for the network to utilize a regional system of television coverage. The home territories of teams and the contiguous areas would comprise the regions. Each game would be telecast in the region of the visiting team. The effect in general was to cut the United States into regional interest zones for the distribution of the game telecasts.50 (A few games that commanded high national interest would be televised nationally by the network.)

This quilt of regional telecasts was complex to be sure. Why wasn't a single "game-of-the-week" plan adopted where only one game would be televised on all affiliated network stations nationwide? A game of the week plan would increase the value of the NFL television rights and would please the network with the production simplicity of it.51

The answer was easy enough -- the contract terms precluded such an arrangement, but, yet, what was the rationale? The reason was this: the fans would suffer from a game of the week plan. The fans of the several teams would not be able to follow their teams on television when their teams played away from the home stadium. The single game-of-the-week plan would end the policy of

50 Grieve, loc. cit.
51 Defendants' Memorandum, op. cit., p. 12.
televising all games back to the visiting teams' home territories. Losing this contact with their teams, the fans probably would lose some interest in the home games at the stadia as well. The potential danger of such a plan to the League's success was obvious.

To insure the support of the fans in their teams -- so fundamental to the operation of a sports league -- the League opposed a game-of-the-week plan. The regional system, while cumbersome, kindled fan interest to maximum levels, which guaranteed successful League operation.

Sponsorship.--The sale of advertising time in the NFL game telecasts was proceeding well at the time the contract was voided.

Two national sponsors -- Philip Morris and Ford Motor Company -- purchased one-half of the time on a national basis for their advertising. The remaining half was sold on a regional basis with beer and gasoline companies buying most of the time. Only one-quarter of the regional advertising time for the Los Angeles Rams, the San Francisco Forty-niners, and the Dallas Texans was still up for sale when the contract was invalidated.

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52 Ibid.
53 Ibid.
CBS-TV was selling advertising time in the game telecasts for the price of approximately $50,000 per minute for national sponsorship. Advertisers, in all, would have paid $12,120,000 for sponsorship of regular season games and the championship game in 1961.\footnote{Ibid.}

It was a lucrative, practical, and essential contract that was voided by the federal court's decree.

III. INDIVIDUAL CONTRACTS

What was the League to do about television coverage in 1961 with the football season only two months away and its contract ruled invalid? The only alternative was to return to individual contract arrangements by the various teams.

The arrangement of individual contracts.--The individual contracts that followed were almost identical to the pattern of 1960. CBS-TV contracted with ten teams to telecast their games on regional networks. The Baltimore Colts and the Pittsburg Steelers made arrangements again with NBC-TV to have their games televised nationally. The Cleveland Browns, once more, arranged for a special network with Sports Network Incorporated that provided coverage on 25 stations in Ohio, Kentucky, Pennsylvania, New York,
Indiana, West Virginia, and possibly Connecticut and Massachusetts.56

The teams received varying incomes that ranged from $117,000 to $445,000 from these individual contracts. Table I shows the various incomes and the network alignments of the member clubs under the individual contract arrangements of 1961.

The inadequacy of the individual contracts.--The inadequacy of these individual contract negotiations was striking in comparison to the terms of the invalidated package contract. The League's television income from the package contract would have been $4,050,000; from the individual negotiations, television and radio income only totalled $2,375,000.57

Also, the inequity of television income among member teams -- the element that could imperil League success -- made a glaring appearance again. For example, the second to last place team in 1960, the Pittsburgh Steelers, was able to sell its television rights advantageously to NBC-TV for a $350,000 sum. Paradoxically, the 1960 championship team, the Philadelphia Eagles, only


TABLE I

INCOME AND NETWORK ALIGNMENT OF NFL MEMBER TEAMS UNDER INDIVIDUAL TELEVISION RIGHTS CONTRACTS, 1961*

<table>
<thead>
<tr>
<th>Member Team</th>
<th>Network Alignment and Stations in Network**</th>
<th>Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baltimore</td>
<td>NBC-TV (all stations)</td>
<td>$445,000</td>
</tr>
<tr>
<td>Pittsburgh</td>
<td>NBC-TV (all stations)***</td>
<td>355,000</td>
</tr>
<tr>
<td>Philadelphia</td>
<td>CBS-TV (3 stations)</td>
<td>127,000</td>
</tr>
<tr>
<td>Green Bay</td>
<td>CBS-TV (6 stations)</td>
<td>117,000</td>
</tr>
<tr>
<td>Chicago</td>
<td>CBS-TV (40 stations)</td>
<td>200,000</td>
</tr>
<tr>
<td>Washington</td>
<td>CBS-TV (39 stations)</td>
<td>178,000</td>
</tr>
<tr>
<td>New York</td>
<td>CBS-TV (16 stations)</td>
<td>210,000</td>
</tr>
<tr>
<td>San Francisco</td>
<td>CBS-TV (Pacific network)***</td>
<td>?</td>
</tr>
<tr>
<td>Los Angeles</td>
<td>CBS-TV (Pacific network)</td>
<td>?</td>
</tr>
<tr>
<td>Dallas</td>
<td>CBS-TV (20 stations)</td>
<td>?</td>
</tr>
<tr>
<td>Cleveland</td>
<td>SNI (20 stations)</td>
<td>185,000</td>
</tr>
</tbody>
</table>


**The number of network affiliated television stations that would be carrying the game telecasts of a particular team.

***NBC-TV alternated game telecasts of Baltimore and Pittsburg games, showing one game each week over the entire network of NBC-TV affiliated stations.

****CBS-TV televised the San Francisco, Los Angeles, and Dallas games on its Pacific network of affiliated stations, splitting this regional network into sub-regional networks for each team's telecasts.
managed a $127,000 television rights contract.\textsuperscript{58} Contract terms were being based upon the density of the geographical market and the popularity of the teams. The factors for imbalance among teams were engaged once more.

The individual contract system also revived the inter-competition among League game telecasts on different networks. A fractionalization of the audience was certain to occur that could hamper the sale of advertising time in the telecasts. With a limited audience, that was further sub-divided between networks, advertisers might not be eager to purchase advertising time on one network nor able to purchase time on more than one network.

In short, all of the adverse conditions of the individual contract system were working again.

\textit{Sponsorship of the individual contracts.}—The reversal from the pooled rights "package" contract back to individual team negotiated contracts did not disturb the sale of time in NFL game telecasts. Advertisers, it would appear, wanted exposure in NFL game telecasts regardless of what television NFL arrangements prevailed, even though advertising cost efficiency might vary. Almost all of the advertisers that had purchased advertising time under the package contract proceeded to buy time under individual contract arrangements.\textsuperscript{59}

\textsuperscript{58} Ibid.

A production policy change.—A significant change in production policy (the procedures that determine how television equipment and performers will be utilized in producing a particular telecast of an event) was made in 1961. Television cameras would stay focused on the field if a fight among players developed. Traditionally, the cameras had always been turned away from fights to scan some irrelevant attribute of the stadium scene.  

Commissioner Rozelle made this change that was somewhat surprising. It altered a long-standing policy by the late Commissioner Bert Bell, Commissioner Rozelle's predecessor. The purpose of the modification was to give television viewers a view of the player fights on the field so that they would know what was happening. There would be no close-up views of the fighting, however, that would risk setting the wrong example for youngsters.  

IV. THE CHAMPIONSHIP GAME CONTRACT

The National Football League signed another contract in 1961, but there was no controversy over this one. The NFL made a contract with NBC-TV (another national television network) that gave the network the television rights to the 1961 and 1962 championship games. This practice

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61 Ibid.
of selling the television rights to the championship games independently of the regular season game rights was standard League procedure. 62

Bids for the contract.--The contract was decided by a bidding ceremony, with interested television broadcasting organizations entering sealed monetary bids for the rights. Under very competitive circumstances NBC-TV won the bidding and the television rights contract with a $615,000 offer. CBS-TV made the next highest bid, $575,000. 63

These two television networks were the real participants in the bidding; their desire for the television rights was registered in their rivalry to outbid one another. CBS-TV increased its planned bid from $525,000 to $575,000 when it suspected competition from NBC-TV. 64 NBC-TV originally planned its bid at $500,000 but arrived at the winning figure of $615,000 when the network re-assessed its desire for the television rights.

NBC-TV had an exceptionally strong interest in obtaining the rights -- in order to compete with CBS-TV in sports and professional football programming. By winning the rights, NBC-TV could bolster its major sports programming that was declining; could frustrate CBS-TV

63 "NBC-TV's 615 G for Pro Grid Plum But Will Clients Go For Heavy Tab?" Variety, December 20, 1961.
64 Ibid.
hopes of selling certain advertisers a sponsorship package of the 18 regular season games; and could improve its (NBC-TV) chances of being selected, instead of CBS-TV, by the NFL for a future one-network contract. Also, the NBC-TV sales department added important impetus for the high bid. It claimed that the $615,000 fee could be recovered easily through an anticipated successful sale of advertising time in the game telecasts.65

In addition to the two networks' bids, two other bids were submitted. Sports Network, Incorporated bid $575,000 for the television rights, but Commissioner Rozelle rejected the offer.66

A new customer in the market for NFL game television rights entered the other bid. Teleprompter, Incorporated -- an organization whose primary operations are in the closed circuit television field -- presented a $1 million offer for the rights to televise the championship game, via closed circuit, in theaters in the game city.67

Commissioner Rozelle also rejected this generous offer by Teleprompter. In doing so, the Commissioner acknowledged the complexity of the League success structure that goes beyond a simple interest in making a "fast dollar". Instead, it is built primarily on the best

66 Ibid.
67 Ibid.
interests of the NFL fans at large. Teleprompter's plans would not serve the fans, and therefore not the League, the Commissioner stated:

It would not be in the best interest of the league or the game to contemplate at present (Closed-circuit television) due to its pattern of coverage—theaters and arenas; we'd like everybody to be able to see the (championship) games.

NBC-TV acquired the television rights to the championship games with its $615,000 bid. This network cost rose to $850,000 when the necessary time costs, special remote charges and administrative overhead costs were added. Production-wise, 200 NBC-TV affiliated television telecasted the games to the nation-at-large.

The contract provisions.---This championship game contract, although encased in dramatic bidding, was not a precedent for NBC-TV. The network had obtained the television rights to the championship games in successive contract negotiations, since 1955. (A further reason -- tradition -- explained the network's desire to acquire the rights in 1961). NBC-TV had purchased the television rights to the championship games in 1955 when the Dumont television network (once a national television network, now defunct) ended its coverage of the games with its demise.

68Ibid.
70Ibid.
That first NFL -- NBC-TV contract in 1955 was based on a letter agreement between the two organizations. Later contracts between the two were merely extensions of this letter. The letter is quoted in part here to provide an understanding of one long-term contractual relationship between a television network and the NFL:

NBC shall select the stations which may broadcast or telecast each Game and the advertiser or advertisers to Sponsor the same, subject to said Article X. of the League's constitution and by-laws. NBC agrees that its entire radio and television pickups of each Game will be made available for broadcast and telecast by its owned and affiliated stations in at least 100 markets in each and every League city. It is also understood that NBC shall (subject to said Article X) select and pay the announcers, commentators, camera crew, and other personnel used in connection with the broadcasting and telecasting of the Games, provided that the announcers and commentators shall be selected from among those then currently utilized for radio or television coverage of League games. You (National Football League) agree to grant to us (NBC), as per Article X of the Constitution and By-Laws of The National Football League...the sole and exclusive live radio and television rights to the Annual World Championship Professional Football Game of The National Football League in the years 1956, 1957, and 1958 to be played on Sunday afternoon two weeks following the close of each regular season; or in the event of a triple tie, then three weeks following the close of such season, but in no event on the same day as the major college bowl games. 71

It can be noticed that this contract, and every television rights contract entered into by the NFL, is subject to the provisions of Article X of the League's Constitution and By-Laws. This section reserves authority for the NFL over certain aspects of the game telecasts — selection of advertisers and announcers, and telecast area restrictions.

Sponsorship.—The sale of advertising time in the 1961 and 1962 championship games was successful but there were early doubts. The network feared that advertisers might be reluctant to pay the increased sponsorship rates that it would charge to compensate for the high rights price. The high sponsorship charges, however, did not discourage advertisers. Soon after the contract was signed, nearly all of the available advertising time in the game telecasts had been sold.  

V. THE CELLER BILL

The origin of the bill.—The National Football League struggle to legitimize a single-network "package" television rights contract continued after the adverse court decision. If the courts were in opposition to such a concept, then recourse for the NFL was remedial

72"NBC-TV's 615 G for Pro Grid Plum But Will Clients Go For Heavy Tab," Variety, December 20, 1961.
legislation. The Celler Bill carried the hopes of the League.

The Celler Bill was introduced by Representative Emanuel D. Celler (Democrat-New York) in August, 1961. Representative Celler had launched the Anti-trust Subcommittee (of the House Committee on the Judiciary) study of sports league practices following the NFL invalid contract ruling. The bill was a product of the study. The bill would "amend the anti-trust laws to authorize sports leagues of professional football, baseball, basketball, and hockey teams to enter into certain television contracts and for other purposes."73

To determine the necessity and validity of the proposed Celler bill (H. R. 8757) the Anti-Trust Subcommittee met in August and received views and comments of interested witnesses.74 The NFL's arguments for a "package" contract were presented once more at this hearing.

The League position.—Commissioner Rozelle submitted to the committee a statement, similar in content to his earlier court affidavit. It stated the League's case and urged for corrective legislation.


The Commissioner began his testimony by stating the essence of the League's present television contract problem:

The fundamental issue is relatively simple -- whether the National Football League and its member clubs are to have any say as to how their games are to be televised. If they cannot, the matter must be left entirely to the determination of the networks....If the League cannot have any voice in the manner in which its games are telecast, the networks will be guided, as they necessarily must, by their own economic interests--which in this instance are not the interests of professional football, of the sports fans of America, or of the National Football League and its 14 member clubs.  

An elaboration of the League's need for the new contract was then followed by and linked up with a statement of the matter at hand: legislation. "Why is legislation necessary to permit the National Football League to exercise what seems to be a natural right?" The Commissioner answered his question with two reasons: 1) because of the uncertain status of sports leagues under anti-trust laws, and 2) because of the provisions of an old outstanding decree against the NFL which was not directed at a single network policy but which has been construed by a court as preventing joint dealing by member clubs of the League in the sale of their television rights.

76 Ibid.
The Celler Bill could resolve the confusion of the NFL's television contract practices and solve the League's television-created problems. It could convert an uncertain future for the League into a stable, propitious outlook by sanctioning single-network package contracts.

The strength of the League's desire and need for this Bill was evident in the Commissioner's words: "This bill is not just a matter of importance to the National Football League. It is, in my opinion, essential to the continued operation of the National Football League."[77]

The Bill provision.—The Celler Bill had two major provisions; each prescribed conditions that contracts would have to meet in order to qualify for the Bill's anti-trust immunity.

The first provision prohibited a league from restricting the telecasting areas for its games. It stated that anti-trust immunity will not apply to any contract that prohibits any person to whom such television rights are sold from televising any games within any area. The important exception to this provision was the League's right to use the "blackout". [78] In any future contract, the League could still forbid telecasts in areas where NFL teams were playing.

[77] Ibid.
This provision had been included in the bill to meet some of the objections of the Justice Department and the National Association of Broadcasters (a broadcasting industry self-regulatory association that recommends standards of practice for broadcasters and also tends to the interests of the broadcasting industry). Both opposed the bill. 79

The second provision would not grant anti-trust immunity to any contract that specified game telecasts on a Friday night or during Saturday within certain dates and within a 75 mile radius of the site of a collegiate game. Its purpose was to protect college games from competition with the professional game telecasts. 80

These two restrictions to the Celler Bill were not objectionable to the League. The bill in this form would serve the League's purpose.

The NFL wanted the Celler Bill passed, and soon, for the League hoped to arrange a "package" contract for the 1962 season. With alacrity uppermost in mind -- it was September 1961 -- the Commissioner asked that the


80United States Congress, House of Representatives, H. R. 9096, 92d. cit., p. 3. The date restrictions on game telecasts were any Friday after six o-clock p.m. and any Saturday during the period beginning on the second Friday in September and ending on the second Saturday of December.
bill be kept limited in purpose. An overall sports bill with other provisions might encounter resistance in Congress, he reasoned. 81

The Celler Bill remained limited and began a swift journey through the House and Senate. The House passed the bill on September 21st and three days later the Senate voted its approval. The Senate, to save time, had discarded several sports bills of its own and dealt with the Celler Bill. 82

President Kennedy signed the Celler Bill on September 30, 1961 83 and the National Football League gained relief. The NFL and television were free to enter into a package contract under the sanction of the Celler Bill.

The year 1961 was eventful from the initial signing of the single-network "package" television rights contract early in the year, to the validation of this concept under the Celler Bill. It was the most significant year in the League's history. Television was the reason.

The NFL faced imminent crisis in 1961 as a result of a television policy -- the individual contract system --

81 Rozelle Affidavit, United States Congress, House of Representatives, Committee on the Judiciary, Hearings before Subcommittee, on H. R. 8757, 87th Congress, 1st Session, p. 6.


83 Ibid.
that had adverse economic impact upon the League. The single-network "package" television rights plan, that emerged from the events of 1961, alleviated the crisis and secured a successful future for the League. However, the transition was accomplished only after an unfavorable anti-trust ruling in a federal court was pre-empted by Congressional legislation.

The "package" television rights contract that motivated most of the NFL-television events of 1961 was essential to the League operation. This concept -- collectively selling the member teams' television rights to a single network -- resulted in equitable values for television rights, and it guaranteed television coverage and equal income for all teams. These results brought television back into alignment with NFL interests.

The importance of this television rights contract to NFL security and success was demonstrated by the League's unrelenting efforts to legalize it. Television policy considerations pre-empted all other concerns in this 1961 year. Television had become pervasive and significant for the League and as a result had become the major factor in League operation as of 1961.
CHAPTER III

TELEVISION DEVELOPMENTS FOR THE NATIONAL FOOTBALL LEAGUE, 1962-1963

The signing of a valid "package" contract was the most important event in the NFL-television relationship during the time span of this chapter. The new contract was the culmination of the League's exhaustive legal efforts of 1961 and initiated an era of stability and prosperity in television football contractual arrangements. But this contract did not totally eclipse other significant developments during these years.

The years 1962 and 1963 were noteworthy also for a sudden, last-minute lawsuit protesting the League's championship game television blackout in 1962, and for closed-circuit television experiments with the championship games. Both carried major consequences and of opposite effects: the former could eliminate the League's vital safeguard on championship game attendance; the latter could potentially be a lucrative venture for the League. These television developments, along with the new contract, emerged as the important events in 1962 and 1963.
I. THE REGULAR SEASON GAME CONTRACT

The new contract came first. Legally beleaguered for a year and forced to resume an unworkable television policy, the NFL finally eluded the judicial opposition in a legislative end run and reached its goal in January 1962. On January 10, 1962, the NFL signed a two-year valid "package" contract with CBS-TV.¹

Before the new contract was signed, the NFL had tended to a last minor legal matter to preclude the possibility of further legal repercussions. On November 1, 1961, in response to a NFL petition, Judge Grim had modified his July order to allow the NFL to make a package contract. The Judge in granting the modification, presumably in the light of the Celler Bill, stated "they (NFL) are free to pursue another such contract" like the invalidated one.²

The NFL attorneys had taken this action because the Judge's earlier ruling still enjoined the NFL from entering into "package" contracts; the attorneys did not want to run afoul of the law when the League arranged a "package" contract for the 1962 season.³

³ Ibid.
The contract terms.—The January, 1962 contract between the NFL and CBS-TV was identical to the invalidated contract of 1961. The terms of the new contract centered around a purchase price of $9.3 million for the television rights to the NFL regular season games for two years. Broken down into individual team shares, (after a deduction of initial expenses), each NFL club received approximately $310,000 per year for the two year contract period.⁴

Reactions to the contract.—Satisfaction, implied an NFL Publicity Release, was the dominant attitude of the parties to the contract. Commissioner Rozelle commented after the signing that equality of competition had been "the greatest single factor in the League's success". The equal distribution of television income that the new contract provided, he said, will strengthen this equality of competition.⁵

These favorable conditions that would accrue from the new contract were, no doubt, especially pleasing to the League because the hastily resumed individual contract negotiation arrangement had proven unworkable from a business standpoint.⁶ The majority of NFL teams had faced

⁵ Ibid., p. 2.
⁶ Ibid.
the imminent prospect that television coverage of their games would be discontinued with the attendant loss of television income. The new contract reversed this dangerous trend.

Rozelle also noted the importance of the fans in the contract success. Not only were they a passive factor -- their best interests were a major consideration during the contract negotiations -- but they were also an active element -- their contacts with Congressmen helped stimulate the legislation that made the contract possible.7

At CBS-TV, William MacPhail, CBS-TV vice-president in charge of Sports, and the network's representative in the television contract negotiations, expressed a note of satisfaction also:

National League football, we believe, is the outstanding sports series on network television, and CBS is anticipating eagerly the televising of these games. The telegasts are vital and popular community events.

The bliss, however, was not total. An undercurrent of dissatisfaction emanated from the Baltimore team. This discontent was understandable in plain dollars and cents language. Baltimore was the only team in the League that

7Ibid.
8Ibid., p. 3.
would receive less television income from the new "package" contract than it had been able to garner under the individual contract system. (Pittsburg would receive about the same income; all of the other clubs would receive more income under the new "package" contract.) Baltimore's equal share ($310,000) of the new contract fee was $135,000 below the lucrative $445,000 individual contract that the club had made with the NBC-TV network in 1961.9 An echo of displeasure was to be expected.

The production plan.--The television production plan for 1962 was also identical with its counterpart for the 1961 original "package" contract. Via CBS-TV regional networks, the away games of all 14 teams were telecast back to the home territories of the teams. The Thanksgiving Day game and two late season Saturday afternoon games from California were telecast nationwide over the entire CBS-TV network. The network also had an option to televise pre-season games.10

The regional telecasting coverage pattern -- whereby the United States was cut into regions into which the various teams' games would be telecast -- closely matched the arrangement that the network had set up last season.

10Ibid.
to televised the games of 12 League teams under individual contracts. One exception was that the Washington and Baltimore clubs shared a regional network in the deep South, whereas the games of both teams were shown in the area last year.\textsuperscript{11}

William Mackhail, CBS-TV vice-president of Sports, estimated the total costs, including production, air time, and rights costs would come close to $10 million.\textsuperscript{12}

II. 1962 CHAMPIONSHIP GAME DEVELOPMENTS

As the 1962 championship game approached, two important television developments accompanied its arrival. One development had been foreseen by the League for quite a while and contemplated at length: theater television. The other erupted suddenly on the very verge of the game: a legal challenge of the television blackout. Both had impact on League television policy and they were indirectly related.

The two developments are extremely significant to inspect. The first, theater television, portended, large profits. But the League was in doubt as to how to fully capitalize on this promising medium. The second, a lawsuit, threatened to abolish the local television

\textsuperscript{11} Ibid.

blackout of the championship game and thus cause considerable damage to the financial mechanism of this game.

**Theater television.**--Theater television is a tele-cast in a theater of an event accomplished by means of a private "closed circuit" television transmission. The theater television development had been anticipated by the League. Remember that in 1961 the Commissioner had been approached by Teleprompter, Incorporated, a firm that desired to telecast the championship game via closed circuit television to theaters in the game city. The Commissioner rejected that particular proposal.

Although the utilization of theater television had been dismissed in 1961, the idea had been broached nonetheless. What would have been a premature experiment for the 1961 game, though, could be a valuable experiment in 1962. Commissioner Rozelle gave much thought to this possibility. 13

From a half-dozen proposals that the League received from closed-circuit television organizations (organizations that could arrange telecasts in theaters via closed circuit television), the Commissioner singled out the offer of Theater Network Television for a most serious study. His choice was based on quality. Only this

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organization used the Eidophor (Swiss trade name) pro-
jection system that, in Rozelle's thinking, produced the
most technically superior television picture in a theater.14

Next on Rozelle's mind was a question of scope --
whether to experiment on a limited basis, on a broad
basis, or not at all. The Commissioner's emphasis on
quality pointed toward a limited experiment. He didn't
want any disappointments. The more theaters involved,
the greater the risk of last-minute equipment failure.15

A clash of his viewpoint with that of Nate Halpern,
the president of Theater Network Television, and with the
NBC-TV position, aborted the experiment, however. The
Commissioner considered using the Eidophor system in a
single theater, with perhaps free admission -- which did
not meet with Halpern's approval. Halpern, on the other
hand, desired theater television in several places, but
without using Eidophor everywhere because the expense
would make it impractical. Rozelle did not approve of
this plan. NBC-TV simply did not favor theater television
at all; the network wanted to keep its exclusivity to the
game telecast which was guaranteed in the championship
game television contract.16

Tribune, December 18, 1963.
15Young, loc. cit.
16Smith, loc. cit.
Chiefly because of this contract guarantee to NBC-TV, theater television was by-passed for the 1962 championship game.

The blackout lawsuit. -- The second development that centered around the 1962 championship game had great impact due its sudden emergence and potential injurious effects.

 Abruptly on December 19, 1962, just a few days before the championship game was to take place, a lawsuit was entered against the National Football League, NBC-TV, and the New York Giants football team. The suit requested that the court compel the NFL to lift a so-called television blackout (in other words, to permit telecasting of the game) in the New York City area of the New York-Green Bay championship game or else enjoin the NBC-TV network from televising the game at all.17

The suit was constructed by Louis F. Blaich, Thomas O'Connell, Jr., and Peter Sibell -- three football fans that lived in Manhasset -- a community on the outskirts of New York city. The three men decided upon the legal action because they wanted to view the game.18

They couldn't view it at the stadium; all the tickets were sold. They couldn't view it on television;


television was blacked out in their area by NFL policy. Only by means of a trip to a point outside the blackout area could they witness the game on television and this was inconvenient. So they went to court to lift the television blackout in their area.\textsuperscript{19}

The protest by the Manhasset fans was not the only objection to the blackout. Voices from Connecticut, at the political level, strengthened the challenge, demanding that the blackout be lifted though litigation was not mentioned. Senator-elect Abraham Ribicoff, Senator Thomas Dodd, and Representative Abner Sibal requested that the blackout be lifted. It affected almost all of Connecticut, along with New York City due to the locations of NBC-TV affiliated stations.\textsuperscript{20}

The lawsuit by the three men from Manhasset was entered in the United States District Court, Southern District of New York, with Judge Edward Weinfeld presiding. Judge Weinfeld listened to their argument on December 19 in a special meeting. He gave them until December 21 to present briefs for the defendants to scrutinize and he set a further hearing for December 24.\textsuperscript{21}

\textsuperscript{19} Ibid.
\textsuperscript{20} Ibid.
\textsuperscript{21} Ibid.
The complaint of the three men -- the plaintiffs -- was that the blackout violated anti-trust law and deprived them of a valuable property right without due process of law.

They contended first that the 1961 television contract ruling by Judge Grim (in its reference to the blackout) and the Celler bill provisions applied only to "regular season" games, and not to championship games. The championship games, according to the plaintiffs, were "invariably completely sold out," so these games needed no blackout protection. Therefore, a television blackout of the championship game had no sanction and was in violation of anti-trust law.\textsuperscript{22}

The plaintiffs' supporting argument was that the blackout offended Constitutional limitations. This contention was based on the Federal Communications Commission (the federal regulatory agency that regulates broadcasting) definition of "public ownership of the airwaves" and the subsequent deprivation of a valuable property right without due process of law contrary to the Fifth Amendment of the United States Constitution:

\ldots as this Court understands the plaintiffs' position, it is that the airwaves are public property which have been franchised under Federal laws to the Broadcasting Company on

\textsuperscript{22} Weinfeld, \textit{op. cit.}, pp. 2-3.
the basis of public interest, convenience and necessity; that once the Broadcasting Company undertakes to televise a national sports event it must make it available to the general public through all its outlets; and that to blackout an area discriminates against the right of those within the area to see and enjoy the televcasts on terms of equality with those who are privileged to view the championship game. 23

Commissioner Rozelle responded again to the blackout challenge in court. He presented a statement that concentrated largely upon the irreparable injury that the League would suffer from the injunction. The Commissioner skillfully contrasted the League's severe injury to the rather light injury that the plaintiffs would suffer if the injunction were denied.

The Commissioner pointed out that the plaintiffs could, in fact, nearly resolve their injury by three alternatives: 1) by traveling to a point outside the 75 mile blackout radius where they could view a game televcast, 2) by listening to a radio broadcast of the game -- radio broadcasting was unrestricted, 3) by reading about the game in the newspapers. The League, in contrast, faced considerable injury from the injunction. 24

If the injunction were granted and the local television blackout lifted, the League would be confronted

23 Ibid., p. 9.
with an immediate television contract problem. The terms of the NFL-NBC-TV contract had been established on the full knowledge that the local blackout would be imposed. It would be incumbent on the League to demand an additional fee from the network with the opening up of the populous blackout area to television coverage. Last minute negotiations on such an increment would not be easy.\textsuperscript{25}

More serious was the injury the League would suffer from a decline in ticket sales (as game attendance declined) in future years. There was no doubt in the Commissioner's mind that lifting the local television blackout for the championship game one year would adversely affect the sale of game tickets in years to come. Fans, in forthcoming years, would suspect that local television coverage might be provided again, and would refrain from purchasing championship game tickets and also from purchasing season tickets which carried the option of buying the championship game tickets. If the weather was bad at the time of the ticket sales for the game, the fans no doubt would be further inclined not to buy tickets. They would hope for a game telecast which they could watch in comfort at home.\textsuperscript{26}

These statements of adverse effects were not just speculation. Experience had proven these results. The

\textsuperscript{25}Ibid., p. 10.
\textsuperscript{26}Ibid., pp. 5-6.
Commissioner referred to one team's television experiment in 1950 -- the most important item of evidence in the League's defense of the blackout in general.

The Los Angeles Rams team in 1950 televised its home games locally -- lifted the blackout. The Rams took this risk to stadium attendance upon the endorsement by a sponsor and the local television station. The sponsor and the station guaranteed a certain stadium income using attendance figures of previous years as a base. 27

The experiment revealed television's interference potential with stadium attendance. Even with the limited number of television sets in the Los Angeles area that year, and the successful season enjoyed by the Rams (Western Conference champions) the attendance at the stadium seriously declined. The sponsor made very substantial payments to the club in compensation. 28

While this evidence specifically involved television and regular season games, the effects can be related to championship games as well. Championship games were not automatic sell-outs (all tickets sold) as the Commissioner indicated in a table of yearly attendance statistics for the game. The championship game attendance fluctuated and therefore was subject to the same factors as the regular

27 _Ibid._, pp. 2-3.
28 _Ibid._, p. 3.
season games. Local television coverage, then, could affect the championship game attendance and ticket sales.

It was essential for the League to counteract (by means of the local television blackout) this proven detriment of local television coverage on game attendance and ticket receipts. The reason was clear in Rozelle's statement. The gate receipts from regular season games were the major source of revenue for NFL teams; the gate receipts from the championship game benefited every League team. For this reason the local television blackout was crucial. To end it, in this case for the championship game, would bring a severe financial injury. 29

The League had other arguments besides irreparable injury. All the points of the League's defense were stated in the judge's Opinion paper:

The defendants contend that the agreement (1962 championship game contract between NBC-TV and the NFL) has express Congressional sanction as a specific exception to the anti-trust laws, and even if it weren't exempt, it does not offend the anti-trust laws, and in any event, there is no showing of irreparable injury, and further the plaintiffs have no standing to sue, and their delay in asserting their claim until the very eve of the game forecloses injunctive relief. 30

With the positions established, Judge Weinfeld proceeded to assess the "plaintiffs claimed right to relief".

29 Ibid., p. 2.
30 Weinfeld, op. cit., p. 3.
The plaintiffs first contention -- that a championship game television blackout was not sanctioned by law or legal precedent -- was not valid in the Judge's opinion. The Judge noted that the language in both the 1953 and 1961 court rulings and in the Celler bill referred to NFL "games"; there was no distinction between regular and championship games. Thus, a television blackout of any game was sanctioned by law. 31

The plaintiffs assertion that the championship game television blackout was superfluous (and therefore in violation of restraint of trade laws) because of maximum game attendance levels -- was also refuted by the Judge. The Judge, using Rozelle's statistics, recognized that this year's game was a sell-out. However, the statistics showed, too, that ten of the last thirteen games were not. In light of these facts, the Judge said the blackout protection was justified:

The fact that this year's game is a sellout does not overcome demonstrated experience of earlier years....Thus, even without the aid of the recent amendment, the defendants' position that the restriction is not an unreasonable restraint of trade rests upon a factual base. 32

The plaintiffs secondary contention that the blackout offended Constitution limitations was vague in the

31 Ibid., pp. 6-7.
32 Ibid., p. 8.
Judge's opinion. It was not the court's obligation to consider this issue, either.33

The matter of claims was set aside temporarily, as the court considered the question of irreparable injury to both parties.

The plaintiffs claimed that their injury was the irretrievable loss of the right to view the game. This was an inconvenience rather than an injury, the Judge observed.34

But the League's claims of injury were real and substantial. The League would suffer from the adverse effects that the blackout was intended to eliminate: 1) ticket sales for future title games would diminish with weather becoming a large factor, 2) season tickets sales which carry the option to buy championship game tickets might decline, 3) the NFL would lose nearly $600,000 in television rights money for the championship game if the League did not consent to lift the blackout, 4) if the League lifted the blackout the League would lose substantial rights fees for telecasting the game in the populous New York City area -- not taken into account under the present contract terms, (or, as Judge Weinfeld commented, "should the parties negotiate at this late date

33 Ibid., pp. 9-10.
34 Ibid., p. 11.
an increment in fees for the inclusion of this area under the gun of an injunction."), 5) the League would be breaking faith with those who purchased tickets under the assumption that the game would be blacked out.\textsuperscript{35}

Weighing these hardships upon both parties, Judge Weinfeld decided that the defendants, the National Football League, had the greater burden of hardship. This, combined with the defendants sound challenge to the plaintiffs legal claims, and the absence of a clear prospect that the plaintiffs claim would prevail in a trial, were the bases for the Judge's decision. He wrote:

In sum, the contested issues of law and fact, the lack of a real showing of irreparable injury to the plaintiffs and the balance of hardship require the denial of the motion.\textsuperscript{36}

As an epilogue to his decision Judge Weinfeld wrote that the legislative channel was the only way to alter the blackout. The NFL had the right, as authorized by the Celler Bill, to impose the local television blackout. Thus, if relief from the blackout was desired, it must come from Congress, not the courts.\textsuperscript{37}

The effect of the lawsuit.--The 1962 championship game television blackout controversy did not resolve


\textsuperscript{36}\textit{Ibid.}, p. 17.

without leaving an effect on the NFL. The League, always obsessed to keep fans contented, had disturbed many with this television blackout issue. The dispute prompted Commissioner Rozelle to consider alternatives, besides lifting the blackout, that would give hometown fans television coverage of the championship game.  

The possible alternatives were: 1) an announcement one year in advance of the game that the game would be televised if it were a sell-out at the stadium, 2) a relocation of the game site to a warmer locale, which might increase game attendance besides allowing television coverage in both of the participating teams' cities, 3) a theater television presentation of the game in the game city.  

In view of the League's earlier consideration of theater television in 1961 and 1962, it would seem reasonable to surmise that this third alternative was receiving considerable attention.  

The terms of the television contract were the only obstructions to experimenting with theater television. Both the 1962 regular season games contract and the 1962 championship game contract had precluded it. When the NFL

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38 Ibid.
39 Ibid.
inserted a provision for theater television in the 1963 championship game contract and announced that it would add a similar clause to the regular season contract to be renegotiated in 1964, the League revealed its deep interest in theater television. 40

On October 24, 1963, Commissioner Rozelle announced that the League teams had been granted permission to experiment with presenting games on theater television screens in 1964 and 1965. He said that the first experiment could be with the 1963 championship game. 41

III. 1963 CHAMPIONSHIP GAME DEVELOPMENTS

The contract.—The theater television clause was a conspicuous element in the 1963 championship game contract that was noteworthy for price alone. The television rights for the game were sold to NBC-TV for a record $926,000. This price made the game not only the most expensive sports show in television history at the time, but also the highest priced special program on television. 42

The high price can be explained largely by the competitive bidding between the three networks for the rights. The League had decided to award the rights through

41 Ibid.
the bidding process, since all three networks had no other professional football commitments and each desired the game. 43

**Sponsorship.** NBC-TV, the bid-winner with its near million dollar offer, did not find the high purchase price a burden to sales. Despite the network's increase in the price of commercial time in the game (to recoup its investment in the television rights), sponsors bought the time. The price -- $77,500 per minute of advertising. 44

With this successful sales response, NBC-TV recovered the high cost of the rights; in fact, when the network fully sold the commercial minutes in the game (a few regional minutes were unsold in June) the network would gross $1,240,000. 45

**Theater television.** The stage was set for a theater television experiment with the 1963 championship game. The Commissioner had publicly disclosed that it might be forthcoming. The contracts had been amended to allow it.

The announcement came on December 18, 1963 that theater television would be used in connection with the 1963 championship game. The announcement marked historic change in NFL policy. Traditionally the NFL has barred

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43 NFL Publicity Release, April 17, 1964.
44 Sponsor-Scope, June 10, 1963.
45 Ibid.
telecasts of both regular season and championship games in the cities where they're played. The blackout was minutely punctured, yet punctured to be sure.

The conditions were ideal for this theater television test in 1963. The New York Giants played the Chicago Bears in Chicago, and the Bears owner George Halas, Sr. refused to change the game site of the game from the cramped 46,000 seat Wrigley Field stadium to the more spacious Soldiers Field. There should be a sizeable number of fans, not able to obtain stadium tickets, who would turn to the theater television alternative.

Theater Network Television (a closed circuit television organization) was chosen by Commissioner Rozelle to set up the theater television experiment. Three Chicago arenas were used with a total attendance capability of 25,000. Thirty-eight by twenty-eight foot Bidophor screens -- the system that Rozelle insisted upon -- were set up in each location. TNT took a picture feed from the NBC-TV coverage but provided its own announcers. When NBC-TV aired a commercial, TNT switched to another picture until the commercial ended.

47 Jim Beach, "What Pay-TV Will Mean to the Fan," Sport, June 1964.
of the arrangement, the League received 75% of the TNT net income from the game telecast.\textsuperscript{49}

On the day of the game, nearly 19 thousand fans filled the three theater television locations -- about 6,000 persons short of capacity. They had paid ticket prices ranging from $4 to $7.50 whereas tickets at the stadium sold for $6 to $12.50.\textsuperscript{50}

The atmosphere in the theaters during the game telecast, it was reported, was similar to stadium conditions. Seated on bleachers, the viewers responded to the telecast in a typical crowd fashion. They consumed with gusto hot dogs, beer, and other stadium foodstuffs purchased from side refreshment stands that had been constructed to further create a stadium atmosphere.\textsuperscript{51}

Several NFL officials and personages attended the theater television experiment, and all expressed their satisfaction with the quality of the picture. Commissioner Rozelle, who was among them, said in a later statement:

\begin{quote}
In summary, theater television is an accomplished, if not fully developed fact. Quality of picture and sound are the basic elements for a successful telecast. The championship game experience in Chicago is proof that our game is adaptable for big screen theater television.\textsuperscript{52}
\end{quote}

\textsuperscript{49} NFL Report on Closed Circuit Television, January 24, 1964.

\textsuperscript{50} Adams, \textit{loc. cit.}

\textsuperscript{51} \textit{Ibid.}

\textsuperscript{52} NFL Report on Closed Circuit Television, January 24, 1964, p. 7.
Financially, the experiment was not so successful. The League did receive $35,043.56 of a gross after taxes of $116,349.16, but TNT lost money. The combination of sub-optimum income from attendance and excessively high expenses was the reason for this financial collapse. The high cost of an expensive one-time-only telecast and the expensive network picture feed caused costs to far exceed income. 53

In the face of this financial disappointment, the 1963 theater television experiment ended as a qualified success. The results, however, had no effect on the League’s television policy. The League still took a conservative view of theater television. Theater television would have to serve the interest of the fans and not be in conflict with stadium attendance -- the League’s two paramount concerns. In these respects theater television’s role was in doubt. Commissioner Rozelle, in 1964, verbalized this cautious League outlook for theater television:

> In my opinion, it will augment, not supplant, network television. And it will come slowly. It is hard to say how fast. I think it will happen, though, mainly to relieve sell-out pressures. One thing you’ve got to remember about our league is that the owners, who are true sportsmen in the strict sense of the term, are always extremely loyal to their fans. They love the fans who supported it during lean times

and stuck with it. They'll do what's best for the fans. If the demand is there, they'll meet it. None of them are out for the quick buck, and that's a significant consideration in this matter. And something else, I can tell you for sure that our games will never be played in a television studio atmosphere. Excitement characterizes pro football, and the crowds contribute a large share of it.54

IV. BLACKOUT DEVELOPMENTS

The television blackout was the League's vital policy. The blackout made it possible for the League to prosper from television exposure and an increased stadia attendance (two goals that conflicted otherwise). The League had preserved this policy at the price of continual controversy and litigation. (The 1953 Final Judgment, the Celler Bill, the "package" contract ruling, lately the Blaich case, even the theater television situation all had their roots in the blackout policy.) There was no pause in blackout developments in 1963. The blackout spawned more issues.

*Stubblefield bill.*--Congress became involved in the blackout question again when the Stubblefield Bill was introduced July 8, 1963. This bill would redefine the blackout area -- shrink it. The blackout as defined by the League restricted NFL telecasts by any television

54 Jim Beach, loc. cit.
station whose signal would penetrate within a 75 radius area of a game site. The Stubblefield Bill would restrict only those stations whose transmitter sites were located within the 75 mile radius area of the game site. This redefinition of the blackout area, in terms of station location rather than signal penetration, in effect, would reduce the scope of the blackout. 55

Detroit blackout problems. -- The blackout was also at the core of controversy on a local level. Detroit, more than any other NFL team city, had chronic blackout problems. The cause was Bootleg television (obtaining a game telecast in the blackout area by using a highly efficient television antenna that could receive the telecast from a station outside the blackout area.) This had the effect of weakening the blackout, and jeopardizing the stadium attendance for Detroit home games. The Detroit team officials consulted with the Commissioner on this problem. 56

A local legislative embroilment over the blackout also was present, and also in Detroit. A bill was proposed in the Michigan legislature which would force the lifting of the regional blackout in Detroit for home


games. The bill would impose a ten per cent tax on gross receipts from the sale of tickets to Detroit home games and the tax would also apply to television income which the Lions receive. The Lions could escape the assessment, only by lifting the blackout according to this bill. 57

The bill was designed to either open a new source of tax money or benefit the low income sports fan by providing free telecasts of this relatively expensive sports entertainment. This severe legislation never reached fulfillment. 58

V. AUDIENCE AND COST ANALYSIS

The ratings (index of audience size) for NFL telecasts on CBS-TV during the 1962 and 1963 NFL seasons were exceptionally high taking into account two considerations: the selective appeal of football programming, and the generally low percentage of television homes in which the television set is operating on a Sunday afternoon. 59

Audience statistics.--The average audience rating 60 was 14.7 for the 15 regular season games in 1962. This

58 Ibid.
59 Harrison B. Summers, Class Materials Prepared for Speech 652 course at Ohio State University, 1963.
60 The average audience rating is the average number of homes tuned to a program at any given minute during the program, and expressed as a percentage of the total number of television homes.
figure included the Sunday afternoon games that were tele-
cast regionally and the two Saturday afternoon games
telecast nationally each season.

The NFL ratings are calculated for the regular
season games by treating the several games on each Sunday
afternoon as one composite game with one composite view-
ing audience. A national television audience is fabricated
out of the audiences for the regional telecasts. The
quasi-national audiences of the several Sundays are
combined with the national audience figures for the
Saturday telecasts to arrive at the average rating for
all games.

Interpolating these average ratings into the
average-number-of-homes-viewing figures provides a more
concrete statistic. (The rating in itself is an abstract
number.) Television sets in 7,327,000 homes on the
average were tuned to an NFL regular season game in 1962.

This homes-viewing statistic bore witness to NFL
popularity -- and a rapidly growing popularity. Although
there are above fifty million television homes in the
United States, seldom do more than 15 million tune in to
view a particular program. Nighttime programs -- that
have the broadest audience appeal -- were viewed in
9,080,000 homes on the average in 1963. So the NFL tele-
casts, attracted audiences that nearly matched in size the
audiences for the average nighttime television program.
### Table II

**Audience Statistics for NFL Game Telecasts -- 1962**

<table>
<thead>
<tr>
<th>Game telecasts</th>
<th>1962 Audience Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rating**</td>
</tr>
<tr>
<td>Regular season game</td>
<td>14.7</td>
</tr>
<tr>
<td>game average</td>
<td></td>
</tr>
<tr>
<td>Thanksgiving Day</td>
<td>23.3</td>
</tr>
<tr>
<td>game</td>
<td></td>
</tr>
<tr>
<td>Playoff Bowl game</td>
<td>21.7</td>
</tr>
<tr>
<td>Pro Bowl game</td>
<td>19.2</td>
</tr>
</tbody>
</table>

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*Audience statistics are computations by A. C. Nielsen, Co. and were printed in a 1962 CBS Sports Release.

**The Nielsen average audience rating indicates the size of the television audience for a program during an average minute of that program. The rating is an expression of this audience size (homes) as a percentage of the total number of television homes in the U. S.*

***Homes statistics are the concrete counterparts to the abstract rating statistics. The homes figures simply indicate the number of television homes in which the television set was tuned to the particular program.

**Share of audience is the percentage of all operating television sets that are tuned to a particular program.*
Another statistical measure of popularity of NFL football is the share of audience. This is an index of relative popularity -- a percentage figure that relates the number of homes tuned to a particular program to the total number of homes tuned to all programs. The average share of audience for NFL regular game telecasts in 1962 was 47.3%. This meant that in nearly half of the homes where the television was tuned on, it was tuned to NFL football.

Rarely does one series of programs have such a monopoly of the viewing audience. However, this must be adjusted by the fact that the competitive programs on the other networks at the time of the NFL telecasts did not have a broad audience appeal and, therefore, were poor competition.

The audience statistics for the regular season games in 1963 showed a substantial increase of audience from 1962. The average regular season game rating was 17.1 representing 8,772,000 homes tuned to NFL football. These statistics -- the only ones available to the author for 1963 -- are very significant. The NFL telecasts on Sunday afternoons were attracting television audiences that were nearly comparable in size to the audiences of most evening entertainment programs.
NFL programming on television reached the extreme of popularity every year with the post-season game telecasts, and naturally so. A post-season game, especially the championship game, is like the denouement of a drama, that draws ultimate attention because it provides the climax to a series of related events. The championship games, and the other post-season games, provide the climax to the NFL season -- the final outcome of a building succession of regular season games.

The audience statistics for the 1962 post-season games showed this heightened interest. The Playoff Bowl (between the second place teams in the League's two divisions) received a 21.7 rating and a 55.2% share of audience. The Pro Bowl (between all-star teams of the two League divisions) received a 19.2 rating and a 37.6 share.

One final consideration of quantitative audience data, and an important one to the League, was the NFL's competitive position with the American Football League. In 1962 and 1963 the NFL far outstripped its rival league in television audience size. The regular season AFL games had an average rating of 7.3 and a share of audience of 22.8% in 1962; an average rating of 7.4 in 1963.

Program selection method.--The strong interest in NFL telecasts was reflected in another aspect of audience analysis -- method of program selection. There are three
general ways that viewers can select programs -- intentional, dial-twisting, and carry-over.\(^{61}\)

The intentional method of selection indicates the strongest interest in the program, usually. The viewer makes a point of remembering the time and station for a program, then deliberately tunes-in to view it.

The dial-twisting method indicates a lesser interest in the program than intentional selection because there is no strong program preference in advance. The viewer twists the dial to screen the available programs on the various stations, indicating that he is unfamiliar with the programs televised at that hour, or that the program he is watching is unsatisfactory to him.

The carry-over method likewise does not suggest a strong interest in a particular program. The viewer, in this case, is a passive selector, who, after viewing a program that was attractive to him, stays tuned for the next program, there being no reason to change. He "carries over" from one program to the next on the same station, simply because he is tuned there, and the new program seems satisfactory.

The selection of NFL telecasts is predominately intentional. This can be inferred from the large scale jump in the rating and number of homes figures that takes

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\(^{61}\)Summers, *loc. cit.*
place from pre-NFL shows to the game telecasts. Such a radical response is indicative of a mass tune-in for a particular program. By comparison it has been estimated that 20 to 40% of entertainment programs are selected intentionally.62

**Advertising cost efficiency.**—Audience data serves another purpose, of primary importance to the advertiser: it can be used to compute an index of advertising cost efficiency called "cost-per-thousand". Cost-per-thousand, or CPM as it is abbreviated, is the advertiser's cost of advertising expressed in relation to the amount of television exposure (the number of homes viewing) that the advertising receives. Thus it gauges efficiency, not in terms of advertising cost alone, but cost pro-rated over the size of the audience reached by the advertising. Specifically, it is the ratio of advertising costs to the number of homes exposed to the advertising, and reduced to the common base of 1000 homes for convenience of comparisons.

In 1962, the CPM for advertising in NFL regular season game telecasts was $4.56. It cost advertisers $4.56 to present their message to every 1,000 homes into which the NFL telecast went. How did this compare with the cost efficiency of the average nighttime television

62 Summers, *loc. cit.*
TABLE III

COST-PER-THOUSAND DATA FOR FOOTBALL TELECASTS
AND AVERAGE NIGHTTIME PROGRAMS, 1962-1963*

<table>
<thead>
<tr>
<th>Cost-per thousand in year</th>
<th>NFL</th>
<th>AFL</th>
<th>NCAA</th>
<th>Average Nighttime Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>1962</td>
<td>4.56</td>
<td>6.37</td>
<td>5.45</td>
<td></td>
</tr>
<tr>
<td>1963</td>
<td>3.92</td>
<td>6.53</td>
<td>5.26</td>
<td>4.56</td>
</tr>
<tr>
<td>men**</td>
<td>4.21</td>
<td>8.22</td>
<td></td>
<td>6.33</td>
</tr>
<tr>
<td>adults</td>
<td>2.82</td>
<td>5.54</td>
<td></td>
<td>2.86</td>
</tr>
</tbody>
</table>

*Statistics by A. C. Nielsen, Co. in 1963 Phillip Morris audience analysis report.

**The 1963 CPM is broken down into the cost-per-thousand men in the viewing audience and the cost per thousand adults.

show? Ironically, the CPM for the average evening show in 1963 was $4.56, too. This level of CPM is regarded as reasonably efficient by advertisers.

In 1963 the CPM for NFL regular season game telecasts dropped to $3.92 meaning greater cost efficiency for advertisers. NFL telecasts were very efficient for advertisers this year, in fact, more efficient than the average nighttime program.
In both years the NFL had the best cost efficiency of football game "packages" on network television. The American Football League had a CPM of $6.37 for 1962 and $6.53 for 1963. The National Collegiate Athletic Association games had a CPM of $5.45 for 1962 and $5.26 for 1963.

The quality of the audience.--The CPM can also be subdivided into cost figures for reaching a particular kind of audience: men, women, and children, generally. The statistic then becomes a qualitative statistic because it is relating cost to a particular quality of audience. Advertisers are interested in these statistics because their products usually are intended for a certain segment of audience and they wish their advertising message to reach these special people.

The cost-per-thousand men for the NFL telecasts in 1963 was $4.21 compared to $8.22 for the AFL and $8.33 for the average nighttime program. To the advertiser, this meant that he could reach a large television audience of men most efficiently (in terms of cost) by advertising in NFL telecasts. This is not to say that the NFL telecasts provided the largest concentration of male viewers of any program type. This is to say that the NFL telecasts provided an audience of male viewers at the most reasonable advertising cost.
Another qualitative audience statistic in 1963 revealed more of the male dominated composition of the NFL telecast audience. The total number of men per television set tuned to the NFL was .93. For the average nighttime program the number of men per television set was .72. Thus, there were more male viewers per television set (though maybe not more in total) for the NFL telecasts than for the average evening program in 1963. This was the unique nature of NFL telecasts; the television audience was predominantly male.63

The television audience for NFL telecasts was even more distinctive in light of other qualitative audience research. It was found that NFL telecasts were tuned in more frequently in middle and upper income homes than in low income homes; and tuned-in in homes where family size was three persons or more, and the head of the household was under 54.64

All of these statistics generally demarcated the unique nature of the television audience for NFL telecasts. It was a reasonably large audience dominated by male viewers who had money, a middle age, and families. This quality of television audience was rare for most television programs. It explained why many sponsors whose products

64 Ibid.
were intended for this segment of the population were eager to purchase advertising time in NFL game telecasts.

The NFL telecasts were becoming distinctive in terms of audience quality and size. This was one of the important developments in the 1962 and 1963 years. Football (NFL) as a television program was starting its rise to remarkable levels of popularity for its program type.

Several important events marked the relationship between television and the NFL in 1962 and 1963. The signing of the "package" contract was the event of most impact in these years but really it had been pre-determined by the developments of 1961. For the sake of continuity, it probably should be considered the capstone event of that year.

If the contract is viewed in this respect to time, then the most significant development of the 1962 and 1963 years becomes theater television. The League arranged its first experiment with this potentially lucrative concept for the 1963 championship game. It was a modest success. Most important it launched the League's conservative exploration of theater television: a means of telecasting League games that could provide supplementary income to the League's television income.
CHAPTER IV

TELEVISION DEVELOPMENTS FOR THE NATIONAL FOOTBALL LEAGUE IN 1964-1965

Money and innovation were the keynotes of the 1964 and 1965 NFL seasons with respect to television. One begat the other. The money aspect came immediately. In a bidding ceremony for the NFL television rights for 1964 and 1965, CBS-TV made the winning bid of $28,200,001 -- more than three times the price for the rights in 1962 and 1963. The innovation followed soon after, for CBS-TV, notwithstanding this triumph, would lose money on the purchase under past patterns of commercial time sales. To help recoup its high cost of purchase, CBS-TV initiated several innovations in television programming and sales.

Experimentation with theater television by several teams was another significant development in this period. And rounding out the highlights of these years were a protest to an NFL plan for Friday night telecasts, and two legal matters which respectively could reduce the blackout area, and exempt sports leagues from anti-trust laws.

Of these two years, 1964, witnessed the more notable events: it was the year of a new television contract with
all of the associated events -- negotiations (in this case bidding), new contract terms, changes in production techniques to accommodate the new contract, adjustments in sales policies.

While 1965 marked several important happenings in the League's use of television, the year, in general, was a duplicate of 1964 with the contract and production techniques continuing from 1964.

I. THE REGULAR SEASON GAME CONTRACT

The contract.--The noteworthy television events of 1964 began immediately for the League with the initiation of a new contract in January. The monetary terms were astounding. The $28,200,001 price was far above any previous NFL-television contract terms or any other sports league contract terms for that matter. Each NFL team received approximately $1 million from the new contract.

The upward leap of price -- from a 1962-1963 contract for $9.3 million -- was spurred by competitive bidding among the three commercial television networks. The previous contract had been negotiated between the League and CBS-TV. This year, all three networks were interested in the television rights, so that the League was able to capitalize on their strong interests through the competitive bidding procedure.
The bidding procedure.--The bidding procedure was precisely set down in a set of bidding instructions composed by the League. These rules were given to all interested parties. A glance at these rules shows one method of business transaction between television and the League.

All bids had to provide for the payment of a specific sum of money. Any bid offering collateral or other considerations or inducements to some charity or activity other than for the television rights offered would be rejected. Conditional bids or bids with qualifications or changes to the League specifications would be unacceptable.1

Every bid was to conform with and be subject to Article X of the League Constitution and By-Laws -- the section that pertained to television. All bids would be sealed in envelopes and opened in the presence of all bidders at League Headquarters on January 24, 1964.2

The Commissioner's role in the bidding was considerable. He not only structured the bidding rules, but, in the end, he determined the winning bid regardless of the price rankings of the offers. Price would certainly be influential in the decision, but other factors would

2. Ibid., p. 1.
be considered. Promises for extensive promotion of the
games, telecasting quality, guarantees of coverage, and
past performance in telecasting games would be important
considerations in bids, and might more than compensate for
any price differentials. In making his decision, the
Commissioner could also reject any bid or all of them,
and he could defer a decision for four days. 3

It was to Commissioner Rozelle at League headquarters,
that the NBC, ABC, and CBS television networks delivered
their bids on the morning of January 24, 1964. The cere-
mony began at 11 a.m. At 11:20 Jim Kensil, publicity
director for the NFL, reported to the waiting press (it
was a closed bidding session) that the bids had been
opened and read. He said that the Commissioner and the
NFL attorney had gone in conference to consider all aspects
of the bids. 4

A study of one of the bids at this point reveals
the keen competition among the television networks for
the NFL rights; how the competitive mechanism effected
the high bid; and why television networks had such a strong
interest in obtaining the television rights to the NFL
games.

3Ibid., pp. 1,7.

4Dick Young, "Young Ideas," New York Daily News,
The CBS-TV bid was founded in emotion and structured with intensive reasoning. William MacPhail, vice-president in charge of CBS Sports, and the individual who would determine his network's bid, revealed the emotional factor behind the CBS-TV bid:

We wanted it very badly. We knew the others (network) wanted it badly. Our affiliates think it is the most important thing on the network. Admittedly, emotion, and lots of it, entered into our bid. There's the image and the prestige factor. We started doing pro football in 1956. We didn't want to lose out now.5

The emotion, as MacPhail stated, was a product of several factors. The network and its affiliated television stations wanted the NFL television rights for multiple reasons.

The network wanted the rights for prestige and programming purposes. The NFL games were the "number one" sports attraction and possession of them gave a network prestige and a position of leadership in sports. The games as programming attracted more viewers than the usual network bloc of "intellectual" type programs in the Sunday afternoon time period. This audience size and the audience composition for NFL telecasts interested sponsors, and thus the network had profitable programming on a Sunday afternoon.6

The games were important to the network for strictly sales purposes, too. The network sales department could use the games as part of sales "packages". For example, Ford Motor Company in past years had purchased commercial minutes in a "package" of the *Lucy* Show and NFL games.\(^7\)

The network's affiliated television stations were extremely desirous to retain the rights to NFL games and "literally begged" CBS-TV not to lose the games. The affiliates profited from the games in two ways: the affiliates were paid by the network to televise the games that filled an otherwise low income time period, and the affiliates sold advertising time within the same telecasts and adjacent to them at substantial prices.\(^8\)

This combination of factors stirred the emotion at CBS-TV and definitely boosted the level of the network's bid appreciably.\(^9\)

But if emotion characterized the network's view of the television rights, by contrast solid reasoning and long deliberation went into the formulation of the CBS bid. The task fell to William MacPhail, the vice-president in charge of CBS Sports, to determine the bid, but another

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\(^8\) Siegal, *loc. cit.*

network official shared with him this burden that carried so much emotional weight.

MacPhail was assisted by James Aubrey, CBS-TV President. Aubrey spent many hours in collaboration with MacPhail, computing the minimum bid that secured the NFL rights and devising a financial plan that made the venture profitable.¹⁰

It was Aubrey who handled the difficult job of second-guessing the bids of the other networks. He was well prepared for this task, however. He had a past working experience at ABC-TV and had considerable knowledge of the operations methods at NBC-TV. Aubrey, with this background, simulated his competitors' thinking in order to set the CBS bid at a prevailing level.¹¹

First, Aubrey scouted the competing networks to detect any cleverly concealed signs as to what sums they might be considering. Then, drawing upon his knowledge of their executives' reasoning and the operational procedures, he estimated the networks' bids and their ability to change bids quickly.¹²

With his guesswork completed and remarkably accurate it remained for Aubrey, along with MacPhail, to set the

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¹¹ Ibid.

¹² Ibid.
CBS bid. But at CBS, as at the other two networks, the creation of a bid was a complex matter involving several steps. The CBS Sports department first prepared figures. Then the President and Vice-President in charge of Business Affairs and Sales were consulted. They decided on the final bid. The television network President then took the final bid to CBS President William Paley and Chairman of the Board, Frank Stanton. After all of these channels were ployed, the final CBS bid stood at $28,200,001. President Paley had reservations on the grounds that the bid was irresponsible from a stockholder's viewpoint. 13

If this bid did seem unreasonably high, it nevertheless was based on good business considerations. Aubrey's strategy included some programming and sales innovations for the games that placed the high cost within a profitable framework. 14

This was the CBS bid which proved to be successful. When Commissioner Rozelle emerged from consultation with the League's lawyer, he announced this huge winning bid to the press.

The impact of the bid contract.—The reactions to the victorious bid price were varied, but everyone showed

13 Statement by MacPhail, personal interview, March 1964.
14 Rosen, op. cit., p.37.
surprise. Commissioner Rozelle replied to the press that he hadn't expected the bidding to go that high. Both he and MacPhail were pleased, however, with the outcome. Sportswriters were stunned. This bid that was three times higher than the preceding rights fee invited reaction, and the sportswriters were swift and prolific.  

Several sportswriters forecasted increased control over the games by the network for sponsorship reasons. The network, it was assumed, would want to achieve maximum sponsorship for the games. To facilitate this, the network might request more opportunity in the games for advertising a possible-detriment to normal game procedure. One sportswriter maintained that the network also might request changes in the game to heighten and simplify the action. The purpose would be to interest more viewers and in turn satisfy sponsors' desires for bigger audiences.  

The question of control of the game by television will be brought up in chapter seven and examined in depth. Regardless of the validity of their observations, the sportswriters en masse provided tremendous publicity for the League. This publicity was one result of the impact of the contract. There were other areas of impact.

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15 Ibid.
The new contract that was determined by the bid caused the cost of television rights to other sports events to rise sharply. The American Football League, for example, was able to sign a five year contract with NBC-TV for $36 million. 17

The new NFL contract also increased the value of stock in all professional sports teams whose activities might conceivably be of interest to television viewers and it helped raise player and coach salaries. 18

The new contract had impact for pay television (a television system that requires viewers to pay for programming). Commercial television (the popular system to date that has the advertiser pay for programming) appeared to have no ceiling on the price it would pay for NFL games. Therefore, the NFL would be reluctant to switch to untested pay television. 19

The new contract also disturbed advertisers who knew ultimately that they would pay for the high cost of the television rights. 20

A $28,200,001 contract had disrupted the sports world, temporarily through surprise, and permanently

17 Ibid.
19 Ibid.
20 Ibid.
through the irreversible effects that its existence brought about in sports-television relations.

Television (CBS-TV) had dug deep into corporate finances to pay the NFL a huge fee. Yet the fans dug deeper, by comparison, into their collective pockets to pay the admission prices to the stadia. The gate receipts from stadia admission prices remained larger than the television income. 21 This one financial fact explained the League's basic policy of restricting television coverage in order to protect the income from stadium gate receipts.

Price alone was not the only interesting aspect of this 1964-1965 contract. There were other significant features -- most notably the reservation of theater television rights to the individual teams. The contract terms deserve attention at this time. An examination of them will reveal the unique provisions of the 1964-1965 contract, and will illustrate, also, the way a typical League television contract was constructed -- what restrictions were generally imposed, what rights were included, what sponsorship rules existed. This information will be valuable to an understanding of the League's prudent use of television and to a consideration of television's control of the game.

21 Mahoney, Fortune, November 1964.
The Contract provisions.--The contract provisions were set forth in the bidding instructions. The bid encompassed the exclusive right to the live telecast of all football games (pre-and regular season) during the 1964 and 1965 seasons, including play-off games. Not included in the contract were the rights to Friday and Saturday games with certain exceptions, the post-season games, and certain pre-season charity and specially sponsored games.22

The League guaranteed that at least one pre-season game would be available for telecast for a period of five weeks immediately preceding the opening week of the regular schedule in 1964 and 1965.23

The NFL Commissioner reserved certain areas of authority as set out in the contract. He had the right to approve all announcers and sponsors that might be a part of any NFL telecast.24

There were sponsorship rules for the network, also. The network had to give current sponsors of NFL telecasts the right of first refusal for sponsorship under the new contract. The prices for such sponsorship would have to be the normal sponsor fee.25

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23 Ibid., p. 2.
24 Ibid.
25 Ibid.
The network also had to offer one quarter sponsorship of each televised game to the national sponsors of the previous year -- Ford Motor Company and Phillip Morris. The network had to give them first refusal, product protection (no competing advertising from a similar product), and advertising rates that were equal to those for other sponsors. 26

Provision 7c of the contract prescribed area restrictions on telecasting the games. The television blackout policy was in effect. Telecasts of League games were prohibited in the home territory of a team playing at home unless such team consented. However, the network was not obligated to blackout any telecast within a home territory in a manner substantially different from the area blacked out by teams in 1963. 27

Provision 8 continued one of the League's traditional television policies. Every regular season game had to be televised live (as it occurred) back to the home city of the visiting club on the day of the game. 28

Provision 9 was a clause that was necessary for anti-trust reasons. It declared that, subject to the limitations contained, the network had the right to determine within its own network where all games played would be televised. 29

26 Ibid.
27 Ibid.
28 Ibid.
29 Ibid.
This provision had its origin in the 1963 anti-trust litigation involving the League.

Provision 10, on game scheduling, stated that the NFL would make available for telecast, if desired by the network, two regular season games to be played on Saturday afternoon each year in December and one game to be played on Thanksgiving. The NFL would select the games. 30

The option on pre-season games at no extra cost was a unique feature of the 1964-1965 contract and was stated in provision 12. If the network failed to exercise the option, the rights reverted to the individual teams. The sponsorship of these games could not include any product or service that was competitive to any product or service advertised in the regular season NFL games. 31

While all games televised were to be telecast live in black-and-white or color, the network had permission to record games under certain circumstances as set forth in provision 13: 32

a) To make a delayed broadcast to the home city of the visiting team during the World Series in baseball with the permission of the visiting team.

b) To make delayed broadcasts within certain time limits to United States and overseas communities which did not carry the original broadcast.

30 Ibid.
31 Ibid.
32 Ibid., p. 5.
c) To use such recordings for file and reference purposes in perpetuity and for promotional purposes during the term of the contract.

d) To use such recordings for broadcast to Armed Forces of the United States.

e) In respect to pre-season games only, to use such recordings for original broadcasts whenever such pre-season games are played on a date other than Sunday; to use them then no later than the Sunday following the day on which the pre-season game was played.

f) To use such recordings for news purposes, including pre-game, half-time and post-game sports programs. However the usage in these cases shall not involve recordings of more than two NFL games, nor exceed two minutes in length.

g) To broadcast portions of the first half of any game during the half-time intermission of the game and to use such recordings as part of the summation at the conclusion of any game.

It is interesting to note that these recording rights placed considerable control over the use of game recordings. Surely these rules were designed to keep NFL football, as much as possible, a live television attraction. The factor of immediacy -- the appeal of live television -- made NFL football as exciting to the television viewer as it was to the paying spectator.

A corollary reason for the stringent control of recording rights was certainly to maintain the continuity of Sunday afternoon as the day for NFL games and telecasts. In addition, this control might reflect a League fear of overexposure -- a surfeit of football telecasts.
Provision 14 contained further particulars on scheduling. The League guaranteed that there would be one regular season game on at least 14 Sunday afternoons each year. The network could assume that each team would play 14 regular games. The teams would not schedule more than five regular season games on either Friday or Saturday in addition to the two Saturday games in December, without the network's consent. The network had an option to these games if they were scheduled prior to the second Friday in September and subsequent to the second Friday in December. The same sponsorship restrictions applied to these games as applied to the pre-season games.

Provision 16 noted that the network could telecast the games on a commercially sponsored basis, or sustaining. Provision 18 was the second important new provision of the contract. It reserved closed circuit television rights to the individual teams:

All rights to pay or subscription television or closed circuit television in the blacked out areas only to any games of the member clubs are expressly reserved to the member clubs. The bidder must agree to co-operate with any closed circuit television rights of football games in blacked out areas approved by the National Football League by providing clean (no commercials), uninterrupted video feeds, without commercials and without network identification, of

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33 Ibid., pp. 5-6.
34 Ibid., p. 6.
its simultaneous telecast of the games, at $2,000 per game. If the broadcaster's normally assigned facilities and services for such telecast are not adequate to provide a clean uninterrupted video feed, the bidder agrees to co-operate by permitting, without charge, the connection of its normal telecast with additional facilities and services provided by others, which may be required to accomplish this service. 35

This important provision made it possible for several member teams to experiment extensively with theater television in the 1964 season.

 Provision 21 took into account the possibility of play-off games -- games played at the end of a season to determine a winner in a conference divisional race that ended with a tie. The network had the television rights to these games but would have to pay an additional fee of $200,000 per game to the teams playing. 36

 Provision 22 required the network to provide free of charge a minimum of one League and one participating team promotional announcement on each telecast of each game. 37 This was an example of the prudent use of television by the League -- in this instance for a public relations purpose.

 Any provisions, terms, or details not specifically provided for in the bidding instructions would be decided by mutual agreement between the network and the League.

35 Ibid.
36 Ibid., p. 7.
37 Ibid.
If an agreement couldn't be reached then the provisions of the 1963 CBS-NFL contract would govern where applicable. This was the content of provision 26.38

The network also had the right of first refusal to the television rights for the Playoff Bowl games (between the 2nd place teams) in 1965 and 1966, under provision 28. The network would have to pay an additional $200,000 fee to exercise this option.39

Finally, Exhibit A of the bidding instructions was an annual schedule of television rights payments to NFL teams. Twelve of the fourteen teams specified payments quarterly (April, July, October, December). The Los Angeles Rams, and the Dallas Cowboys desired half payments immediately for both years and as much as possible of the balance to be paid each year at an early date acceptable to the network.40 It can be inferred from these two latter requests that television money was the basis for economic survival for these two teams.

Rights and restrictions are the proper terms to describe this agreement between the television network and the NFL. The network gained rights of control over many facets of game presentation on television. However the NFL

38 Ibid., p. 8.
39 Ibid.
40 Ibid., Exhibit A.
did not give the network absolute freedom, but imposed certain television restrictions that were in the League's interest. Within these rights and restrictions was the essence of the League's successful use of television.

II. INNOVATIONS BY THE NETWORK

Innovation was the attitude at the CBS-TV network. The station relations man (network personnel whose job is to function as a liaison between the network headquarters and the affiliated television stations), the sales staff, and programmers devised new ways to make more money from the football telecasts. Old arrangements weren't good enough; they didn't generate enough revenue. This effort at innovation, prompted by CBS-TV president James Aubrey, enabled the network to recoup the purchase price of the television rights.41

Program innovations.---One program innovation was the double-header: two games presented, one after the other, on the network on a Sunday afternoon. The conception of the double-header grew out of Congressional hearings in 1961. The idea apparently remained with Aubrey. The NFL

had thought of the idea, too, but the League wasn't sure that sponsorship could be found for the second game, if it were scheduled. 42

The double-header was valuable to the network for its commercial potential. With this second game, naturally came several opportunities for commercials, thereby increasing the total number of commercial positions which could be sold to advertisers. The network had to pay further charges to A.T. and T. for the extended network cable arrangements, but did not have to pay the NFL any additional fee for the double-header plan. It is assumed that the revenue from the additional commercials in the second game exceeded the costs for the extended network cable arrangements. 43

The vice-president in charge of CBS sports, William MacPhail, testified to the financial value of the double-header. He said that the rights cost to the game forced the creation of a football double-header. 44

The local stations viewed the new concept with mixed emotion depending on the particular Sunday. The Sundays when a double-header was scheduled for their station --

42 Statement by Pete Rozelle, personal interview, March 1966.


Sunday afternoon programming was taken care of. But when a blackout prevailed in a station's area, no network programming would be available. The station was then forced to fill the lengthened football bloc with local programming. 45

Five double-headers were scheduled for the 1964 season, mostly on Sunday afternoons.

Another programming innovation had financial value and helped the League recover the rights fee cost. The network created new quarter hour pre- and post-game programs. The programs would preview and review, respectively, the game they enclosed along with other games in the League as well. Commercial time was sold in these programs that made them valuable to the network. 46

They (pre-and post-game programs) are extra money earners which the network doesn't have to pay the NFL for. They have helped pro-rate costs.

The interesting observation about these programming innovations is that television economics created football programming. The network, in order to recover the huge rights cost, needed more commercial minutes of programming time to sell to sponsors. So football programming was created to provide vehicles for these additional commercials.

46Ibid.
The double-header concept and the pre- and post-game programs were conceived with economics foremost in mind.

Station relations innovation. -- A second type of innovation by the network was the plan to end compensation payments to affiliates. (Compensation payments are payments a network makes to its member stations for televising each network program.) By eliminating compensation to affiliates for the football games, CBS-TV erased a several thousand dollar expense entry in its NFL cost structure. The network was breaking precedent in the process: for the first time in television history, a sponsored network series would be televised with no compensation to the affiliates. 47

Actually the elimination of compensation was not as drastic a move as it might seem. It was the end to a gradual reduction. The network had reduced compensation payments for the games periodically. In 1961, CBS paid the affiliates for two hours of Class C time per game. (Compensation is paid on an hourly rate scale with the rate varying by classes of time. Class A time is most profitable to the networks in terms of advertising, hence the Class A time compensation rate is the highest.) In 1962 and 1963 the compensation had been lowered to one hour of Class C time.

per game. This had amounted to a network expenditure of $300,000 in 1963. In 1964, compensation was just stopped altogether. 48 (Stations would receive compensation for the second game of double-headers -- two hours of Class C time.)

Although compensation was ended, the network offset the loss to affiliates with other changes. The network scheduled longer station breaks per game -- interruptions in the network telecast when the local stations could insert their local advertising for profit. 49

The affiliates accepted the end of compensation with little protest. Most of the affiliates were just satisfied that CBS had acquired the NFL rights. Anyway, the affiliates had the opportunity to recover the compensation loss through the local time sales in increased station break time. 50

All of the attitudes towards the loss of compensation became meaningless soon, when the network announced in May that compensation would be restored. The affiliates would receive compensation for the 1964 and 1965 NFL game telecasts. Advertising time sales motivated this reversal. 51

49 Ibid.
50 Ibid.
The network had sold all of the commercial time in the games at substantial prices. The total amount of the sales made the reversal possible. Compensation returned and the affiliates enjoyed double benefits since the longer station breaks were retained.  

Sales innovation and sponsorship.--The commercial time sale in 1964 was extremely successful and was the final phase in the CBS recovery of the high cost for the football rights.

The network had introduced program innovations that were sales innovations as well: the double-headers and the pre- and post-game programs provided additional sponsorship opportunities. The network also had increased the number of commercial minute positions in single games from 16 to 18. Selling all of this expanded amount of time to sponsors enabled CBS-TV to recover the huge rights cost. Only one week after the network committed $28 million for the football rights, all of the commercial time in the games was sold at a recoupment of approximately $40 million. The time was sold at $67,000 per minute.

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52 Rosen, loc. cit.

53 "NBC's Turn at Pro Football," TV Digest, February 3, 1964, p.3.

54 Rosen, loc. cit.
One significant observation of the network’s successful sales effort, is the introduction of a new type of advertiser to sports programs. CBS-TV ventured outside of the standard sports sponsors realm (beer, oil companies, men’s toiletries, cigarettes, automobiles) to interest a sponsor like American Airlines. 55 This new type of advertising was probably acquired through the unique quality of NFL television audiences (see chapter three). The NFL on television was setting a precedent in sports programming sponsorship.

III. OTHER DEVELOPMENTS

The championship game contract.—CBS-TV, in a surprise move, also purchased the television rights to the championship games for 1964 and 1965 at a price of $3,600,000. With the addition of these rights, CBS-TV was very close to being the exclusive network for NFL telecasts. It was a logical purchase, because CBS inevitably was building viewer interest for the championship game through its regular season games coverage. Now the network could benefit from this natural promotion of the title game. 56

In April CBS-TV sold sponsorship time in the championship games. The cost per minute was $110,000 if the sponsor

55 Statement by Pete Rozelle, personal interview, March 1964.
contracted for time in both championship games, or $120,000 per minute for time in only one game. Even at these prices, and in spite of a sell-out, the network would still not recover the price it paid for the rights ($1.8 million per game). The gross revenue from a sell-out would be $2,090,000 but expenses -- advertising agency, station compensation, and network lines -- would lower this income to below the cost of the rights figure.

The game sponsorship alone would not absorb the cost. But the pre- and post-game half-hour programs provided additional sponsorship revenue that made the telecast profitable overall. These marginal programs proved their financial worth.

Schedule controversy.--Several weeks before the actual announcement of a season game schedule in 1964, the schedule was the center of a tempest. Five tentative Friday night games were at issue.

Under the 1964-1965 contract, the League could play up to five night games. These games were not included in the television rights sold to CBS-TV. Instead, the

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58 Ibid.

59 Ibid.
teams involved in the games had charge of these television rights. 60

The tempest erupted when ABC-TV announced that it had acquired the television rights for these Friday night games and intended to telecast them. The network had already obtained a sponsor for the games, Ford Motor Company. 61

The National Collegiate Athletic Association and the National Federation of high schools immediately protested. The idea of professional football telecasts on Friday night was an invasion of the high school football sanctuary that could be damaging to the scholastic teams. The NCAA presumably feared subsequent encroachment by professional football into their traditional Saturday afternoon game period. 62

The NFL called the ABC-TV announcement premature and academic. The NFL said the League schedule had not been made at that time and that no contract with ABC existed. 63

Commissioner Rozelle, however, apparently to leave open the possibility of Friday night games, defended the legality of such a plan. He explained that Friday night

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60 Statement by Commissioner Rozelle, NFL Publicity Release, March 2, 1964, p. 2.


62 Ibid.

63 Ibid.
games did not violate the 1961 legislation. He said the law did prohibit any "package" deal with a network to televise games on Friday night or Saturday. Also, there was a specification that no game may be televised within 75 miles of a college game. If, however, a network made deals with member teams individually and observed the 75 mile restriction, there was no violation. Furthermore, he added that there was no mention of high school protection anywhere in the Celler Bill. 64

The controversy fomented for three weeks, then it was ended by an official League statement by Commissioner Rozelle. In a March 2, 1964 statement, Rozelle declared that there would be no Friday night national telecasts of NFL games. Speculation had developed during the past three weeks, he noted, but the League termed these reports premature, and now could say with certainty that a Friday night schedule would not appear. 65

This statement by the Commissioner brought to a close a curious episode of speculation and controversy over Friday night football telecasting. It might be theorized that ABC -- the network that started the affair by announcing its intentions to carry the games -- might have decided upon

64 Ibid.
the Friday night football plan in order to get its share of professional football telecasts and profits. The competition was fierce for the NFL television rights. This was an opportunity for ABC to obtain certain rights when the other networks were precluded from competition because of their football commitments.

Shortly after this minor tumult, the League officially announced its game schedule for 1964 -- a most irregular schedule. Games would be played on five of the seven days of the week. Sunday, though, would still remain the League's traditional day for the game with 89 of the 94 regular season games scheduled for Sunday afternoon. But, there would also be the national telecasts of the Thanksgiving Day game on Thursday, and two Saturday afternoon games; plus a few games on Monday night and Friday night would be televised only in the home cities of the visiting teams.66

Where speculation was the only basis of schedule criticism earlier, now there was something definite to aim at. Naturally, such a varied schedule received criticism; it seemed to infer that television was exerting control over game scheduling.

Rozelle denied that television pressure had influenced the variety of dates that appeared on the 1964 schedule. Rozelle, speaking at a dinner in Chicago, said that the television network "didn't and can't call the shots". He explained that the overlap of the football and baseball seasons (five weeks) forced the odd-day scheduling. The NFL teams use baseball stadia, and, therefore, the League had to schedule NFL games around the baseball dates during the overlap.67

The baseball-football conflict did not explain all of the variations in the 1964 schedule; there was another reason why several games were scheduled on days other than Sunday. The reason was to create more viewer interest in the NFL. Rozelle revealed this rationale in further remarks at the Chicago dinner:

Our philosophy is very simple. We are attempting to make our League as attractive as we can to everybody...to fans in all team cities.68

This philosophy was exemplified in the scheduling of two Saturday afternoon games in December. The League had scheduled the games between the two probable contenders in each division of the League for December 5th and 12th. These games would be telecast nationwide on the CBS network.

67 Harry Sheer, "Rozelle Here, Denies TV Pressure," Chicago's American, April 27, 1964, p. 16.

68 Ibid.
Viewers across the country then could watch these decisive games involving potential division champion teams. The viewers would get the excitement of a most important game; the League hopefully would gain a large television audience for these games and would benefit through the promotion value that these games would have for the subsequent championship game and for NFL football in general. 69

A schedule of such variation in playing days also invited thoughts on the dissolution of the League's well-established continuity of Sunday afternoon games. Rozelle, again, said that he didn't think the varied-day schedule would disturb "the continuity image of NFL games on Sunday". In fact he felt that it helped the League. It made the NFL more attractive by giving each team the best possible playing time and allowing more fans to attend. 70

**Legal matters**—Two very important legal matters were pending in 1964. But the drama of action that characterized legal activity in previous years was missing. Both of these matters involved legislative bills under long-term Congressional consideration.

In 1964, the Stubblefield Bill and the Hart Bill were pending in Congress. The former was anti-League, proposing to reduce the dimensions of the blackouts; the latter was

pro-League, proposing widespread anti-trust protection to professional football and other professional sports. Of the two bills, the latter had the larger significance.

The Stubblefield Bill had been introduced in 1963, and was still being considered in 1964. It called for a contraction in the area coverage of the blackout.

The Stubblefield Bill received support from the Federal Communications Commission in May 1964. The FCC urged for a blackout revision at a hearing of the House Anti-trust and Monopoly Subcommittee. The FCC considered the present 75 mile policy too protective for two reasons: 1) league games were increasing in popularity and didn’t need such extensive protection, and 2) professional football games were receiving more protection than college games.71

The second legal concern for the League in 1964 was the Hart Bill (S. 2391) along with its companion bill in the House, the Berry Bill (H. R. 10906). These bills, if passed, would grant to sports leagues wide-spread immunity from anti-trust laws. Practices essential to the operation of every sports league would then be free of any anti-trust implications. Specifically, these bills would exempt from the application of the anti-trust laws "agreements

71"FCC Says Pro Football Blackouts Too Broad,"
*Broadcasting*, May 4, 1964, p. 78.
among persons participating in professional baseball, football, basketball and hockey which relate to: the equalization of competitive playing strengths; the employment selection, or assignment of player contracts; the right to operate within specific geographic areas; or the preservation of public confidence in the honesty in sports contests."72

The NFL, needless to say, supported the Hart and Berry Bills. Commissioner Rozelle stated the obvious reason in an article in the Virginia Law Weekly. He said that the bills would put all sports on an equal footing, and "give recognition to the unique needs and relationships found in all professional sports."73

The League and other sports leagues considered the legislation all the more expedient because of the existence of a legal double standard for sports leagues. Baseball had long been exempt from anti-trust laws. In 1922, the Supreme Court held that baseball operations were not interstate commerce, hence not subject to anti-trust laws. The Court had adhered to this decision to the present day, and yet had denied like privileges to all other professional sports.74

73 Ibid.
74 Ibid.
Although the League urged for the passage of the Hart and Berry bills, and there were advocates for the Stubblefield Bill, neither of these measures were enacted in 1964. The League's legal matters were in a state of suspension in 1964.

IV. TELEVISION PRODUCTION, 1964

Production in 1964 encompassed all 98 League games and was highlighted by the inception of the double-header.

The double-header.—In presenting the double-headers, CBS-TV needed a precise pattern of starting times for NFL games that would be compatible to the double-header structure. The game picked as the second game would have to start at approximately the same time all of the other games were ending. 75

For the most part, no drastic changes in starting time were necessary to conform to this double-header format. The network used the West coast games as the second game usually, and, therefore, took advantage of the natural time lag between regions of the United States. 76

But the natural time lag was not quite enough for the precise coupling of the games. To be perfectly compatible, the West coast games were scheduled to start

75 Statement by Pete Rozelle, personal interview, March 1966.

76 Ibid.
one-half hour earlier than in the past to facilitate a precision mesh of the double-header games.\textsuperscript{77}

This arrangement, caused a minimum of change to starting times, but it also limited the selection of games for the second game. There were only two West coast games each Sunday.

Variety was added to the second game schedule by means of a few major time changes. Dallas and Minnesota agreed to start their home games later, at three o'clock, to make their games eligible as a second game in addition to the games of the San Francisco and Los Angeles teams.\textsuperscript{78}

The double-header, a new innovation for television's benefit, was thus established but not without an NFL concession on starting times of games. The League was fully co-operative and had no objection to the changes.

Production innovation.—There were other innovations in the CBS-TV production design for 1964; indeed, the CBS production plans were replete with new techniques for the telecasting of the games this season. The innovations of the 1964 bid recovery plan appeared in production. This year of production was outstanding among all the rest for its accent on innovation.

\textsuperscript{77}Ibid.
\textsuperscript{78}Ibid.
Innovations that appeared this year, besides the double-header, were the isolated camera, the sidelines man, the TV Room, and pre- and post-game programs. Their success or failure would distinguish this season from all the others, and have an important financial effect.

The "isolated camera" was one of the most remarkable innovations of 1964. The isolated camera (sometimes two are used) was one television camera that operated independently of the normal game coverage. For every play, the camera focused on a particular player who was likely to be involved in the play and the resulting picture was recorded on videotape. This recording could then be replayed (played back) "on-the-air" moments after the actual play had ended. The home viewer thus got another chance to witness the play from a more intimate and meaningful perspective. 79

Cameras and videotape recordings figured in other new production techniques. The network used seven cameras for a standard game coverage -- an increase of three from past seasons. With more cameras, the network provided more detailed coverage for the increasingly knowledgable fan.

A second videotape machine, besides the one for the isolated camera, was added to the production plan, too. It was used to record the key plays of the game. The recording then was played back at half-time and after the game to show the game highlights to viewers.80

Innovation also entered the announce booth with additional announcers and a new rotation system of announcing. For the 1964 season four "commentators" would be utilized for each game. The play-by-play man (announcer who describes the game action as it occurs) and the analyst (announcer who adds insightful comments on plays and players during lulls in the game action) for each team took part in announcing the game.81

The four commentators of every game functioned in a new system of announcing that featured four positions. Besides the normal play-by-play and analyst assignments, two other positions were created -- a sidelines man and the TV Room reporter.

The sidelines man was stationed at a sidelines vantage point. Theoretically, he would interrupt the standard coverage from time to time with brief interviews with players and a specially selected intermediary for the coach, while the game was being played.82

80 Ibid.
81 Ibid.
82 Ibid.
The TV Room position, like the sidelines post, was supplementary to the standard game coverage. At intervals, the announcer in the TV Room -- a specially constructed room for television at each stadium -- was called upon to report the scores of other professional football games. The four commentators for every game rotated among all four positions during the game.83

The commentators were also central to another innovation -- the pre- and post-game programs. Fifteen minutes in length, these before- and after-the-game shows were staged mainly in the aforementioned TV Rooms at the stadia and were hosted by the commentators. The home team commentators hosted the pre-game program; the visiting announcers, the post-game program. These programs previewed and highlighted the game, sometimes incorporating interviews with players or coaches.84

A further innovation in programming was the creation of Countdown to Kickoff. This was a weekly program series on Saturdays, from September to December, that paralleled the weekly game action in the NFL. Each of these programs -- one hour long -- previewed in depth the upcoming NFL games and reviewed the past week's games. Also, each week the show switched to stadium locations for timely reports on

83 Ibid.
84 Ibid.
the teams' final workouts for games. Coaches and players were interviewed at various points in the show.

Countdown to Kickoff was developed mainly in response to the swell of viewer interest in the League during the previous season. It had little financial value because of its sizeable cost and small audience; it could not take advantage of the game telecast audience or the production set-up on Sundays. 85

These were the innovations of the 1964 production design -- a video refurbishing of football coverage. It was quite an expensive undertaking. The innovations reportedly tripled production costs over the 1963 level. But the cost increase was offset by the revenues that certain innovations contributed. The sale of commercial time in the double-headers and pre- and post-game programs produced income that should have exceeded the increased costs of production. 86

This prospect of profitability, after all, was the motivating force behind this indulgence in innovation. The network turned to innovation as a means to cope with the high cost of the football rights. Through innovations (double-header and pre- and post-game programs) the network

85 Ibid.
could sell more advertising time to sponsors; and through innovations (isolated camera, sidelines man) the network hoped to attract more viewers in order to justify a raise in sponsorship charges. Innovation was the CBS design for financial recoupment -- to keep pace with the rapidly rising cost of television rights to NFL games.

The innovations that operated within the game also had to meet a standard of practicality as determined by Bill MacPhail, vice-president in charge of CBS Sports. The essence of MacPhail's philosophy was to use innovations that enhanced the game for the viewer, while avoiding those that were novelty for novelty sake. It dictated a prudent use of innovations that would prevent stagnation and yet not be distractions. 87

The success of the innovations -- Were the innovations successful from a practical standpoint? There were a few disappointments. The announcer rotation system proved confusing and it became impersonal for the viewer when the visiting team's announcer described the game. Eventually the system was altered. 88

Also, the sidelines man position proved to be a mistake. There was little information to be gained on the

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87 Statement by Bill MacPhail, personal interview, March 1966.
sidelines and the coaches did not favor the idea from the start. This experiment, which was tried in four games, was termed a failure by both MacPhail and Rozelle, with Rozelle commenting that it was misunderstood. 89

The other innovations succeeded and continued in 1966 to be part of the television coverage of NFL games. In the case of the isolated camera, one innovation gained immediate favor with the viewers and became an integral part of football telecasts on every network. In this case television had truly enhanced the game of football for the fans -- one important example of the medium's impact upon the sport.

V. CLOSED CIRCUIT TELEVISION

Theater television. -- The League was increasing its interest in theater television over the last few years. In 1961, the League refused an offer to arrange theater television for the title game. In 1962, the League received further theater television proposals for the championship game, considered them extensively, but then rejected them. In 1963, the League accepted an offer and the title game was seen on television in theaters. Now, in 1964, a special provision had been included in the television rights contract that permitted the teams to

89Ibid.
experiment individually with theater television. In 1964, the stage was set for full-scale experimentation with theater television for regular season games.

The amount of concern that the League gave theater television this year was manifest when the Commissioner issued *A Report on Closed Circuit Television* to the member teams early in 1964. The purpose of the report was to give the clubs a broad picture of the field "as it is today with an outline of its past and possibilities for the future". The report contained descriptions of various types of theater television organizations, a detailed statement of the proposals which two organizations had made to the League, and a listing of personal contacts for the various theater television organizations. The report was an informative guide for teams that wished to explore theater television.  

The report first pointed out the two types of theater television organizations and noted their distinctions. One kind of organization had the equipment, personnel and outlets for the complete theater television production and would also handle the promotion, either themselves, or hire a local group. Theater Network Television, National General, and TelePrompter were organizations of this type.  

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Then there were others that were basically personal service organizations. They would arrange for all of the needed equipment and services and would take a percentage of the profits or a flat fee. Sports-vision and Lester Malitz were cited as examples of this second kind of theater television organization.\textsuperscript{92}

The report gave detailed information on two proposals that the League received for theater television rights to 1964 games -- the offers from National General and Sports-vision. Other proposals were received, the report noted, that in most cases followed the format of the National General offer.\textsuperscript{93}

The National General proposal centered around a network of theaters that the organization intended to arrange. To these theaters, the organization would transmit, via closed circuit, frequent prestige entertainment including the NFL championship game.\textsuperscript{94}

National General was certain it could improve upon the financial results of the League's 1963 theater television-championship game experiment. National General would gain economy from the continuity of network usage,\textsuperscript{95}

\textsuperscript{92}\textit{Ibid.}
\textsuperscript{93}\textit{Ibid.}
\textsuperscript{94}\textit{Ibid.}
\textsuperscript{95}\textit{Ibid.}
as opposed to an expensive one-time-only arrangement. Network feed charges (charges payable to the television network that provides the theaters with the game video) would also be lower than in the previous experiment. 95

The financial terms of the National General offer were dependent on attendance. The organization would be able to obtain 50 to 60 per cent of the gross receipts from the theaters that would televise the championship game. This gross would be divided equally between the League and National General. 96

The report also described another proposal, submitted by Sportsvision, the service type of organization. This was an offer to present several NFL games during the 1964 season on theater television. Eighteen games, in particular, in seven cities would be televised in local theaters under this proposal. Three additional games in other cities would be added, if attendance and interest warranted. 97

The Sportsvision proposal included a typical financial breakdown on a given game. This breakdown was based on twelve theater locations for each game or 36,000 available seats at $4.50 per seat. In the example game, 25,000 seats were sold producing a gross after taxes of $100,000.

95 Ibid.
96 Ibid.
97 Ibid., p. 6.
The theaters would receive $40,000 (40%). Expenses of
$2,000 would be deducted. Then, of the remaining $58,000,
the team that had arranged for the theater television would
receive $44,930 (77½%) and Sportsvision $13,050 (22½%).

Also of interest in the report were statements by
the motion picture industry and a New York visitors bureau.
Both encouraged closed circuit television football for
their benefit. The movie theater exhibitors believed that
theater television football would build up their waning
Sunday attendance. On the other hand, the New York
Convention and Visitors Bureau, Inc. encouraged closed
circuit telecasts of games into New York hotels. Guests
would not check out, then, as they now were doing, to
travel to areas where they could see the New York Giants
home games on television. These statements showed the
wide scope of effects that closed circuit television foot-
ball could have.

This report informed the teams; the new contract
freed them to act. A few NFL teams were ready to begin
unprecedented theater television experiments. The Chicago,
New York, Detroit, and Baltimore teams entered into theater
television contracts.

98 Ibid.
99 Ibid., p. 7.
The Chicago Bears contracted with Theater Color Vision for theater television for five home games. Under the arrangement, five theaters in the Chicago area carried games. The CBS-TV network provided the video portion of the game (as in all of the experiments) while Theater Color Vision substituted its announcers and cut away from the CBS-TV network picture when commercials were aired. 100

The first theater presentation of a Chicago game (Chicago vs. Detroit) was a qualified success. Three of the theaters reported an excellent picture and fair crowds, while the other two had reception trouble. Money was refunded at one theater. The total attendance at the five theaters was 5,300 -- about 35 to 40% of capacity. 101

The three theaters with good reception, plus a new fourth, were used for the remaining four games. At the end of the five game experiment, the Chicago team had experienced a mild success with theater television, but it certainly could not be considered overwhelming. 102

At New York, the Giants theater television experiments did not fare as well. The New York team contracted with International Telemeter for theater coverage of three

100 James Fitzgerald, "Three Hits, Two Misses on Theater TV," Chicago Tribune, October 19, 1964.

101 Ibid.

102 Ibid.
Giant games. Seven theaters were used for each game with tickets priced at 96 per seat. 103

The first two games (vs. Washington and Dallas) were not profitable for theater television. Specifically, financial losses of nearly $185,000 were recorded for the two games. Attendance at the theaters -- which was far below capacity for the first game -- sagged for the second game, even though the number of theaters had been reduced to five after the first disappointing turnout. For both theater telecasts only 25% of available seats were filled. 104

The third theater telecast of a New York game (vs. Minnesota) was canceled because of the poor response to the two prior games. With the team experiencing an unsuccessful season on the field, the possibility of boosting theater television audiences was slim. It was decided that enough money had been lost on theater television in New York for the season. 105

At Detroit, false success followed by real failure added up to a composite similar to the New York situation.

The Detroit team contracted for theater television for four games. The team believed theater television could


105 Clary, loc. cit.
succeed because large season ticket sales traditionally
made single game tickets scarce. Three theaters were
picked with a total capacity of 7500. 106

The first theater television game (vs. Green Bay)
was a huge success bringing 5500 people to the theaters.
But it was false success which could only generate false
optimism. 107

The unique game situation had contributed to the
success of the theater telecast. The game was played on
a Monday night, rather than Sunday afternoon, which made
the difference. On the Monday date, CBS-TV was not tele-
vising this game (except back to Green Bay) or any others.
This meant that fans in the Detroit area who usually picked
up telecasts of the Detroit home games from distant tele-
vision stations (bootleg television) did not have this
alternative. Outside of the stadium the theaters were the
only way to view the game. These peculiar circumstances
created the theater success, but they were not in force
for the Sunday afternoon games that followed. 108

The second Detroit game on the theater television
schedule was sold out at the stadium while 500 watched in

106 Mill Scholl, "Lion's TV Theater Blows Money Fuse,"
107 Ibid.
108 Ibid.
the theaters. The competition on Sunday from the distant television stations that penetrated the blackout was in effect. 109

For the third theater telecast in Detroit (vs. Baltimore) the stadium was again full, but only 1500 people turned into the theaters. 110

The final Detroit game set to be telecast in the theaters was called off in view of the prior results. 111

At Baltimore, an honest, if mild success, was achieved in the first theater television test.

The Baltimore Colts contracted with National General Corporation. Three theaters (6,000 capacity) were used, with ticket prices set at $6 per seat. 112

The theaters were filled to above 50% capacity (70% according to National General) when the Baltimore-Green Bay game was shown. 113

These were the theater television experiments in 1964. For all of these tests, the League had established a standard formula for the distribution of revenue that

109 Ibid.
110 Ibid.
111 Ibid.
112 Steve O'Neill, "Theater TV For Colts-Bays Tops 50 Percent," News-American, October 19, 1964, p. 4-C.
113 Ibid.
any team might earn from the experiments. The revenue would be divided: 2% for the League, 40% for the visiting team, 60% for the home team. 114

Theater television results.——When the theater television experiments in the various cities were considered collectively, theater television was not a success in 1964. The disappointments outweighed the triumphs. At two cities the tests were foreshortened because of failures. Only the Chicago team seemed interested in further experimentation in 1965.

One general conclusion would seem apparent in the light of these results. A scarcity of stadium tickets—a sell-out—did not guarantee an overflow audience in the theaters showing the game. Theater television was not the easy windfall it might have appeared to be. The tests had been valuable in bearing this out.

It was obvious from the tests that other, complex factors were at work in the success or failure of theater television football. Factors such as seat prices, the effectiveness of the blackout, possibly the weather, a team's success on the field, the number of theater television games to be offered, the number of theaters—were possibly involved. In discovering this complexity, the

League had gained much insight from the experiments, but
the right combination for theater television success was
not fully known yet. The NFL continued to view theater
television potential with a ponderous eye.

Pay television.--Closed circuit television that the
viewer pays for and receives in the home -- commonly
known as pay TV, subscription TV, or toll TV -- also
was discussed in the Report on Closed Circuit Television.
The report surveyed the various pay television tests,
past and present, noting in one that sports programming
accounted for over a third of the revenue. 115

Only one NFL team was in a position to experiment
with pay television. The San Francisco team could have
taken part in the Subscription TV, Inc. pay television
venture on the West coast. The Los Angeles and San
Francisco professional baseball teams and the San Francisco
professional basketball team had already joined up with
this closed circuit television service. The San Francisco
NFL team, though, decided to wait and evaluate the outcome
of this West coast pay television undertaking. 116

While there were no League experiments with pay
television in 1964, there was speculation on pay tele-
vision's potential for the League. The possibility of

115 NFL Report on Closed Circuit Television, January
24, 1964.

116 Mahoney, Fortune, November 1964.
pay television and NFL football linking up was given both a remote and a likely chance, depending upon the source of the comment.

Jack Gould, in his television commentary column in the New York Times, took the negative attitude. Sports would have been the mainstay to pay television. But, Gould added, that both professional football leagues were now very committed to the existing commercial system as a result of large television rights fees. Neither league would shift to pay television and leave commercial television to a rival.117

A November, 1964, article in Fortune magazine described the League's financial structure and saw pay television in another light. Pay television was the means to a higher financial plateau for the League. It was the one untapped source at a time when all other sources of revenue -- ticket prices, crowd size -- seemed to be stabilizing. Speculating, the article's author calculated that at least one third of the viewers in 15 million homes that tune in NFL telecasts would be willing to pay to watch. The author could see the day when it would be logical and more profitable to switch to pay television.118


118 Mahoney, Fortune, November 1964.
There were no pay television experiments by the League in 1964. Nor did any team, (except the San Francisco club) nor the League show any apparent interest in this form of closed circuit television.

VI. AUDIENCE AND COST ANALYSIS, 1964

Regular season games.--The average audience rating was 15.1 (with a range of 11.0 -- 19.9) for 17 regular season NFL football telecast dates. This included the national telecasts of two Saturday afternoon games and the Thanksgiving Day game, along with the regional telecasts of 14 Sunday afternoon games.

In terms of homes, television sets in 7,952,000 homes were tuned to the average NFL telecast, with a range of 5,790,000 -- 10,470,000 homes.

The average share of audience for the regular season games was 48.6%. In nearly half of the homes where the television set was tuned on, it was tuned to NFL football.

The two Saturday afternoon telecasts -- to attract additional viewers -- were not as popular as the Sunday afternoon games. Despite the fact that the Saturday games were exclusive, and featured teams that were challenging for the divisional titles, and occurred at a time when the available television viewing audience was larger than on Sunday, the audience statistics were lower than the Sunday averages. The Saturday ratings were 13.6 and 14.1; the
### TABLE IV

**AUDIENCE STATISTICS FOR NFL GAME TELECASTS - 1964**

<table>
<thead>
<tr>
<th>Game Telecasts</th>
<th>1964 Audience Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rating</td>
</tr>
<tr>
<td>Regular season game average</td>
<td>15.1</td>
</tr>
<tr>
<td>Double-header game average</td>
<td>13.8</td>
</tr>
<tr>
<td>Championship</td>
<td>26.7</td>
</tr>
<tr>
<td>Playoff</td>
<td>21.9</td>
</tr>
<tr>
<td>Pro Bowl</td>
<td>21.2</td>
</tr>
<tr>
<td>Pre-game program average</td>
<td>9.1</td>
</tr>
<tr>
<td>Post-game program average</td>
<td>11.5</td>
</tr>
<tr>
<td>Countdown to Kickoff average</td>
<td>5.1</td>
</tr>
</tbody>
</table>

*Audience statistics are computations by A. C. Nielsen, Co., as listed in an NFL Football Ratings Report, 1965.*
share of audience figures were 44.0 and 43.8 respectively. That Saturday was not the traditional game day may account for the absence of many regular NFL viewers. Possibly they could not view on Saturday or they forgot about the change of telecast days.

The Thanksgiving Day game, by contrast, recorded the largest audience statistics among regular game telecasts. The traditional aspect of this game coupled with a date which provides a large potential audience (a national holiday which is very suitable for television viewing) certainly must be the cause. The rating for this game in 1964 was 19.9; the homes, 10,470; the share, 54.5%.

These audience statistics for regular season games represented a substantial viewing audience but not as large as in the previous year. There were several reasons offered to explain this decline. One was the competition with baseball that had an extended and exciting season. A second reason was the pleasant fall weather that drew many people outdoors -- away from their television sets. 119

A third reason -- that seems to be the most significant -- was the lack of excitement in the NFL season. The competition was not as even as it had been in other years.

and viewers in several team territories lost interest as their teams dropped quickly out of contention. This situation was all the more severe when two teams in very large population areas -- New York and Chicago -- had unsuccessful seasons and the viewing of their games decreased considerably.\(^1\)

One further reason that may have some weight, too, was the increase in the number of football games on television. Viewers may not have increased their viewing proportionately.

**Double-headers.** -- Separate audience statistics were kept on the double-header games that occurred this season. There were five Sunday double-header games -- the games that were telecast nationally following the regional telecasts of the other games. Their average audience rating was 13.8; the average number of homes, 7,260,000. The size of the television audience decreased for these second games on double-header Sundays.

The author suggests the reasons for the audience decline were three-fold essentially: 1) several of the viewers who faithfully watched the games of the NFL team in their area did not have as strong an interest in other games in the NFL, and therefore, may not have watched the

\(^1\)Ibid.
the second game, and closely related, 2) some viewers may have become simply satiated with football by the end of the first game and may have decided not to watch the second game, and 3) the duration of the two games may have been too lengthy for some viewers who had other things to do besides watching television.

Post-season games.--The consummate nature of the championship game always guaranteed a large television audience. The game in 1964 received a 26.7 rating that represented 14,040,000 homes in which the television set was tuned to the telecast. These statistics would be excellent for any type of program. They showed again that the championship game was the most popular NFL attraction on television.

Two other post-season games followed the championship game annually, but they generally were not quite as popular. The Playoff Bowl (between the second place teams in the League's two divisions) and the Pro Bowl (between temporary teams comprised of the best players in each League division) were feature games but they did not directly climax the regular season games like the championship game did. Therefore they did not gain the degree of viewer interest that the championship game engendered.

In 1964, the Playoff Bowl received a 21.9 rating, reaching 11,520,000 television homes. The Pro Bowl recorded
almost identical statistics with a 21.2 rating and an 11,150,000 homes figure. These games were second in popularity to the championship game.

Non-game programs.--At the other extreme, the NFL football telecasts that got the smallest audiences were the pre- and post-game programs and the Saturday show, Countdown to Kickoff. This was logical since these were non-game programs and many NFL television viewers undoubtedly tuned in only for the game action.

The post-game show received the highest average audience rating among the three shows with an 11.5 that indicated 6,050,000 homes. This show had the highest rating, it would seem, because it followed the game and reported the scores of other games in the League. A viewer might easily "carry-over" from the game to view his team's particular fortunes that day in relation to the results of other League games.

The pre-game program did not obtain as large an audience as the post-game show. The statistical averages for the pre-game program were a 9.1 rating and 4,790,000 homes. Evidently many television viewers were not as interested in the pre-game assessment as they were in the actual game excitement. It is likely that many viewers considered the kickoff time as the time to tune in the NFL game.
The **Countdown to Kickoff** program received the lowest average audience statistics -- a 5.1 rating and 2,680,000 homes. These one hour shows on Saturday were independent of any football games and could not benefit from any carry-over audience that a football game provided.

The NFL, in 1964, was still ahead of its competitor, the American Football League, in audience size. The average rating for AFL games in 1964 was 6.2; the average number of homes, 3,267,000; the average share of audience, 18.3%. The NFL games attracted more than twice the viewing audience of the games of the new American Football League.

**Advertising cost efficiency.**—The cost-per-thousand homes for advertising in the 1964 NFL telecasts was $7.91 -- considerably higher than the CPM for most programs. It was an all-time high for the League programming.\(^{121}\)

The 1964 CPM reflected the high cost of the television rights which the network transferred to the advertisers by increasing the cost of sponsorship. This rise in the cost to advertise, while the television audience did not increase proportionally, escalated the CPM.

Nonetheless, the high CPM was not a deterrent to sales. Advertisers still were anxious to buy advertising time in NFL programs even though they were paying very

high prices in terms of the size of the audience for their advertising messages. Advertisers were willing to sacrifice some CPM efficiency, no doubt, in view of the unique quality of the NFL telecast audience -- an audience that might include many prospective customers for the advertisers' product.

Besides the quality of audience, the audience members had a common habit that would attract advertisers. Television audience members generally paid uninterrupted attention to the NFL game telecasts. The viewers, for the most part avid fans, were reluctant to leave the television set during commercials for fear of missing the first play after the commercial, which conceivably could be the best play of the game.122 This viewer habit helped balance out cost inefficiency qualms in the minds of advertisers.

VII. TELEVISION DEVELOPMENTS FOR THE LEAGUE IN 1965

Pro Bowl contract.--1965 was an off-year for regular game contract negotiations. However, one notable transaction took place. CBS-TV purchased the television rights to the Pro Bowl in 1965. The network succeeded NBC-TV who had telecast the game on a long term basis.123 CBS thus

122Mahoney, loc. cit.

extended its NFL coverage to an exclusive degree, by acquiring all the NFL television rights available to networks.

Fears of overexposure.--In 1965 a minor schedule change caused a disproportionately major reaction. The change was simply an increase in the number of exhibition games from 34 in 1964 to a new high of 37 in 1965. While it was a minor change, any increase in games always activated the latent fear of over-exposure. 124

It was the television coverage that excited this fear. There might be too many NFL games on television. In Chicago, for example, 13 NFL television exposures were scheduled in a six week period. All of this exposure would precede the regular 14 week season, which was followed by the post-season games. 125

The NFL team owners held this fear that a football surfeit might develop late in the season. The owners, however, accepted the schedule change, but intended to study the results after the season was over. 126

On the television side, there was little fear of over-exposure. Bill MacPhail, vice-president in charge

124 Ibid.
125 Ibid.
126 Ibid.
of CBS Sports, was not worried. He echoed the industry sentiment that television has given sports the greatest interest audiences and gates in sports history. The implied philosophy seemed to be one of advancement not retrenchment letting the laws of supply and demand take their effect. 127

Expansion.--Another concern in 1965, but of opposite nature, was the idea of expansion. Commissioner Rozelle outlined a plan for expansion at the annual meeting of owners in June.

Under the expansion plan, the League would be increased to 16 teams and then subdivided into four conferences of four teams each. The winners of each conference would meet in semifinal playoff games to determine which two teams would play for the League championship. The present scheduling format would not be changed, but team standings would be figured in four separate divisions rather than two as in past years. 128

Pressure from the television network was thought to have influenced this plan. The two team expansion would add two more "team" cities with high-interest viewer potential. This would enable the network to sell commercial minutes much easier and more profitably on a national

127 Polier, loc. cit.
basis, and on a regional basis in the two new markets.\footnote{Ibid.}

There may have been television network influence for the new League structure, also. The smaller groupings of teams in the proposed plan would keep at least eight teams in contention throughout the season instead of three or four as in the past. This should guarantee a more widespread interest to the end of the season meaning larger television audiences. A television network was always interested in larger audiences which then made the telecasts more valuable commercially.\footnote{Ibid.}

The television sports officials had just experienced a season when television audiences waned because two of the teams in the biggest markets were eliminated early from the championship race. Viewer interest dwindled in those markets. The four division plan would lessen the possibility of this circumstance happening again.\footnote{Ibid.}

The expansion plan was proposed, and action would be taken on it in the future.

What was television's degree of influence in this plan to expand? It must be remembered that the League would benefit from such a plan, and might have developed
the idea. The issue of influence and control by television in this case and other League activities will be examined in chapter seven.

Legal matters.--1965 was a minimal year for the incidence of major legal issues. An old legal matter carried over from the previous year and a new one developed that could evolve into a serious issue.

The old legal matter was the Hart bill, which was still pending in Congress. The League undoubtedly watched the progress of the bill that would grant sweeping anti-trust immunity to sports leagues.

The new legal concern with respect to television practices was community antenna television. CATV, as it is called in the broadcasting trade, was a system at the local level that featured a sophisticated television antenna capable of receiving the signals of distant television stations. For a fee, homes in the local area could hook up to the antenna and receive a number of distant television stations on their television sets.

CATV was an unregulated broadcasting operation at this time that was spreading rapidly and creating havoc among regulated broadcasters. Without federal regulation, a CATV system could pick up any program and feed it to the community without any permission from the originating
source. To the League this meant that CATV could puncture a blackout area by bringing to it the game telecast from a far-away station. 132

When CATV burgeoned in 1965, and its effects began to be felt and feared by broadcasters, broadcasters and others spoke out. Commissioner Rozelle spoke out in the interest of the NFL.

The Commissioner told the House Judiciary Subcommittee that uncontrolled CATV was detrimental to the League. The Commissioner explained that CATV could destroy the League's exclusivity contracts with the network, and could impair game attendance by puncturing blackouts. Both effects would harm the teams and the League by jeopardizing income. 133

The Commissioner also drew a parallel between the impingement of CATV on the League and television's effects on professional boxing. Large television audiences might develop at the price of poor stadium attendance. He emphasized that the League did not want this to happen. 134

CATV in 1965 loomed as one aspect of television that could have harmful impact upon the National Football League.

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133 Ibid.
134 Ibid.
Theater television. — Theater television was dis-
continued in the 1965 season. The poor results in 1964
was the obvious explanation.

VIII. TELEVISION PRODUCTION, 1965

The year 1965 was a typical year as far as general
television production procedures for NFL games. Because
of this and because considerable production information
was available for this year, it will serve in this study as
a representative year for production. The numerous facets
of 1965 production will be outlined and expanded to
illustrate the typical dimensions of television production
for NFL games.

Studying production in detail will also provide
further evidence for the consideration of television's
control and impact over the NFL game presentation.

The complexity of production to telecast NFL games
was apparent in a cursory inspection of the NFL Production
Manual for 1965. Within its covers, information on all
aspects of production can be found, including: a detailed
outline of the regional television networks that were
used and the stations that were linked in each network;
a schedule of the games by weeks (with notations on talent,
the networks that would carry the games, the announce
booths that would supply the audio, the control points,
and the blackouts); a format with cues for a standard
game; a producer check-list; a control station check-list; instructions for the announcers; schedules designating the order of commercials for all games and pre- and post-game programs; sample logs for recording commercial timing; general information on the several regional networks; advertiser contacts; advertising agency contacts; CBS Sports department personnel; and conference call telephone numbers.

This Manual illustrated the complexity and also indicated the elaborate preparation undertaken to present a Sunday afternoon football telecast.

The regional networks.—The multiple network system -- the television framework for the NFL telecasts -- was set down in the Manual and is important to a fundamental understanding of the overall production plan. Twelve regional CBS-TV networks were utilized for the 1965 season. Each team had its separate network of CBS-TV stations with Baltimore and Washington sharing one network and the Los Angeles and San Francisco teams sharing the CBS regional network on the Pacific coast.\(^{136}\)

These regional networks were determined by linking CBS-TV stations in the contiguous area surrounding each


\(^{136}\)Ibid., pp. 1-35.
team's home city. When stations were equidistant from teams or remote from all teams, the stations could select the team's games that they desired to telecast. 137

Each regional network had a control television station. This was the television station that was located in the home city of the particular team and that originated the game telecast for all of the other stations on its network to receive. 138

Several of these regional networks were sub-divided into sub-regional networks (with a sub-regional control station for each). 139

The chart on the following page indicates this pattern of regional and sub-regional networks along with the control stations.

All of the CBS-TV affiliated television stations aligned with one or another of these networks for the football telecasts. While these alignments were permanent for most of the stations, certain stations did shift networks on certain telecast dates during the football season. 140

137 Ibid.
138 Ibid., pp. 18-21
139 Ibid.
CBS-TV Regional and Sub-regional television networks

New York regional network (New York City control station)
Philadelphia (Philadelphia)
Washington/Baltimore
  Washington sub-regional network (Washington)
  Atlanta (Atlanta)
Pittsburgh (Pittsburg)
Cleveland
  Cleveland (Cleveland)
  Dayton (Dayton)
Detroit (Detroit)
Chicago (Chicago)
Green Bay (Chicago)
Minnesota (Minneapolis)
St. Louis
  St. Louis (St. Louis)
  Memphis (Memphis)
Dallas (Dallas)
Pacific network
  CBS-H
  Portland (Portland)

The natural question at this point is to ask why such a complex system is needed. The reason, stated earlier, is viewer interest. The football fan is mainly interested in the team in his area of the country and the regional system provides him with the games of this team. The end result is a large number of viewers watching the fortunes of their individual teams weekly -- more viewers than would obtain if only one game were telecast nationally each week.

But besides the interest factor, there is also a sound financial reason for regional networks. Regional networks make it possible for regional advertisers as well as national advertisers to sponsor games. An advertiser whose product is sold only in one particular region can

Ibid.
advertise on the corresponding regional network. With a potential for both regional and national advertising, the network has a better chance for a successful sales effort.

This commercial concern also explains the sub-regional networks existence. The regional networks that are determined by viewer interest are very large for certain teams, and they exceed in area the market for many regional sponsors. This large regional network is therefore broken down into smaller sub-regions -- each of which will be more in line with the markets of regional advertisers.

This complex system of networks was, of course, only in operation for the football telecasts. The regions were set up at the start of the pre-game program and continued to the end of the post-game program. At other times the network's normal system was in effect. 142

Technically speaking, these regions were set up in the following manner. For each game, a clean video feed ("clean" is television production parlance for a picture transmission without commercials) would originate from the stadium to the control station in the game city. The control station then would transmit this feed to the television stations on its regional network. Control stations in cities other than game cities might receive

142 Ibid., p. 36.
either a "clean" or "dirty" (with commercials) feed.\textsuperscript{143}

The game telecast format.--The form and content of each game telecast followed a standard format -- a structural outline of an NFL telecast, indicating program segments, placement of commercials, and cues for both.

The format for single game telecasts (as opposed to double-headers) had three distinct program segments. A pre-game program, entitled NFL Today, the actual game coverage, and a post-game program, Pro Football Report, composed the tri-partite format. Each of these parts also had an internal format.\textsuperscript{144}

The NFL Today, which was scheduled to be 13:40 in length, was a four segment show divided by three commercials. The content of this show was rigidly planned. The announcer was required to preview all NFL games of the day, to discuss the probable game plans of both teams in his game, to note key personnel and injuries for both teams, and to evaluate with the other announcer the outcome of the game. Interviews with team members and videotape highlights of the teams in action were incorporated into this format.\textsuperscript{145}

Two production notes were interesting for this pre-game show. First, the background for interviews could be

\begin{itemize}
\item \textsuperscript{143}Ibid.
\item \textsuperscript{144}Ibid., pp. 36-41.
\item \textsuperscript{145}Ibid., pp. 36-37.
\end{itemize}
the stadium, but only when the stadium was full. Otherwise, a neutral background was to be utilized.\footnote{146} This rule was made, apparently, on the theory that a sparsely populated stadium might impart to the television viewer a poor image of the popularity of NFL football.

Second, a strong pre-game show on the field would take precedent over the announcer's final comments, or both would be integrated.\footnote{147} The television coverage, therefore, would allow some of the ceremony prior to a game to be seen, but on a selective basis.

The actual game coverage was the second part of the NFL telecast format. The interior format for this segment designated the placement of commercials within the game structure.

This game coverage was to begin with an opening billboard (program titles and identification of sponsors), followed by an introduction to the game by the play-by-play announcer who briefly would set the scene and circumstances of the game. The first one minute commercial would interrupt this so-called "color" commentary of the game. The game kickoff would occur at approximately five minutes into this portion of the telecast.\footnote{148}

\footnote{146} Ibid.
\footnote{147} Ibid.
\footnote{148} Ibid., p. 38.
During the first quarter of the game, commercials #2, #3, and #4 were to be aired, during commercial opportunities. (Opportunities occur after a score or a time-out.) At the end of the first quarter, commercial #5 was to be aired. 149

During the second quarter, commercials #6, #7, and #8 were to be aired. At the end of the first half, the announcer would briefly promote the halftime show, then commercial #9 was to be aired. 150

During the half-time activities, commercials #10 and #11 were to be aired. #10 at the middle of the half, and #11 before the second half kick-off. 151

The third quarter called for commercials #12, #13, and #14. At the end of this quarter, commercial #15 was scheduled. 152

Commercials #16, #17, #18 and the make-good commercial position #19 were scheduled for the fourth quarter. 153

While this format for in-game commercials was rigid, commercial opportunities did not occur as conveniently or

149 Ibid.
151 Ibid.
152 Ibid., p. 39.
153 Ibid., p. 40.
systematically, quarter by quarter. Therefore a little improvising was necessary to follow the format.

When the opportunities got ahead of the commercial schedule in any quarter, commercials could be advanced on the schedule to fill these opportunities. This could be wise compensation for a possible shortage of opportunities during the next quarter. Getting more than two commercials ahead of schedule, however, was forbidden. If commercials were advanced too far they would not be aired anywhere near their intended air time.

If the number of opportunities in a game was low, the adjustment was handled by means of a "make-good" schedule. The make good schedule went into effect for the following Sunday. It was identical to the regular format, except that it used the #19 commercial position to make up for the lack of an opportunity in the previous week. If the commercials to be made good -- to be aired during subsequent telecasts -- accumulated too much, the make-good format was expanded with additional make good positions scheduled after the opening billboard.\textsuperscript{154}

The third segment of NFL telecasts was the post-game program, Pro Football Report. The format indicated three segments in this program separated by two commercials. The

\textsuperscript{154}Ibid., p. 42.
content included interviews with players and coaches, videotape highlights of the game, and scores of all games in the League. The length of Pro Football Report varied according to its starting time, for network programming purposes.  

Four station breaks -- scheduled interruptions in the network telecast when the affiliated television stations had to identify themselves and could insert commercials -- were included in every NFL telecast. Three were 42" in length; the fourth was 70". These station breaks were the moments when the affiliated stations could profit from the NFL telecast by inserting their own commercials.

This was the overall format for all regular-game telecasts during the 1965 season. On five Sunday afternoons, however, NFL double-header telecasts were scheduled. The format was altered slightly for these occasions.

The double-header format followed the regular game format for the first of the two games, with the exception that the post-game show was dropped. There was no pre-game show for the second game, either.

Following the first game, which were telecast regionally, the regions would all connect up with the one

155 Ibid., p. 41.
156 Ibid., pp. 42-43.
157 Ibid., p. 43.
game that was being telecast as the second game. In effect, this second game was televised nationwide, even though, it was actually being telecast region-by-region.  

The switch by the regions to the second game coverage following their regional game telecasts had timing complications. Sometimes, the second game started before some of the regions had ended their first game regional telecasts. This situation could easily confuse the commercial schedule for the second game. To accommodate and regulate these conditions, a special procedure was established: no commercials were aired in the second game coverage until nearly all regions had joined the second game telecast.

A post-game program followed every double-header with length and content being determined by time factors.

During a season of double-headers, regular games and championship games, all of these formats came into play. In addition to the formats there were general production procedures for every game.

The optional time-out.--One general production procedure -- important to this study -- is the optional time-out. Under this provision, television had the option

158 Ibid.
159 Ibid.
160 Ibid.
(if it desired to exercise it) to call for a time-out at certain times in the game for the sole purpose of inserting a commercial. These optional time-outs occurred 7\(\frac{1}{2}\) minutes -- halfway -- into each quarter.\(^{161}\)

The purpose behind the optional time-outs was to insure that there would be enough opportunities for the schedule of 18 commercials to be aired. Whenever commercial opportunities fell behind the schedule, television would request an optional time-out.

Naturally, there were stipulations to this optional time-out procedure, since a player could very well be running for a touchdown at the 7\(\frac{1}{2}\) minute mark. The football officials -- who had the sole authority to legally call any time-out -- controlled these situations. If the offensive team was within the twenty yard line, the officials delayed the optional time-out until a score or change of possession. In all cases, they honored the television option only at times when neither team would be adversely effected.\(^{162}\)

A game procedure provided television with two more commercial option positions. Television could insert commercials at the two-minute warning, both at the half

\(^{161}\)Ibid., p. 44.
\(^{162}\)Ibid.
and the game's end. At the two minute warning, television also was to inform the game officials if additional commercial positions were needed within the two minute period. If not, the officials would attempt to speed play by putting the ball back into play immediately following a clock stopping time-out. 163

All optional positions for commercials were to be avoided, if possible, according to production policy, but not at the risk of commercial loss. Indeed, the optional positions were to guarantee that all commercials would have a position.

The option time-outs and all other time-outs required the services of a special individual on the television production staff -- the time-out sideline man. A liaison between the television production crew and the game referees, he positioned himself on the sidelines of the field. He had arranged his location with the game referees before the game and had a portable communications circuit with the television producer. When the producer told him to call an optional time-out, he signalled the referee. 164

163 Ibid.
The sidelines man wore a white glove and used a hand signal this year to attract the referee's attention. In other years he had doffed a red hat as the signal.

The sidelines man was a conspicuous figure (especially when he wore the red hat). His role was soon discovered and exposed by the newspaper sportswriters. After that he became a symbol of television's control over football, as several sportswriters exaggerated his function and the extent of his duties. Really, the sidelines man was only the middleman between the producer and the referee. The producer made all of the commercial decisions.

The television producer's role.--The television producer controlled the placement of commercials in the game and, in general, supervised the coordination of all elements of the telecasts. His role is important to examine because obviously here was reposed any real television control of the game.

The producer was situated during the game in a mobile broadcasting unit outside of the stadium. (The unit was the co-ordination center for all facets of the telecast). He was in communication with the sidelines man and the announcers. He had the decision to call the option time-outs, and when he desired them he notified

Ibid.
the announcers (to give their cues) and the sidelines man (to signal the officials). He was the actual control figure between television and the game within the limits of established television policy.

How much control did he have over the time-out procedure? He had the prerogative to determine the optional time-outs, but subject to the referee's discretion, as was mentioned earlier. However, his authority ended when the play was stopped for a time-out, optional or otherwise. Following a time-out, the ball was always put back in play on a time basis (1:10 after scores, 1:30 after time-outs). The producer could not manipulate the length of time-outs for commercial purposes.166

There was one exception, though, for the purpose of expediting play. The producer would signal the referee, via the sidelines man, whenever television was ready for play to resume early. The referee then shortened the time-out to expedite play.

The television viewer was kept unaware of this producer-referee rapport (this relationship might stir the emotion of viewers who have strong feelings about the sanctity of "the game"). The viewer never saw the referee waiting for a signal because of a timing ploy. The signal

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was always given while the viewer was watching the end of a commercial. When the television picture returned to the field, the referee had already begun to put the ball back in play. 167

The producer's role then exhibited control of the game but not omnipotent control by any means. He had only a conditional right to interrupt play for the start of a periodic optional time-out.

The announcer's function.--Another key role in every football telecast was performed by the announcer (s). These members of the production team established the intimate relationship with the viewing audience. They did not have totally free speech but followed prescribed instructions.

There were several announcer guidelines on style and content of announcing. Basically, the announcer was expected to be thorough, yet not verbose; enthusiastic, yet not partisan; colorful, yet not cliche-ridden. 163

The announcers were also to add a strong informational element to the presentation of football on television. The analyst announcer (usually, a former NFL player) was required to do research so that he was a

167 Ibid.
168 Ibid., pp. 49-50.
ready reference on strategy, records, past performances, and player biographies. In addition, he analyzed the isolated camera videotape replays when they were used.\textsuperscript{169}

The announcers also performed an informational role by presenting the scores of other games. They were to augment the scores, where possible, with background information about the games.\textsuperscript{170}

Television coverage of on-the-field fights involved the announcer, and guidelines were given for his announcing during these times. He was not to dwell on the fight or injury. He was to pay attention to his television monitor and let the picture guide his description. The director or producer would also instruct him on comments in these cases. Television, in the event of fights, was organized to handle them subjectively.\textsuperscript{171}

The announcer also was to be well-prepared to describe the half-time entertainment on the field. Television coverage would remain intimate with the actual game environment by presenting an excellent treatment of the half-time activities.\textsuperscript{172}

From these announcer instructions through the network alignments and telecast formats, this was the dimension

\textsuperscript{169} Ibid.
\textsuperscript{170} Ibid.
\textsuperscript{171} Ibid., p. 51.
\textsuperscript{172} Ibid.
of television production for NFL games in 1965, and in other recent years.

There was some control of the game in this television production -- the optional time-outs, the accommodations for the double-header format. These areas of control, will be examined in chapter seven.

IX. CASES OF NFL PROGRAMMING VALUE

The NFL games had become important programming for the television network by 1965, as the following three cases illustrate.

The Presidential conference pre-emption.--In late August, CBS-TV by-passed the President's conference following the Gemini splashdown and proceeded with the fully sponsored, Cleveland-Detroit NFL game.

The move was unprecedented but not totally unexpected. Fred Friendly, then CBS-TV News Department president, had prepared the way for such a decision one week earlier with a statement. He said the network intended "to exercise editorial judgment -- as far as curtailing length, duplication, etc., went -- in its news coverage of major events such as Gemini-5." 173

The decision did not take the form of simple disregard for the President's conference, however. CBS learned late of the conference and decided to stay with regular programming while monitoring the speech. The network would have interrupted the game immediately, if the President (in their opinion) had anything of extreme importance to say. Twice CBS did superimpose over the football video moving titles that indicated two highlights of the speech. At half-time, the network televised a condensation of the speech. 174

This surprising decision to by-pass the President's conference was reportedly a news decision. However, the commercial value and the importance of the regular programming must have been weighed in this decision. It is significant from the point of view of this thesis that NFL football was considered valuable enough to prevail.

Twentieth Century pre-emption. -- Another case of priority showed the increased value and importance the network attached to NFL football. NFL football forced the prestigious Twentieth Century program series off-the-air in 1965. It was the culmination of a number of years during which CBS pre-empted Twentieth Century for NFL football telecasts. Now in 1965 the program left the air because the NFL continually segmented its schedule. 175

174 Ibid.
News special pre-emption.--A rare divisional playoff game in 1965 showed once more the importance of NFL programming. Green Bay and Baltimore -- tied at the end of the regular season -- played a special playoff game to determine which team would participate in the championship game. The playoff was scheduled for Saturday afternoon, and another significant programming decision took place. The game pre-empted the CBS News prestige Year-End Review news analysis show, which was then postponed a week. Again the programming weight given to NFL football seemed to be considerable. 176

The television coverage for this special game, incidentally, came under a provision in the contract. CBS-TV paid the NFL an additional fee of $200,000 for the television rights to this game. The network then sold commercial time in the game for approximately $60,000 per minute. 177

X. AUDIENCE AND COST ANALYSIS, 1965

The ratings.--The audience ratings speak for themselves in 1965, showing an across-the-board increase from 1964, with the exception of two categories. The popularity of NFL football, which declined last year was beginning to rise again.

176 Ibid.
177 Ibid.
TABLE V

AUDIENCE STATISTICS FOR NFL GAME

TELECASTS - 1965*

<table>
<thead>
<tr>
<th>Game Telecasts</th>
<th>1965 Audience Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rating</td>
</tr>
<tr>
<td>Regular season game average</td>
<td>15.5</td>
</tr>
<tr>
<td>Double-header game average</td>
<td>15.2</td>
</tr>
<tr>
<td>Championship</td>
<td>30.5</td>
</tr>
<tr>
<td>Playoff</td>
<td>22.2</td>
</tr>
<tr>
<td>Pro Bowl</td>
<td>20.8</td>
</tr>
<tr>
<td>Pre-game program average</td>
<td>10.2</td>
</tr>
<tr>
<td>Post-game program average</td>
<td>11.7</td>
</tr>
<tr>
<td>Countdown to Kickoff average</td>
<td>5.0</td>
</tr>
</tbody>
</table>

*Audience statistics are computations by A. C. Nielsen, Co. as presented in an NFL 1965 Football Ratings report.
The double-header games showed the largest increase in audience this year. From a 1964 average game rating of 13.8, the double-header climbed to an average game rating of 15.2 in 1965. The double-header concept was catching on with the viewers. This might be explained by two major reasons: 1) the high calibre of competition in the second game, and 2) the increased continuity of an eight game double-header schedule that might have caused a second game viewing habit.

The television audience for NFL football did increase in 1965. Was the increase a result of the network's programming innovation, and, if so, was the increase satisfactory to the network? Both questions are moot. Doubtless there were several factors besides the innovation that caused the rise in ratings -- weather, the excitement of the League race, and promotion would have their effects. However, the double-header as an innovation necessarily includes these factors; the factors become part of the innovation. Because the double-header generated a television audience in two years that was almost equal to the regular game average audience, the network would have to view this one innovation as a great success.

Comparative audience rankings for sports.--The NFL television audiences compared favorably to the television audiences of other sports events, also. The NFL series of
regular season games achieved a higher rating average than any other regularly televised network sports attraction in 1965. The NFL double-headers received the second highest rating in this respect. 178

On an individual event basis, NFL games also dominated sports telecasts in terms of audience size. A ranking by A. C. Nielsen, Company of the audience ratings of individual sports telecasts in 1965 had the NFL championship game at the top and four other NFL games in the top ten positions. 179 Unquestionably, NFL telecasts were the most popular sports events on television.

Summing up the years of 1964 and 1965 with a broad perspective, television had great impact on the National Football League financially, and in terms of game presentation on television.

Financially, television invested an unprecedented huge amount of money in NFL football television rights during these years. It happened in one transaction. The CBS-TV network paid $28,200,001 for the regular game television rights for these years -- more than three times the price of rights in the previous contract. A competitive bidding procedure was responsible for this price escalation.

178 Ibid.
179 Ibid.
Television was now contributing greatly to NFL income. This would allow the League to grow and profit but it also suggested the possibility that television would demand more control over certain aspects of the game.

As a direct result of the huge financial investment and showing subtle signs of television control, television (CBS-TV) made changes in the manner of presenting NFL games. The game play remained unaltered, but innovations were added in the television coverage of the game. The double-header, the isolated camera, the TV Room, the sidelines interview man, presented the game in a new "package", so to speak.

The attempt at innovation was designed to recover the cost of the television rights. The innovations would add more commercial opportunities and would make the games more attractive. The attraction was an indirect financial plan: attractive games should obtain large audiences that would justify an increase in sponsorship rates.

A last significant footnote to these years was the poor results of one form of television -- theater television -- for the League. Several NFL teams tried theater television experiments in 1964 with little success. Nevertheless, the experiments were valuable as guidelines toward the proper use of theater television.
CHAPTER V

TELEVISION DEVELOPMENTS FOR THE NATIONAL
FOOTBALL LEAGUE IN 1966

The year 1966 was a time for re-negotiation of the
television contract. The NFL-CBS two year contract expired
at the end of the 1965 season. The re-negotiation promised
to be interesting with a focus on the television rights
fees that had climbed to such high levels so fast in
preceding contracts. But the television rights fee that
was set, while reaching a new high, was not the most signi-
ificant development in the television-NFL relationship in
1966. The provisions of the new television contract had a
greater impact, and a sudden mid-year merger between the
NFL and the American Football League overshadowed all
events. In these developments of 1966, television became
even more involved in shaping the NFL future.

The provisions of the new television contract con-
tained several new uses of television to advance the
League's objectives. The traditional blackout policy was
modified so that other games could be telecast in a team
city when that team was playing at home. The contract
also provided for a few game telecasts in evening prime

179
television time and for several game telecasts in color. All of these departures from previous policy were undertaken on the strength of a public opinion poll conducted for the League.

In the middle of the year, and suddenly, the NFL merged with the American Football League. The merger plan would result in one league of large proportion in 1970. Television was effected by the merger.

Also in 1966, advertisers grew seriously concerned over the cost and effectiveness of advertising in NFL games on television. Costs of sponsorship seemed to be on an irreversible upward trend while the size of the television audience was not increasing at a corresponding rate.

Broadly, the telecasting of NFL games in 1966 became a more critical factor in the League's progress toward its objectives, and the sponsorship -- that supported these telecasts -- was more critically assessed by advertisers.

I. THE REGULAR SEASON GAME

CONTRACT, 1966-1968

The television rights.--The television rights "package" to be sold in 1966 by the NFL was of larger dimensions than ever before. The television rights encompassed: a larger number of double-headers than before; an expanded 15 week season with the addition of the 15th NFL franchise; and inter-division team playoffs in 1967 when the League
would have 16 teams aligned in four divisions. Along with the increase in games, the television rights included the modified blackout provision permitting game telecasts in cities that would have been blacked out under previous policy. ¹

These expanded television rights were naturally more valuable than the rights sold in the past. The increase in games and the blackout-lifting meant more available time for advertising and a larger television audience for advertising penetration. Therefore, the League set the value above the $14.1 million price per year in the 1964-1965 contract—reportedly the figure was $24 million a year. ²

Audience-building provisions. — Money, though, was not all-important to the League. The NFL in 1966 was interested strongly in building its television audience. A bigger television audience would justify the current high fees for the television rights and provide the basis for further increases. In other words, a larger television audience was the means to continuing economic growth in the NFL— television relationship. To build a bigger audience the


² Ibid.
NFL would make certain television demands in the contract, and would consider lowering the rights fee in light of these demands.  

The audience-building demands which the NFL wrote into the contract provisions were: 1) strong promotion of NFL games, 2) several nationwide telecasts of games, 3) extensive color telecasting of games, and 4) a few game telecasts in prime evening television time.  

Telecasting games in color was important to building an audience because of the burgeoning sale of color television sets (5 million in use) and the known power of attraction of a color program. Without an extensive color telecasting schedule the NFL could possibly lose viewers to the AFL game telecasts that would be nearly all color in 1966. This circumstance, it was thought, caused the equalizing trend in ratings for the two leagues in 1965.  

More important than color, however, was the League's desire for games in television prime time. (Prime time is in the evening from 7:30 to 10 when the television audience potential is greatest.) Such telecasts would be a breakthrough for sports on television and would, hopefully, add new audience segments for NFL telecasts.  

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3 Ibid.  
4 Ibid.  
6 Ibid.
Women and children were the new viewer targets for the prime time telecasts. They watched television in greater numbers during evening hours than on Saturday afternoons. Yet more viewers of all kinds congregated around the television set during the evening period so a larger total audience should obtain.  

Prime evening time with its large audience was the direct route to bolstering the economics of the NFL-television relationship. If the audience was large, advertisers could justify the high cost of sponsorship, the network could justify the high television rights cost, and the League would have the basis for adding more value to the television rights in the future.  

Economics aside, the League would also gain from the prestige factor of a prime time telecast.  

The game telecasts in prime time would not start a trend away from the traditional Sunday afternoon game time. Sunday would remain as the regular day for NFL games with the majority of games scheduled then. It was hoped that the few games in prime time would guide new viewers to the Sunday games to boost the Sunday audiences.  

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7 Ibid.  
8 Ibid.  
9 Ibid.  
10 Statement by Pete Rozelle, personal interview, March 1966.
Contract alternatives.--With these demands for television concessions and with a price that was admittedly flexible, the League sought to make a contract. The customary market for television rights -- the networks -- was very limited this year. In fact only one network was "in the market". CBS-TV, whose television contract with the NFL would expire in 1965, was the sole network interested in the new contract. The other two national networks had committed themselves financially to other football "packages" and weren't able to consider the NFL games. 11

This situation was quite different from the contract proceedings of 1964 -- when all three networks engaged in competitive bidding. Commissioner Rozelle described the 1966 circumstances as "not the most attractive situation for generating bidding". 12

Negotiation, rather than bidding, was the rule this year. Negotiation, in actuality, might be more desirable than bidding since the League wanted to arrange the several special television demands. Bidding would involve only a straight sale of rights with no guarantees of the television concessions. 13

CBS subsequently negotiated with the NFL and made an initial offer of $78,000,000 for the NFL rights for the

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11 Ibid.
12 Ibid.
13 Ibid.
1966-1969 seasons -- $19,500,000 per year. CBS considered this price reasonable in comparison to the 1964-1965 price of $14.1 million per season. Commissioner Rozelle rejected the offer with the comment that it was too low and the suggestion that $90 million was a fair price. The Commissioner threatened to pursue other telecasting alternatives if CBS did not raise its offer. 14

The League did have alternatives to a CBS deal for telecasting its games. The League could 1) sell the rights to a sponsor, 2) to a talent agency, or 3) to an independent network. 15

The third alternative was the feasible one and Rozelle explored it thoroughly. The Commissioner considered forming an independent NFL television network of stations that desired to telecast the games. He spent months preparing a dossier of facts on the matter -- facts concerning line charges, technicians, and executives for the independent network. CBS not only would be left out by such an arrangement, but, also several CBS stations would probably join the new network for the Sunday games. 16

Far in advance of the re-negotiation period -- in June 1965 -- the NFL had entertained another alternative

15 Wallace, loc. cit.
to its 1966 television arrangements. A double-network or network-splitting plan was proposed. Two networks, rather than the usual one, would be involved in the telecasting of games. Double-headers would be presented every Sunday with the consecutive games appearing on different networks. The blackout would still prevail, in cities where games were being played. 17

This plan had interesting ramifications for television and NFL football. The plan for one thing would end the frantic bidding between networks for the football television rights. Under this sharing of rights system both networks would be assured of NFL games so no competitive bidding would be necessary. Fees presumably would be fixed by negotiation. 18

Another important ramification was that the plan would provide head-to-head competition with the rival AFL -- the opportunity for the NFL to compete for the television audience of every AFL game. This was important at a time when the two leagues were competing for players and audience. 19

The plan, however, would ruin the exclusivity of sponsors and networks. No single network could claim the

18 Ibid.
19 Ibid.
popular NFL sports attraction all to itself. The networks would share the prestige. Sponsors of NFL telecasts would lose their exclusive sponsorship of every NFL telecast, unless they purchased sponsorship time on both networks.  

CBS naturally did not favor this proposal that would mean the end of its exclusivity with NFL games. ABC had suggested the idea originally to gain a share of the NFL coverage. As the complexities of the twin-network plan appeared, along with resistance, the plan was dropped at the embryo stage.  

While the NFL explored alternatives for a 1966 contract, the conditions suggested that the NFL and CBS would again join in contract. CBS needed the NFL rights badly and probably would meet any reasonable contract demands. Without NFL football, the network would be in the embarrassing position of having no football programming and therefore no competitive programming on Sunday afternoon. (Football on television was a valuable Sunday program commodity.) 

The network had further reason to make a deal since it had recently lost the rights to two prestige entertainment

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21 Ibid.

special programs; the network did not desire to lose "the most prestigious sports programming", too. Also there was a strong and long-term tie between CBS and NFL that included several allied efforts in litigation. CBS did not want to break this bond. 23

On the other hand the NFL probably would turn to CBS finally to secure the contract. The independent network idea was given much thought but the tremendous production problems cast some doubt on the feasibility of such a plan. 24

The contract.--Out of this prevailing mutual need, a contract emerged on December 29, 1965. CBS-TV and the NFL signed the contract for 1966, 1967, and an option for 1968 television rights to regular season games. The price for the two year rights was $37 million. Each NFL team would receive approximately $1.2 million per year. It was the richest sports contract to date. 25

The provisions of the contract provided for a variety of telecast dates. The majority of telecasts would be regional on Sunday afternoon. Two games were scheduled for

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23 Ibid.

24 The National Observer, loc. cit.

national telecasting on Saturday afternoons in December, and four pre-season night games were scheduled on Fridays in August and September. Also two games would be telecast nationally on Thanksgiving (a Thursday afternoon and evening) and two others on weekday evenings. 26

The NFL had gained entrance to television prime evening time and also had succeeded in its color demand. Fifty-one games would be telecast in color in 1966 (as compared to five in 1965) including all of the national telecasts. 27

The important contract provision that affected all games was the modified blackout. Games could be telecast into cities that previously were blacked out. Other provisions provided for the addition of a 16th team in 1967 as well as the divisional playoffs at the end of the 1967 season. 28

A mutually beneficial contract had been reached. The special provisions for prime evening television time exposure and color telecasting served the League's desire to expand its audience. CBS benefitted by the mere retention of the rights, and also by the modified blackouts

26 Ibid.
27 Ibid.
28 Ibid.
that would enlarge viewing audiences and increase the commercial value of the telecasts.

Commissioner Rozelle commented on the new contract:

It is a source of great satisfaction to all of us in the NFL that we will continue to be associated with the CBS Television Network, with which we have had such a splendid working relationship during the last ten years.29

William MacPhail, vice-president of CBS Sports, expressed his elation over the contract:

The CBS Television Network is delighted that it is retaining exclusive rights to this greatest of all sporting attractions. The addition of night games, color, and the lifting of blackout restrictions on an experimental basis will add immeasurably to the vast number of viewers who now see the games.30

The modified blackout provision.--The most startling provision of the new contract was the two year modified blackout experiment. When a team played a game at home, another game now could be televised in the home team's city. This punctured the traditional blackout, the policy that the late NFL Commissioner Bert Bell had fought so fiercely to maintain; the policy he considered endemic to the League's existence; the policy that even Commissioner Rozelle had defended in the courts.31

29Ibid.
30Ibid.
Why was this prudent television policy changed? It had allowed the League to profit from television coverage and to protect the gate receipts at the stadia. Why was the venerable blackout policy suddenly being tampered with after years of dedication to it?

Several reasons were proffered to explain the modified blackout experiment. One was financial. With the blackout modified, sponsors of NFL games would no longer be cut off from the previously blacked out markets. For example, the sponsors message would appear weekly in the populous New York City market that had been blacked out in past years whenever the New York team played at home. The modified blackout would thus serve as a stimulus to NFL sponsorship -- adding more economic soundness to NFL advertising at a time when NFL advertisers were starting to question their cost efficiency. CBS, with the burden of selling the NFL time to advertisers, was pleased with the modified blackout.

This financial aspect of the modified blackout would also bring more money to the League through television rights payments. With the opening of several populous television markets regularly, the League demanded and received a proportionate increase in television fees.32

A further reason was competition. The NFL under the new experimental policy could compete game-for-game with the rival AFL. NFL games would be televised every week in all markets. An AFL game telecast would no longer be free of competition because of an NFL blackout.

Commissioner Rozelle indicated that public pressure influenced the lifting of the blackout. He said that when a public need is not fulfilled, the League could be in trouble.

CATV was said to be another reason for the blackout revision. As CATV systems proliferated in markets across the country, they were impinging on the blackouts. So the traditional blackout could not be maintained.

While all of these reasons were valid, they were only subordinate in a rationale that had a public opinion poll at its core. The poll provided the actual motivation for modifying the blackout. It was conducted at the League's request by Louis Harris and Associates -- a national public opinion polling organization. The results of the poll signalled the success of a modified blackout plan and

33 Ibid.
34 Ibid.
provided a wealth of other statistics that had an equally profound effect on the League's television policy. 36

II. HARRIS POLL

The Harris poll, as it was commonly called in the NFL, was truly a notable document in the NFL-television relationship and is of the utmost significance to this study. The poll revealed the impact of television upon the NFL and pointed to ways that television's full potential could be realized by the NFL.

The survey was taken in September 1965 among a probability cross-section of 3,000 households. Sports fans were found in 62% of the households and were interviewed in depth to get the results. The results were consistent with an earlier survey taken by the Harris organization which showed interest in football to be increasing rapidly -- especially interest in the NFL. 37

A summary of the survey findings stated that the NFL, though the biggest attraction in televised sports, still could be even more successful on television:

36 Statement by Pete Rozelle, personal interview, March 1966.

The NFL...has not reached its full potential on television, and there is a clear interest among sports fans for more NFL games on television --especially in color, in prime time viewing hours and on Sundays when the home team is blacked out.

Commissioner Rozelle relied heavily upon this poll to map the NFL's future television plans. It is easy to see that the 1966 television contract demands made by the League were based upon the survey findings.

Highlights from the Harris poll show the basis for the modified blackout, the color and prime time demands, and other television policy decisions, as well as indicate clearly the impact of television on football.

Two of the questions asked in the Harris survey had a bearing on a modified blackout plan. These were the questions and the responses:

On those days when the games are blacked out here, would you like to see another NFL game televised here, or do you think you probably wouldn't look at that game?

<table>
<thead>
<tr>
<th>Fans in Blacked Out Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Like to see another game on television</td>
</tr>
<tr>
<td>Probably not look at the other game</td>
</tr>
<tr>
<td>Not sure</td>
</tr>
</tbody>
</table>

If you knew there would be another NFL game on television, would this by any chance keep you from going out to see the NFL pro football game that same day?

38 Ibid.
39 Ibid., pp. 3-4.
Chance would keep you away from home game 17%
No chance that it would 72
Not sure 11

These responses seemed to indicate the success of a modified blackout plan. According to these statistics two out of three fans wouldn't mind seeing the game of another team on television while his team's game was blacked out, and less than one-fifth of the fans thought that such a telecast might keep them from going to the stadium game. These responses formed the basic rationale for the League's approval of a modified blackout.

Without this statistical assurance of stadium attendance, the blackout undoubtedly would have remained untouched. The League was determined to protect the stadium attendance -- the source of half the League's income.

Another poll finding was responsible for the League's interest in prime time telecasts of NFL games. The question and responses were:

If NFL games, not necessarily the teams you usually watch, were occasionally shown on Monday evenings, do you think you would rather watch these games or the programs usually shown on Monday evenings?

<table>
<thead>
<tr>
<th>Fans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prefer occasional NFL game 55%</td>
</tr>
<tr>
<td>Prefer regular programming 36</td>
</tr>
<tr>
<td>Not sure 9</td>
</tr>
</tbody>
</table>

Ibid., p. 7.
Here, too, was a public mandate for games to be telecast in prime evening television time. It must be remembered though, that the respondents were sports fans and not just ordinary viewers. The masses of ordinary viewers that watch television in prime time might not be as enthusiastic over NFL games.

A further poll question and response had implications for color telecasts of NFL games:41

If you had a choice between a more interesting game in black and white or a less interesting game on color television, which would you prefer to look at?  

<table>
<thead>
<tr>
<th>Preference</th>
<th>Fans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prefer color game</td>
<td>52%</td>
</tr>
<tr>
<td>Prefer black and white game</td>
<td>48%</td>
</tr>
</tbody>
</table>

This response was interesting since only 9% of those surveyed had color sets at the time. Several viewers with black and white sets, who might have been expected to favor the more interesting black and white game, apparently voted for the color game. Color telecasts evidently would have strong appeal to viewers. These results were the basis of the League's demand for color television in the 1966 contract.

The double-header -- the television innovation of telecasting two NFL games one after the other -- received a vote of confidence from the respondents in the poll.

41Ibid., p. 6.
Two poll questions pertained to the double-headers: 42

How did you like the NFL pro football double-headers—excellent, pretty good, only fair, or poor?

<table>
<thead>
<tr>
<th></th>
<th>Fans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excellent</td>
<td>34%</td>
</tr>
<tr>
<td>Pretty good</td>
<td>52</td>
</tr>
<tr>
<td>Only fair</td>
<td>9</td>
</tr>
<tr>
<td>Poor</td>
<td>2</td>
</tr>
<tr>
<td>Not sure</td>
<td>3</td>
</tr>
</tbody>
</table>

Would you like to see more NFL double-headers on television, fewer, or about the same number now shown?

<table>
<thead>
<tr>
<th></th>
<th>Fans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Want more</td>
<td>44%</td>
</tr>
<tr>
<td>Same Number</td>
<td>34</td>
</tr>
<tr>
<td>Want fewer</td>
<td>17</td>
</tr>
<tr>
<td>Not sure</td>
<td>5</td>
</tr>
</tbody>
</table>

Television had added an innovation, it followed, that had stimulated an increase of interest in the NFL.

Two more questions in the poll asked respondents to rate the NFL telecasts, in detail and in general: 43

How I want to read off for you a series of different kinds of situations that are televised during a pro football game. For each, tell me how you would rate the way you feel it is handled in NFL pro football telecasts—excellent, pretty good, only fair, or poor. (Responses of the first two types were grouped as positive; the second two types as negative.)

<table>
<thead>
<tr>
<th></th>
<th>Positive</th>
<th>Negative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Game coverage</td>
<td>91%</td>
<td>9%</td>
</tr>
<tr>
<td>Isolated camera</td>
<td>88</td>
<td>12</td>
</tr>
<tr>
<td>Stop action</td>
<td>80</td>
<td>20</td>
</tr>
<tr>
<td>Pre-game introduction of line-ups</td>
<td>77</td>
<td>23</td>
</tr>
<tr>
<td>Post-game show</td>
<td>70</td>
<td>30</td>
</tr>
<tr>
<td>Pre-game show</td>
<td>63</td>
<td>37</td>
</tr>
<tr>
<td>Half-time festivities</td>
<td>62</td>
<td>38</td>
</tr>
</tbody>
</table>

42 Ibid., pp. 5-6.
43 Ibid., pp. 4-5.
How would you rate the television broadcasts of most NFL games you have seen—one of the best programs on television, pretty good, only fair, or poor?

<table>
<thead>
<tr>
<th>Rating</th>
<th>Fans</th>
</tr>
</thead>
<tbody>
<tr>
<td>One of the best</td>
<td>31%</td>
</tr>
<tr>
<td>Pretty good</td>
<td>55</td>
</tr>
<tr>
<td>Only fair</td>
<td>7</td>
</tr>
<tr>
<td>Poor</td>
<td>1</td>
</tr>
<tr>
<td>Not sure</td>
<td>6</td>
</tr>
</tbody>
</table>

These findings showed that NFL football on television was appealing to viewers. The first question evoked the degree of televisions' influence in creating this football appeal. The popularity of the television innovations— the isolated camera, the stop action, the pre-game show— indicated that television was enhancing the appeal of the game excitement.

Other Harris poll findings had implications of the general impact of television upon pro football. Two questions and the responses indicated an increase in football interest over the span of a few years:44

Which one sport, if you had to choose, would you say is your favorite—the one you enjoy following most?

<table>
<thead>
<tr>
<th>Sport</th>
<th>Present survey</th>
<th>Previous survey</th>
</tr>
</thead>
<tbody>
<tr>
<td>Football</td>
<td>41%</td>
<td>25%</td>
</tr>
<tr>
<td>Baseball</td>
<td>38</td>
<td>38</td>
</tr>
<tr>
<td>Golf</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Others</td>
<td>12</td>
<td>24</td>
</tr>
</tbody>
</table>


*Stop action is an isolated camera instant replay on videotape that is played back in slow motion and also stopped on a particular instant of action for viewer analysis.
As far as professional football goes, compared to a few years ago, do you feel you are more interested in pro football, less interested, or about as interested as you were then?

<table>
<thead>
<tr>
<th>Fans</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>More interested</td>
<td>41%</td>
</tr>
<tr>
<td>Less</td>
<td>6</td>
</tr>
<tr>
<td>About the same</td>
<td>37</td>
</tr>
<tr>
<td>Not interested</td>
<td>16</td>
</tr>
</tbody>
</table>

Can television be credited with this increase in interest? Not by these statistics. But the increased exposure of NFL games yearly on television and the innovations that have accompanied it seem to be the only major variables in an otherwise constant NFL operation. Crediting the increase totally to television would surely be naive, yet a good case could be made for its major role in this increase of popularity.

A final highlight from the poll results presented significant statistics on the composition of the audience for NFL telecasts. These statistics reinforced earlier findings on the quality of the NFL television audience. The survey showed that for a typical NFL football game on television the average number of watchers per household was 2.3 -- 1.7 men and .6 women. The total annual income of the household watching NFL football varied in these proportions:

\[45\]

\[Ibid.,\, pp.\, 7-8.\]
The age distribution by income of households was as follows:

<table>
<thead>
<tr>
<th>Age of Viewer</th>
<th>Total</th>
<th>Under $5,000</th>
<th>$5-9999</th>
<th>$10,000+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 18</td>
<td>21%</td>
<td>21%</td>
<td>20%</td>
<td>21</td>
</tr>
<tr>
<td>18-34</td>
<td>26</td>
<td>38</td>
<td>31</td>
<td>19</td>
</tr>
<tr>
<td>35-49</td>
<td>29</td>
<td>14</td>
<td>37</td>
<td>19</td>
</tr>
<tr>
<td>50-64</td>
<td>17</td>
<td>12</td>
<td>19</td>
<td>19</td>
</tr>
<tr>
<td>65-</td>
<td>7</td>
<td>15</td>
<td>4</td>
<td>4</td>
</tr>
</tbody>
</table>

This unique audience composition -- a rare grouping of affluent males -- made the NFL telecasts very valuable commercially. Several advertisers were eager to reach this distinctive audience with their messages. This audience was the basis for the League's successful television economics.

The Harris poll findings had great significance for the League's television policy, as these highlights have shown. Commissioner Rozelle referred to the poll as he structured the NFL-CBS-TV contract in December 1965. In February, at the NFL's annual meeting, he revealed the poll results to the team owners to gain their approval of the modified blackout. The Commissioner established the poll as the blueprint for NFL television policy.
III. SPONSORSHIP AND ADVERTISING

COST EFFICIENCY

Sponsorship.--CBS-TV sold advertising time in the telecasts of the regular season games and the championship game on a "package" basis. For $70,000 per minute advertisers could obtain advertising time in all regular season games and the championship game for both years of the contract period. This plan contrasted to the previous season's arrangement when advertising time was sold separately for the championship game and at a different price ($110,000 per minute for the championship game; $65,000 per minute for regular season games).46

CBS also set the price for sponsorship of the pre-season games -- that are sold separately -- at $35,000 per minute.47

Even though these prices were higher than those in the previous contract, CBS expected no difficulty in selling the time. Nevertheless, the network asked its affiliated stations to waive compensation for the afternoon games if the sales effort was not wholly successful. Yet CBS counted on the popularity of NFL telecasts.


especially the championship game, to stimulate the advertisers to sponsor.\textsuperscript{48}

By the start of the 1966 NFL season, the network had sold all of its sponsorship time in the telecasts.

The cost efficiency concern.---The high cost of sponsorship in the NFL telecasts again was no deterrent to sales. The cost, though, was having an effect on the nature of sponsorship and it was causing serious cost efficiency concerns by several advertisers.

The high cost created several new sponsorship trends. More sponsors purchased time then in past seasons yet in smaller shares than before because of the high costs. Regional sponsors increased in number, too. Many regional advertisers found the costs within reach while national advertisers questioned their costs. There was also a noticeable decline in the number of advertisers who sponsored football games on all three networks -- advertising time costs for football programming increased on all three networks.\textsuperscript{49}

The increase in sponsorship cost in 1966 caused a studied concern by national advertisers about the cost

\textsuperscript{48}"Countdown For Football," \textit{TV Age}, August 1, 1966, p. 21.

efficiency of advertising in NFL games. Advertisers had always been concerned in previous years, too, but the new cost levels seemed to reach a ceiling. Many advertisers indicated that they might not pay higher prices unless cost efficiency improved. 50

The vice-president of an advertising agency that purchased advertising time for one of the NFL's consistent national sponsors expressed the typical advertiser concern. He said that if the audiences for NFL games didn't increase appreciably in 1966, it would be hard to justify purchasing time in NFL games in the future. 51

The advertisers based their worries on the cost-per-thousand home statistics for NFL football. The cost-per-thousand for the NFL was approximately $3 in 1966 -- a new high for NFL football and nearly twice the CPM of average evening programming. 52

The more realistic yardstick for measuring cost efficiency of football was the cost-per-thousand-men viewers, yet these statistics were not encouraging, either. Football telecasts, even in this respect, were still not as efficient as the average evening program. The CPM

50"Countdown For Football," TV Age, August 1, 1966, p. 21.
51Ibid.
52Ibid.
male viewers figures for 1965 were: NFL, $7.80; NCAA, $6.90; AFL, $8.01. The average evening program had a CPM male viewer figure of $5.80 in 1965. 53

However, estimations for the 1966 CPM male viewers statistics were better than the 1965 figures: NFL, $7.50; NCAA, $7.90; AFL $6.50. The decrease was based on a probable audience increase in 1966 caused by the modified blackout, the evening prime time games, and the rise in interest in the AFL on account of the merger. 54

If the CPM male viewers statistics did improve as estimated, the new figures would remain much higher than those for evening television programs. And, if the television audience did not increase and the estimates did not become fact, advertisers undoubtedly would be quick to reassess the value of NFL football advertising. 55

Regardless of which way the CPM statistics moved in 1966, there were other tangibles that advertisers found to justify sponsorship of NFL football. One was the high incidence of men-per-set viewing football (.96 for NFL as compared to .68 for the average evening program.)

53 Ibid.
54 Ibid.
55 Ibid.
A second tangible was the high proportion of upper income families that watch football as compared to the average evening program. This unique audience composition for NFL telecasts attracted many sponsors whose products are consumed by this particular segment of the population.56

Intangibles entered into a consideration of NFL sponsorship, too. Many advertisers were unable to resist the lure of buying time in what may have become the nation's most popular fall sports events.57

These countervailing benefits made it possible for CBS to successfully sell advertising time in the NFL games. But an advertiser uneasiness prevailed, nonetheless; advertisers for the first time showed open concern for high costs.

The League was aware of the advertisers mounting anxiety over NFL sponsorship costs and attempted to relieve the situation. Partly to soothe advertisers, the Commissioner had activated the plan to build NFL viewing audiences. An increase in the number of viewers would help advertisers justify the costs. The Commissioner was wisely safeguarding the source of the NFL's television income: the advertiser.58

56 Ibid.
57 Ibid.
58 Ibid.
IV. OTHER TELEVISION DEVELOPMENTS, 1966

Championship game television contract.--CBS, on February 14, 1966 purchased the championship game television rights for 1966 and 1967. The price was $2 million per game -- the highest price ever paid for a one-day sports event. (The new fee was an increase of $200,000 over the 1964-1965 contracts.) CBS also obtained in the contract an option on the rights to the 1968 championship game. Another contract provision called for additional money from CBS if the NFL expanded in teams during the duration of the contract. 59

Game telecast schedule.--CBS-TV scheduled a record number of 109 NFL game telecasts in 1966. By game type, 102 were regular season games, four were pre-season, and three post-season. By coverage area, nine of the games would be telecast nationwide; the remainder would be telecast on a regional basis. To be telecast rationally, besides three post-season games, were six regular season contests: the Saturday night September 10th opener, a Monday night October 31st game, the Thanksgiving afternoon and evening games, and two Saturday afternoon games on December 10th and 17th. In addition, eight regular

59 George Strickler, loc. cit.
season games would be telecast nationwide as the second games on eight Sunday double-header dates. 60

The schedule called for most of the nationwide telecasts to be presented in color; many regional telecasts would also be in color. 61

The modified blackout experiment operated within this schedule. No cities were blacked out in the 1966 schedule, but rather a substitute game would be telecast in a city in which a team was playing. On double-header dates, only one game would be telecast in areas where NFL teams were playing. 62

Television coverage of the regular season games (excluding pre- and post-season games) expanded to 15 weeks in 1966 with the addition of the 15th team -- Atlanta -- to the League. 63

Closed circuit television, Closed circuit television in the form of CATV, pay television and theater television existed in 1966 and had varying effects on the NFL. CATV, a relatively new development, was burgeoning and threatening serious consequences for the NFL. Theater television and


61 Ibid.

62 Ibid.

63 Ibid.
and pay television on the other hand were of little significance to the League in 1966, even though both forms were being utilized for other sports events.

The proliferation of CATV systems in 1966 and the absence of any regulation over them was a disturbing television development for the League. It could possibly undermine a television blackout policy of any kind.

Two particular cases of imminent CATV interference with the television coverage of two teams (Cleveland, Philadelphia) were noticed by the author. In one case the NFL took up the cause for the team. The League petitioned the Federal Communications Commission to enjoin the Philadelphia CATV system from televising NFL games. The League argued that the blackout had Congressional sanction. Furthermore, a CATV violation of the blackout would adversely effect stadium attendance and the viewing audience of the CBS-TV affiliated station in Philadelphia.64

The Commissioner made another plea for relief from CATV in 1966 before a Senate sub-committee studying copyright legislation. The Commissioner voiced deep concern for the protection of attendance at the stadia. He said that the attendance protections "are being jeopardized" by

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64"Indians Browns Try To Protect TV Cable," Columbus Dispatch, February 10, 1966, 39A; and "$44 Million For 1966 Football, Broadcasting, August 8, 1966, p. 38.
CATV's that "simply pay no attention to our contract restrictions, our own interests or the interests of the networks which have purchased our rights". 65

Theater television and pay television did not enter into the NFL television arrangements in 1966.

Theater television, a League experiment in 1964, was not provided for in the 1966 contract. The modified lifting of the blackout would have impaired theater television potential. The Commissioner at this point felt theater television would never play a major role in the NFL coverage, although he recognized its value for single sports attractions of great interest. 66

Game telecast schedule controversy.--A series of proposed Friday night NFL telecasts in 1966 brought immediate and strong reaction from the National Federation of State High School Athletic Associations. CBS intended to televise a number of pre-season games on Friday night. 67

The high school organization urged for legislation to protect Friday night high school football games from competition with NFL telecasts. Two Congressmen proposed bills to this effect in September. 68

65 Ibid.
68 Ibid.
Expansion plans and television.--The League's expansion plan neared completion in 1966. Two new team franchises -- Atlanta and New Orleans -- had been added to the League by this time to increase the NFL to 16 teams. The League was then scheduled in 1967 to be subdivided into four conferences of four teams each.

Television, as it was mentioned in the 1965 section, stood to gain from this NFL expansion and re-alignment. Television could expect larger television audiences with the addition of two high-viewer-interest markets (the local interest in the new teams would generate large television audiences for the games in these markets). The League re-alignment also, should result in larger television audiences. With four divisional races several teams would remain in contention for the championship and television viewers would remain interested in their teams.

Television's gain would be the NFL's gain, also, because the NFL would raise the rights fees as television obtained more value from the NFL games. If television, then, was the means to greater productivity for the NFL, did the NFL submit to television pressures in the expansion or re-alignment plans? Was television potential foremost in mind when the two new franchises were selected. Did the League listen to a television suggestion of desirable television markets?
Commissioner Rozelle denied that television was a deciding factor in the selection of the two new franchises.69 "Deciding" is the key word here. It does mean that television interests were less than all-important, but it doesn't exclude the possibility that television was one of a few significant factors. Television considerations were surely weighed, since nearly half of the League's income is derived from television.

V. THE MERGER AND TELEVISION

The merger.--Suddenly, on June 7, 1966, the announce-
ment was made to an unsuspecting public that the NFL and
the AFL had merged. Through extensive secret negotiations
the two leagues had agreed to combine. The merger called
for an interleague championship game (Super Bowl) in 1966,
interleague pre-season games beginning in 1967, and finally
a single schedule in 1970, among other points.70 The
merger was certainly one of the major developments in
League history.

The television role in the merger.--Why did the
merger come about? The two leagues only six months earlier
had separately expressed disapproval of any merger idea

and had continued their passionate rivalry over football player talent and new cities for expansion. In fact, early in 1966 the two leagues seemed to be at the height of self-identity; they were intensively engaged in a dollar war over the new year’s available college players. The leagues were competing to sign contracts with the best college players and were using cash benefits up to $500,000 as lure.71

One contention was that television forced the merger. This view, expressed in a sports magazine, claimed that television personnel demanded a merger to protect themselves and the leagues from financial self-destruction. Both leagues were spending huge sums of money in the competition over college players — expenditures which would surely be reflected in higher television rights fees in future contracts. Television, to avoid this senseless financial suicide, issued an ultimatum for the leagues to merge. According to the article, television’s high ranking officials met secretly to work out a merger plan, then forced the plan on the League using multi-million dollar sponsorship as a means of coercion.72

71Ibid.

It was true that television was the bank in the dollar war between the two leagues, but it is very doubtful that television personnel forced the merger.

Television money was supporting the interleague rivalry. The high-priced television rights contract between the NFL and CBS-TV in 1966 was the source, surely, for the League's monetary competition with the AFL. Or, at least, the League was mentally drawing upon this account that it would accumulate over the two year contract period. The chances are good, too, that any League prosperity that was now being liquidated in this financial competition had been amassed in part through the lucrative television rights contract in the past.

Television money was supporting the American Football League, also, in the league rivalry. AFL teams were taking advances on their five year $36 million television rights contract with the NBC-TV network.73

Thus the television networks were involuntarily subsidizing the two leagues in a financial war of escalating costs. But television personnel did not direct the merger.

Television personnel undoubtedly watched with alarm, and possibly suggested that the financial disorder be resolved as the leagues spent dollar after dollar in the

rivalry. But television personnel knew nothing about merger until it was announced. 74 The merger was league inspired.

The two leagues were aware of the heavy financial drain caused by the intense competition for players. They surely had desires for a truce if a workable one could be made. As it happened, two team owners from the rival leagues designed a workable plan that led to the final coupling of the leagues. So it was an internal stimulus from the two leagues that activated the merger. 75

Verification of this internal pressure appeared in a statement by the NFL team owner who started the merger plan. He said the feeling back of the plan was to settle the issue -- either way. Either an acceptable plan that would be good for the sport would be adopted, or all-out war. 76 His words indicated that the motivation for the merger was largely the League's desire to restore order to the sport. The all-out war alternative that he mentioned would deny the existence of a television ultimatum.

Merger effects on television.--Moving from causes to effects, the merger had a great impact on the television situation, with repercussions both immediate and future.

75 Schramm, op. cit., p. 15.
76 Ibid.
Immediately, with the decision to merge, the existing television rights contracts of the two leagues took on new values. NBC-TV which had purchased the television rights to AFL games for 1965-1969 for $36 million found its investment enhanced by the merger. The competition that would soon take place between NFL and AFL teams would draw larger audiences to AFL telecasts as viewers speculated on the competitive strength of the AFL teams. NBC-TV would obtain values from an audience increase -- bonus values, because they were not included in the television rights prices that were set before the merger.77

CBS-TV, on the other hand, would be adversely affected by the merger. The network had purchased the television rights to the 1967 NFL championship game -- the League's most popular attraction -- for $2 million. The merger suddenly reduced the championship game to a preliminary game before the now consummate Super Bowl.78

The immediate repercussions, however, were eclipsed by several future effects of the merger. Telecasting the games of the future 28 team league posed a new problem. The traditional one network-one league arrangement would undoubtedly be discarded; the logistics of it would be

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78Ibid.
nearly impossible. A two network system for handling the combined league’s games was under consideration. Another possibility was a station-by-station independent NFL network like Commissioner Rozelle had considered for the 1966 season.

Telecasting of games in the new league would also be complicated by cities with two league teams (New York, San Francisco). Telecasting in these cases could cause conflicts unless scheduling adjustments were made. The New York teams solved the problem by agreeing to schedule one team at home and the other away in a different time zone so the away game could be telecast without any conflict with the home game.

Beyond logistics and scheduling, a question of television rights determination also loomed as a result of the merger. Presently two networks were under contract to televise the games of the two leagues respectively. (CBS-TV had a 1966-1968 contract with the NFL; NEC-TV had a 1965-1969 pact with the AFL.) The merger, however, created inter-league games in these years, games that neither network could claim.

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For the pre-season interleague games in 1967, 1968 and 1969, Commissioner Rozelle said the television rights to these games would probably be returned to the clubs. Otherwise, there would be a jurisdictional dispute between the two networks.\footnote{81}

The television rights to the Super Bowl game in 1966 were decided by negotiation. The Commissioner gave both CBS and NBC the right to simultaneously telecast the game. His aim was to pacify both networks, and to give the most heralded football game of the century the widest possible television coverage.\footnote{82}

The merger immunity bill.\footnote{82} After the merger announcement the League immediately sought anti-trust immunity for the merger. The NFL history was punctuated with conflicts with the Justice Department and the merger invited another. The League desired freedom from anti-trust issues so that the two leagues might carry out long range commitments -- the player draft, expansion, inter-locking play -- all of which were essential to the merger plan.\footnote{83}

The legislative immunity though, did not prove easy to obtain, and potential television practices were among the reasons for the difficulty.

\footnote{81}{"Pro Football Plans for 'Superbowl' Game," \textit{Broadcasting}, August 8, 1966, p. 38.}

\footnote{82}{Ibid.}

\footnote{83}{"Grid Merger Bill Okayed," \textit{Columbus Citizen Journal}, September 23, 1966, p. 9.}
The merger would force changes in television practices -- networks and scheduling changes -- that were undetermined as yet. This uncertainty of the exact relationship that the leagues and television would form, plus the fear of a pay television development were strong reasons why the House Judiciary Committee steadfastly blocked the attempts for the immunity legislation. The immunity would give the leagues a blank check in television practices and other areas that possibly could lead to antitrust law violations. 84

The House Judiciary Committee's position was an extension of the beliefs of its chairman, Representative Emanuel Celler. Chairman Celler opposed any exemptions to the anti-trust laws in general. Among other fears he was wary of the league's use of television under the new league situation. During the House Judiciary Committee hearings he directed the questioning to matters of television practices. 85

Celler specifically feared that pay television or theater television might replace the free television arrangement, and he called attention to the pay television rights provisions in the television contracts. The


85 Ibid.
Commissioner eased the fears on this subject during his appearance before the Committee; he offered to exclude pay television from the immunity legislation. 86

Chairman Celler's determined opposition, however, would have blocked the legislative immunity, if not for a circumventing maneuver. A joint committee of House and Senate negotiators worked out a compromise between differing House and Senate immunity bills. They then attached it to the President's anti-inflation tax package bill that was certain of passage. 87

Even though the leagues did obtain their legislative immunity, it was a very limited exemption. The legislation only applied to the actual joining of the two leagues. This was enough protection, however, to thwart lawsuits by players who had lost bargaining power and huge bonuses through the merger. But all operations after the merger -- television coverage included -- did not receive immunity from anti-trust. 88 The new television policies that would accompany the merger remained open to anti-trust challenges.

VI. AUDIENCE ANALYSIS

Ratings (audience size) for NFL telecasts in 1966 commanded extreme attention. This was the year to expand


88 Ibid.
the audience -- the modified lifting of the blackout, the telecasts in prime evening time, and more color telecasting were the means. The audience statistics revealed the success of these efforts.

The ratings for the two NFL telecasts in prime evening time gained particular attention because they would be signs of the NFL programming potential in this new, larger audience time period. The prime time game telecast ratings had considerable range; one was sufficiently high, the other disappointingly low.

On the plus side, the Monday evening, October 31st, telecast in prime time received a Nielsen rating of 13. This was a substantial rating -- near, or possibly above, the average rating for all evening prime time programs. 89

The disappointment came with the 14.7 rating for the NFL season opening telecast (Saturday, September 10th) in prime time. However, good rationalization existed for this poor rating. The game telecast competed with the special Miss America program on another network. NFL football suffered a loss of audience because of an unusual program alternative that would be very appealing, especially to the typical football fan. 90

890'Neil, op. cit., p. 75.
90Ibid.
Another prime evening game telecast -- on Thanksgiving -- added a strong positive result. The Thanksgiving evening game telecast received a 19.9 Arbitron rating. This rating must be tempered, however, with the special nature of the game day. Thanksgiving has become a traditional day for football telecasts in the late afternoon, so the evening cannot be considered a normal prime time evening. Viewers expect football on Thanksgiving and watch it in greater numbers than they would on other nights.

What did these ratings signify? Obviously NFL football was not going to attract television viewers in record numbers with prime time telecasts (except maybe for a game of unusual importance). But the ratings were sound (if we make allowances for the one low rating because of the uncommon competition). They indicated that the NFL could muster a television audience in prime time that compared in size with the audience of an average evening program, and that was noticeably larger than the Sunday afternoon NFL audience. The prime time NFL audiences might even grow larger as viewers came to expect periodic games at these times.

In light of these statistics, the network should be willing to find room for further prime evening time games.

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The NFL can continue to schedule these games that promise to add value to NFL football programming in two ways: by providing a large television audience for these special games, and by guiding new viewers to the Sunday afternoon games. The prime time venture was successful.

VII. THE SUPERBOWL

The television contract.--The television coverage for the first Super Bowl game -- the historic game between the champions of the NFL and the AFL -- was determined on December 14th. A rather unusual contract disgorged the Super Bowl television rights for 1967-1970 at a total price of $9.5 million. 92

The contract specified a forced-sharing telecast for the 1967 Super Bowl with both CBS-TV and NBC-TV telecasting the game simultaneously. Each would pay $1 million for these rights. In 1968, CBS-TV had exclusive coverage of the game for $2.5 million. NBC had the exclusive rights in 1969 for the same price. CBS-TV then had an option for the 1970 rights once more for $2.5 million. 93

The League decided on the 1967 twin-network plan not only to avoid a network jurisdictional dispute but also

93Ibid.
because of the immense public interest in the game. Two-network coverage would make it possible for virtually everyone to be able to view the game. Also, a two network arrangement insured a large television audience by reducing the programming competition.94 The viewer in most television markets would have a choice between the NFL game (on two networks) and one other competitive program.

Commissioner Rozelle, the designated Commissioner of the merged leagues, made two concessions to television in the contract. He kept the rights price low -- $2 million -- for the first Super Bowl game, one of the most heralded sports events in years. He also made a concession to CBS-TV alone, the network which had desired exclusive coverage of the game because of its continuity over the years with NFL games. The Commissioner gave the network first exclusive rights in 1968, plus an option for exclusive coverage of the 1970 game -- the final game before the leagues wholly merged.95

CBS-TV handled the production of the 1967 game, supplying video to both networks. CBS used 11 cameras for the video coverage -- a record number for football telecasting. The networks employed separate announcing teams.

94 Ibid.
95 Ibid.
Half-hour pre- and post-game programs were pooled -- both networks telecast the same program that featured announcers from each network. 96

Television promotion.--The two networks promoted the 1967 Super Bowl game intensively. The cost of promotion for both networks was over $2 million in advertising, publicity, and other promotion including the cost of on-the-air time. Both networks agreed that it was the biggest, most intensive promotional campaign for a single sports event. 97

The networks began saturation on-the-air promotion schedules two weeks before the game. CBS devoted 75% of night-time promotion time to the game and 50% of daytime promotion time. NBC-TV devoted 50% of its promotion time to the game. Both networks supplied their affiliated stations with promotion kits and arranged newspaper campaigns. 98

Television generated tremendous public interest for the NFL (and AFL) in these campaigns -- good for both the leagues, and the television networks. The networks would obtain a financial value from this interest. If the networks delivered a large television audience for this game,

97 Ibid.
98 Ibid.
sponsors would be ready to sponsor games next year and pay higher rates.

**Ratings.**--The Arbitron television audience ratings for the Super Bowl game were:

<table>
<thead>
<tr>
<th>Network</th>
<th>Rating</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>CBS-TV</td>
<td>24.8</td>
<td>49%</td>
</tr>
<tr>
<td>NBC-TV</td>
<td>17.4</td>
<td>33%</td>
</tr>
<tr>
<td>Total (NFL rating)</td>
<td>42.2</td>
<td>81</td>
</tr>
</tbody>
</table>

CBS estimated that 23,200,000 homes were tuned-in to the telecasts on the two networks. This might be the largest television audience for any single sports event. The audience statistics of the A. C. Nielsen, Company -- considered as the official rating service in the industry -- would be used to determine this fact.

The pre- and post-game programs had very large audiences, too:

**Ratings (Arbitron)**

<table>
<thead>
<tr>
<th>Network</th>
<th>Pre-game show</th>
<th>Post-game show</th>
</tr>
</thead>
<tbody>
<tr>
<td>CBS-TV</td>
<td>22.4</td>
<td>20.7</td>
</tr>
<tr>
<td>NBC-TV</td>
<td>12.7</td>
<td>13.9</td>
</tr>
</tbody>
</table>

The resources of the television medium when applied to a momentous football game had produced a nationwide audience of rare proportion in television history.

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100 Ibid.
101 Ibid.
Television's impact upon the League had intensified in 1966 (climaxed with the Super Bowl coverage in early 1967) and the NFL-television relationship had taken several new aspects this year.

The merger of the two leagues had been ushered in successfully by television. The two networks had strongly promoted the Super Bowl game -- the first on-the-field consequence of the merger -- and had made the country football-conscious.

The merger also meant a change in the NFL-television relationship. The one-network -- one league arrangement of television coverage would be feasible no longer. Many speculated that two networks would televise the new league's games and that television contracts would be determined by negotiations as a result.

Negotiated contracts might not be as effective economically for the League as the bidding procedure had been. But the Commissioner had demonstrated a tactic for successful negotiation in 1966; he could arrange an independent NFL network of stations if negotiation terms were not suitable.

Television also in 1966 had increasing impact as the League used the medium in several new ways to build the television audience. The League arranged for NFL telecasts in prime evening television time, for more NFL
telecasts in color, and for a modified lifting of the blackout.

All of these new directions in the relationship had sprung from the Harris poll -- an audience survey taken for the League. This very important poll showed that television potential for the League was not fully developed and it indicated the means to develop it.

Television in 1966 also increased its control over the NFL in several respects -- a conclusion based more on implications than real facts. Television certainly had some influence in the expansion and the modified blackout plans, although the degree is speculative.

It was only natural for such control to develop because television had increased its financial investment in the NFL to a very high level. With so much money at stake in the League's success, the television network wanted to guide the League in the successful direction that would in turn benefit the network.

The NFL-television relationship had also reached a point in 1966 that caused the third party to the arrangement -- the advertiser -- to shake the financial foundation of the whole system. The NFL and television negotiated a new high television rights price; the network increased its NFL advertising rates accordingly; and the advertisers mildly protested. The advertisers again were supposed to
pay increased prices with no corresponding increase in television audiences for them. Their cost efficiency was approaching a ceiling of rationality.

This financial development in 1966 was only a warning, not the real crisis. But the stability of the League's television economics was now openly in danger. The League took measures to ease the advertisers' concern through building the television audience.
CHAPTER VI

NFL TELEVISION POLICY

Television and sports have been allied since television's entry into the communication's mix in 1949. The relationship has been beneficial for both to a point, but in the long term, intimacy with television has often been destructive to sports. (The damaging association between boxing and television -- a subject of endless speculation -- is always the first example to come to mind.)

Television has a potential to benefit and to injure sports that are telecast. The benefits come from money and promotion. Television will pay large sums of money to gain the privilege to televise sports events. When the television network does televise the events, the telecasts in a sense are nationwide promotions for the events. There is a contact with millions of sports fans that demonstrates the excitement of the sport and thereby creates a strong viewer interest.

But television can be injurious to sports in several ways, too. Sports (with some exceptions) are intended for the enjoyment of a spectator audience; the spectators' emotional reactions are intrinsic to many sports.
Television, by televising sports, can cause a decline in this spectator audience as the potential audience members become television viewers instead. When television reduces the audience, the crowd atmosphere, which is one strong appeal of many sports, is missing, both at the stadia and on television. The game then becomes more mechanical and less attractive.

Television's capability to reduce stadium attendance has a corresponding financial effect that is injurious. The spectators are paying customers. As they decline in number so do the gate receipts (the sum of monies that spectators pay for tickets) causing financial damage to the sport.

One of the benefits of television can also be harmful to sports if it is not managed properly. Promotion can lead to over-exposure -- a saturation of a sport on television. This results when the sport fails to estimate the amount of television exposure for the sport that will satisfy the viewer but not weary him. When exposure becomes excessive, the viewer will not watch all of the sport telecasts; he is satiated; and he may very well cut back on his viewing because the satiation often induces a weariness for the particular sport.

Television can take control of a sport, too, to the detriment of the sport. If a sport does not guard the essential nature of the sport from television encroachment
and does not reserve certain controls over television exposure for the sport, television may utilize the sport for its own best interests that may not be in accord with the best interests of the sport. Television control is taken up in detail in the next chapter.

If television then can be both a boon and a bane for sports, how can the latter effect be avoided? This question has confronted all sports: the NFL was one sport that dealt with it successfully. The NFL and television have enjoyed a relationship that has been lasting and mutually beneficial. The League's prudent television policy is the reason.

I. THE TELEVISION BLACKOUT

The most important element in this television policy would have to be the NFL's television blackout policy. This blackout policy has been in effect from the beginning of the NFL-television relationship in 1950 and has been a fundamental principle in the League's operation.

The television blackout policy in general 1) restricts the telecasting of any NFL game within the 75 mile area of an NFL team that is playing, and 2) restricts an NFL team from televising its home games in its home territory.¹

¹Home territory is legally defined as that area within 75 miles of the league city represented by such club.
A formal definition of the NFL blackout policy is set down in the League's Constitution and By-Laws, 1965, in Article X -- the customary radio and television section:

10.2 Subject to the limitations herein set forth, member clubs participating in any game are authorized to telecast and broadcast such game anywhere except as follows:

a) No club shall cause or permit a game in which it is engaged to be telecast into any area included within the home territory of any other club on the day that such other club is engaged in playing a game at home.

b) Nothing contained herein shall constitute a grant of right or authority to any team to cause or permit telecast of a home game within the home territory. Telecast of a home game within the home territory shall be caused or permitted only by agreement between the participating teams and is subject to the provisions of Section 10.1 hereof (one of which is approval by the Commissioner). 2

This statement of the television blackout policy in Article X has been a traditional part of the League's Constitution and By-Laws (which are amended to apply to every new television contract). So the blackout policy has been in effect from the League's initial television contracts in 1950. 3

A separate provision in Article X specifies a similar blackout policy for the annual NFL championship: no television station may carry the game if its signal is

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3Statement by Pete Rozelle, personal interview, March 1966.
visible in the 75 mile radius "home territory" of the team city in which the game is being played.\(^4\)

The League's first Commissioner, the late Bert Bell, established the blackout policy. Bell introduced the policy, then fought determinedly in the courts to maintain it, asserting all the while that professional football could not survive without it.\(^5\) When Pete Rozelle became Commissioner, he continued the late Commissioner Bell's blackout policy.

Can this unique policy be credited with the League's growth and success through television? There is evidence to show that the blackout was a critical factor in the League's success.

An NFL television experiment conducted in 1950 indicated the value of the blackout policy. In 1950, the Los Angeles Rams team made arrangements to televise all eight of its home games in the Los Angeles area -- breaking the blackout policy. The local sponsor and the local television station that were respectively sponsoring and telecasting the games agreed to underwrite the experiment. They would pay the Rams compensation if the Rams stadium

\(^4\)Constitution and By-Laws, NFL, 1965, p. 33.

attendance slipped below a base figure because of the telecasts.  

At the end of the experiment, the sponsor and the television station made considerable payments to the Rams. The attendance at the games was lower than the figures of previous seasons -- the basis of the monetary guarantee. Attendance had slipped even though the Rams had a successful season (Western Conference champions) and despite the fact that the number of television sets in the Los Angeles area was not too large.  

The conclusion: without the blackout, television could impair attendance for NFL games. With the blackout policy in effect, stadium attendance did increase yearly:

<table>
<thead>
<tr>
<th>NFL Attendance Figures</th>
<th>1951 - 1,913,019</th>
<th>1956 - 2,551,263</th>
</tr>
</thead>
<tbody>
<tr>
<td>1952 - 2,052,128</td>
<td>1957 - 2,636,918</td>
<td></td>
</tr>
<tr>
<td>1953 - 2,184,895</td>
<td>1958 - 3,006,124</td>
<td></td>
</tr>
<tr>
<td>1954 - 2,190,571</td>
<td>1959 - 3,140,409</td>
<td></td>
</tr>
<tr>
<td>1955 - 2,521,536</td>
<td>1960 - 3,128,296</td>
<td></td>
</tr>
</tbody>
</table>

The blackout, however, can't be considered the cause for this increase. It was protective rather than productive. But the blackout's protection provided a necessary condition for audience expansion; it maintained audiences, making it

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possible for a productive element, such as the promotion aspect of television, to augment the audience.

The League's television blackout policy, then, made it possible to achieve two seemingly incompatible goals -- to preserve audiences at the stadia, and to add a television audience of millions. The realization of both could only result in success: the gate receipts stabilized or edged higher, and revenue from television rights added a major source of income to the NFL.

Commissioner Rozelle expressed the effectiveness of the blackout policy in sustaining two possibly conflicting audiences when he defended the policy in 1962 litigation:

The television policy has enabled millions of fans to view their favorite teams without adversely affecting the attendance at games.

The importance of the blackout policy to the League can be gauged in the succession of litigation cases in which the NFL has vigorously defended its television policy.

The first, and most important, legal matter involving the NFL's television policy was a 1953 judgment -- the outcome of a civil anti-trust action brought about by the Justice Department. The Justice Department challenged the NFL territorial allocations for television and radio on

anti-trust grounds. This was a test case for the League's television blackout policy.

The verdict -- Final Judgment -- sanctioned the television blackouts, but not beyond a 75 mile radius of the game site. The blackout was adjudged essential to the League's operation.

The 1953 ruling worked to the League's disadvantage in 1961 when the television policy was the basis for the court invalidation of the League's first "package" contract.

In 1962, the NFL faced a legal challenge to the blackout as plaintiffs sought to lift the blackout for the 1962 championship game. The League's blackout policy prevailed, again, however.

Other legal actions centering on the blackout policy included a proposal in the Michigan legislature in 1963 to lift the blackout in Detroit, and a bill in the United States House of Representatives to reduce the blackout's area of coverage. Both failed.

The unique television policy was indispensable to the NFL success. So, it seemed that the NFL engaged in self-destruction in 1966 when it announced a modified

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11 Ibid.
lifting of the blackout. Why was a successful television policy so closely related to the League's prosperity being altered?

The reasons for the modified blackout were stated in detail in the last chapter. In simple terms, a public opinion poll showed that the sports fans desired television games in place of the blackouts and yet still vowed to attend the games at the stadia. On the basis of this poll, the League modified the blackout in a two year experiment.

While this new television policy clearly departed from the traditional policy, the change wasn't as drastic as it might seem. Bert Bell's television axiom for NFL survival had not been totally discarded. NFL telecasts would now penetrate areas that were previously blacked out, to be sure. But these television games would not be in direct competition with the games at the stadia since a telecast would never occur at the same time of day as a stadium game. And very important, too, the long-standing policy of prohibiting a home team to televise its games in the home territory still remained inviolate.

Above all, the modified blackout was only a two year experiment. If it proved damaging to either the League or the television network, it would be discontinued.12

The venerable television blackout policy had been revised, not uprooted, and only as an experiment. If the Harris poll was an accurate sounding board, the modification would not seriously weaken the blackout protection of the stadium attendance.

The author agrees with this supposition. The game attendance should not be significantly reduced by the modified blackout policy. There is no substitute for a seat at a home game (save a telecast of that game). Fans who found reasons for attending home games in the past will not be diverted by these nearly competitive telecasts. Furthermore, the motivation for attendance, in most cases, is to see the home team -- a motivation that can't be satisfied by a telecast of another game.

The television blackout policy has brought off a successful marriage between the National Football League and television. Television, harnessed by this unique television policy, has contributed greatly to the NFL's growth and prosperity. With such favorable results, the essence of the blackout policy should certainly continue.

II. THE AREA COVERAGE PATTERN

Another phase of the NFL's television policy also represented a prudent use of television. The area system of television coverage, along with the blackout, made television work in the League's best interests.
Under the area policy, all away games of teams are telecast back to the teams' home territories so that a regional area system of telecasting obtains. On any Sunday when teams are playing, viewers in each home territory of a team will be viewing their team in action unless it is playing at home in which case the game is blacked out.

This television pattern was a logical conformity to the nature of a sports league. Each team city in a league is always the hub of a strong interest area for that team. Regional masses of fans develop that ardently follow the success of the team in their respective regions.

Television coverage that conformed to this area interest benefited the League and television. The benefits for the NFL were high level interest and its result: money. The area system enhanced the fans' interest in their team. The continuity of contact via television between the fans and their team when the team played away from home sustained the interest of the fans in their team. This interest spurred fans to attend home games and here was where the money benefit entered in. The promotion stimulated stadium attendance and its financial counterpart -- gate receipts.

The area arrangement was profitable to television, too. The large viewing audiences that this pattern would
generate were commercially valuable to the network for attracting advertisers. The League, too, benefited from this commercial value by setting an equitable television rights fee.

Television coverage naturally assumed this area pattern when television emerged as a medium and stations began telecasting NFL games. Local television stations were first to televise NFL games and they couldn't help but establish the area pattern. Local stations in the team cities were only interested in telecasting the away games of their respective teams back in their cities where there was high interest.

When rising costs forced the individual stations to end their coverage, the networks began telecasting NFL games. The networks continued the area system with its high-interest-audience benefits. They telecasted the several games each week on special regional networks of affiliated stations that matched the areas of interest.

In the late 1950's, however, the area system was in jeopardy. The networks, with television costs rising, incurred mounting expense as they operated the complex regional network system. They realized that profit lay in telecasting the games of a few popular teams on a nationwide basis -- a "game-of-the-week" plan. One network,
NBC-TV, followed this course in 1960 and successfully televised the games of two NFL teams nationally.

The game-of-the-week concept would be very lucrative for the League, but it was not in the fans' interest, and in the long run it could possibly damage the League's traditional economic base. The plan would replace the area system. Fans would be deprived of their opportunity to view on television the away games of their home teams which they supported by home attendance. This deprivation could lead to a decline of interest in the home teams' games at the stadia; a subsequent decline in attendance at the stadia; and the league's economic foundation of gate receipts would eventually crumble.

The League strove to retain the area system by making a "collective" rights contract in 1961. The League sold the rights to all teams as a "package" to one network, CBS. In the contract, the NFL specified that the network must televise all games back to the visiting team's home territory -- the essence of the regional system:

Every regular-season Sunday afternoon game between member clubs shall, to the extent practicable, be made available to all affiliated stations of the network located within the "home territory" of the visiting club. If such affiliated stations do not choose to televise such games, then the network must make such games available to non-affiliated stations located within such territory.\(^{13}\)

Although a federal court invalidated this 1961 contract on the basis of restrictive television practices, a similar contract with Congressional sanction was signed later in the year. The League then continued to preserve the beneficial area system through clauses in subsequent television contracts.

The area system and the blackout were the two basic tenets of the NFL's television policy. A prudent policy. The League wisely used television to its advantage and television profited as well.
CHAPTER VII

TELEVISION CONTROL

The premise that television, with money and exposure, has greatly stimulated the growth and development of NFL football leads to a corollary premise: that television has exerted control over aspects of NFL activity in the process. Some degree of television control would seem to be a natural out-growth if television had such a tremendous involvement in the NFL's success. Television would want to protect its great interests in the relationship through control.

These references to television control describe actions by the television network to influence or gain control of any facet of NFL activity. It could be influence -- for example, television's alleged effort to influence the selection of NFL franchises. It could be actual control -- television's control over four time-outs in the game proper.

Television control and influence of a sport can be harmful to the sport. The interests of television do not align with the interests of a sport in two major respects: 1) television must serve its television audience while a
sport must strive to attract fans to the actual events, and 2) television must get commercial value out of the sport telecast while it is in the sport's best interest to limit the commercial interruptions. If television interests dominate through television control, then crucial sport interests will likely be ignored and the sport may suffer.

Television control of NFL football is a long-standing issue, that is easily kindled into heated controversy. Every new television rights contract with its television rights and restrictions prompts another rash of television control charges. It is a sacred issue, too, for some sports fans. Network television's tampering with the game is a sacrilege in the eyes of many purist sports fans.

Television control is an issue whose contestants are easily identifiable, as they take their polar positions: the television networks and the NFL declare that television control is minor and lies outside of the actual game; the newspaper sportswriters accuse television of increasing control over the sport. The sportswriters have been quick to accuse in recent years and the television network and the NFL have swiftly discounted the charges. Where does the truth abide in this issue?
The method of evaluation.--The most efficient method to approach the truth -- to determine the existence and extent of television control of NFL football -- seems to involve two steps: 1) first a review of the alleged and actual cases of television control, then 2) an evaluation of the real significance of each and all of these cases.

Areas of potential control.--The instances of television control follow, in list form:

a. television option time-outs (actual control)
b. increase of commercial positions (actual)
c. dressing room interviews (actual)
d. prolonged pre-game introductions (actual)
e. sideline man interviews (actual)
f. changes in game times (actual)
g. influence on schedule dates (alleged and actual control)
h. modified blackout (alleged and actual)
i. expansion and league realignment (alleged)
j. merger (alleged)

It should be emphasized that several items on the list are cases of alleged television control. The existence or degree of television control here is unknown. The author's speculation and the comments of a few people close to these areas cause them to be considered for control.

All of these instances of television control were developments of the years 1964-1966. The big money transactions between television and the NFL during these years were a natural climate for the growth of television control. Television had reached a high level of investment in NFL football (CBS paid $23 million in 1964 for the
television rights for two years, and paid $37.6 million in 1966 for another two years). Some form of control to protect this investment would be expected.

**Alleged areas of control.**—A cursory glimpse at the list suggests that television's influence and control upon NFL football was extensive. Such a conclusion is valid, though, only if the alleged areas of control were, in fact, areas of control. Were they?

**Did television influence or control the scheduling of NFL games?** No. The League *did* make occasional schedule accommodations to the network program schedule in order to get television exposure. This was not television control, however, but a natural condition of television programming.

Television *did not* influence specifically the irregular game schedules of 1964, 1965, and 1966. The Commissioner stated this flatly. These schedules that featured games on several different days of the week stemmed from stadia conflicts with baseball, and the League's desire to reach new television audiences in other time periods.

**Did television influence or demand the modified blackout?** There is reason to believe that the network urged the adoption of the new blackout policy. The policy would permit the network to telecast NFL games every week in the populous team cities. The network would obtain
a larger television audience and could therefore sell advertising time at higher rates.

It is certain, however, that television alone could not have influenced the modified blackout plan. There were other reasons for the League to change the blackout: to compete with the APL, to compete with CATV, to meet a public demand for more game telecasts. These reasons together gave substantial cause for changing the League's blackout.

Yet all of the reasons would not have been good enough without the results of a public opinion poll. The poll indicated that the original blackout's purposes -- invaluablc to the League -- would still be served in the modified blackout. Therefore, the reasons for change prevailed.

Television, then, as a factor in the modified blackout decision, worked in concert with other factors, and was not all-important to the outcome.

Did television influence the expansion plan and the new league realignment of teams? A qualified "yes" must be given.

The League could be expected to grow from its increasing prosperity, and Commissioner Rozelle stated that television was not a "deciding" factor in selecting new franchises. However, nearly half of the League's
income came from television; it would be irrational to think that the League did not consider the television potential of possible franchises, or did not listen to television suggestions of franchises.

Television influence would seem the cause for the league realignment -- the re-organization of the League into four divisions of four teams each. The network had suffered a television audience decline the year before because several teams in large cities were not contenders for the League championship. The major effect of the new arrangement would be to keep more teams in contention, longer, and this has a strong implication for television influence in this matter.

The television network did not influence the merger. The network's vice-president in charge of Sports did not know of the merger until it occurred. Besides, the network would lose value in the championship game contract it held and would lose exclusivity as a result of the merger. It is quite apparent that television did not desire and therefore would not have arranged the merger.

In view of this analysis, the allegations of television control are not too valid. In one case only -- league realignment -- does television emerge as a controlling factor.
Areas of actual control. -- The cases of actual control or influence by television must now be weighed and added to the speculative control.

Television definitely exerted control over the game presentation on television. The television network placed a sideline interview man on the field, arranged pre-game introductions of players, arranged dressing-room interviews with players and coaches, increased the number of commercial insertions (from 16 to 18) in games, changed game times for double-headers, and called option time-outs on the field specifically for commercials. How significant were these controls and did any have an adverse effect on the game or the League?

The first three control instances -- the sideline man, the interviews, the introductions -- were of little significance. They represented minor control of marginal game activities. Besides they were innovations that were designed to increase the attractiveness of the games on television -- an objective that the League certainly sanctioned and encouraged.

The increase in commercial insertions in games had a potential significance. It meant that two additional commercials would appear in each game and they, like the others, would be presented during natural pauses (after scores or time-outs) in the game activity.
This increase had no effect on the game, generally, because there were enough natural pauses in most games to accommodate it. On occasion, however, the natural pauses would be few. Then the extended commercial schedule would cause television to exercise option time-outs for commercials. In this case this aspect of television control became significant and mildly adverse. The game would be stopped deliberately for a commercial.

This increase in commercial insertions also had a potential negative effect on viewers. Some viewers might notice and dislike this "creeping" commercialism.

Television was also able to change the starting times of a few games in another area of control. The changes were needed for the double-header format. Games on the West coast were started one-half hour earlier than usual to mesh perfectly as the second game of a double-header. The League approved of this change that had little significance.

However, teams other than West coast teams were used in the second game at times. To fit the television format, these games were delayed over an hour. This television control, which the League approved, also, threatened adverse effects for the fans. Fans who attended these games, frequently sat through a late afternoon-early evening chilling temperature change for the benefit of the television audience.
Television's most significant area of control -- because it affected the actual play of the game -- was the optional time-out. The television network can signal the game referee once each quarter to call a time-out on the field for the network's commercial purposes. At these times television decidedly was in control of the game.

This television control rarely had adverse effects on the game, though, because it was not absolute control. The discretion of the referee entered in and reduced any danger to the game by these interruptions. The referee would not honor any television option time-out when to do so would put one team at a disadvantage.

This area of television control, nonetheless, was the most severe because it tampered with the actual game play -- although nominally. It caused unnatural interruptions. This aspect of television control could lead to further control of the game circumstances -- further interruptions -- and for this reason it was the most critical.

The actual instances of control represented minor areas of little significance in most cases. Yet the change of game times and the optional time-out represented areas of control that were significant and could be detrimental to the game and the League.
The over-all evaluation.--When all of the areas of television control -- both actual and suspect -- are considered together, television control is not as extensive or flagrant as it first seemed. The evidence shows that television influence plays a minor role in many non-game league activities and television controls many marginal facets of the game presentation. There are, however, a few control areas of real concern.

League and television opinions.--Television control does not worry officials of either the NFL or CBS-TV. Commissioner Rozelle has stated that there has been "no major problem of encroachment" by CBS-TV. He said that the networks really haven't exerted too much control over the game. He attributed much of the fear of excessive control to the strong rivalry between television and the press.1

William MacPhail, vice-president in charge of CBS Sports echoed Rozelle's comments on the press sensitivity to the control issue. He strongly emphasized that the network has never changed any facet of the game of football. He acknowledged that the network had received concessions in areas other than the game play, but he added that the NFL needs television and must make concessions.2

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1 Statement by Pete Rozelle, personal interview, March 1966.

The reasons for concession.--This was the extent and degree of television's control of NFL football. It must be agreed that the League had made several concessions to television. The point now must be made, and made strongly, that this was not totally a one-sided transaction. The NFL many times was trading concessions with the network, giving the network a privilege in return for a special television consideration.

As an example of this trading of privileges, the NFL did give the network the modified blackout in the 1966 contract, but the League obtained significant television concessions: color telecasting, nationwide telecasts, and prime evening time exposure. In the 1964 contract were several provisions that amounted to television concessions, the most important of which was the NFL's option to experiment with theater television. There was an exchange of privileges taking place between television and the League frequently.

The fact still remains, though, that the NFL has made concessions in the first place to television -- allowed the network several areas of control. Is this in the best interest of the NFL?

One reason explains these grants of control. Television has paid the League huge sums of money for the television rights. The League in turn must give the
network the opportunity to make money on the NFL telecasts. If these television economics are to continue the NFL must make the arrangement profitable for the network. All of the major NFL concessions have had financial value.

There is a danger, naturally, in granting too many concessions to television, regardless of their financial basis. If too much control gets into the hands of the network a reverse economic effect could take place.

A league without much control of its product could easily be exploited unintentionally by television. Television is concerned with the viewing audience. In serving that audience exclusively, television could jeopardize the stadium attendance -- the economic foundation of the League.

At the time of this thesis writing, the NFL had wisely reserved to itself every important area of control. The League must continue to do so if it is to continue successfully.
CHAPTER VIII

NATIONAL FOOTBALL LEAGUE - TELEVISION ECONOMICS

In 1951, the DuMont television network paid the League $75,000 for the television rights to the championship game that year.¹ Fifteen years later, in 1966, CBS-TV purchased the television rights to the NFL championship game for $2 million, in addition to paying out $18.8 million for television rights to the regular season games. Network television in a short time has rapidly escalated its financial investment in NFL football, from a modest to a most extravagant level in terms of television sports programming. It is significant to examine this economic influence of television upon the NFL, for ultimately, with the NFL as with any other business enterprise, success is measured in dollars and cents.

Besides simply noting the financial statistics of the NFL-television relationship over the years, several important questions should be asked in relation to this financial array.

One significant question would be why and how did the television rights fees mount so rapidly? Another

¹George Strickler, "Record 2 Million For NFL Title Game," Chicago Tribune, February 15, 1966, p. 1.
question is -- how was this increasing revenue being used in the League's operation? And a third question, especially important, must be posed: Is there a ceiling to the television rights fees and, if so, how near to it are the current monetary levels?

The television rights fees.--The foundation of financial facts from which these questions arise are presented in the following table. The table contains a chronological listing of the television rights fees for both regular season and championship games from 1961 through 1966. Figures for the year 1961 -- a year of individual team contracts with networks -- are presented for contrast with the figures of later years when the teams' television rights were sold collectively.

**TABLE VI**

**TELEVISION RIGHTS FEES FOR NFL REGULAR SEASON AND CHAMPIONSHIP GAMES, 1961 - 1966**

<table>
<thead>
<tr>
<th>Rights Fees (in millions)</th>
<th>In Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular season (per team share)</td>
<td>2.875</td>
</tr>
<tr>
<td>Championship</td>
<td>.205</td>
</tr>
<tr>
<td></td>
<td>.615</td>
</tr>
</tbody>
</table>
This chart graphically shows the spiraling rights fees including the most dramatic increase from $4,650,000 to $14,100,000. The changes in fees also signify the times when new contracts were negotiated.

The reasons for increased fees.--The upward spiral of these television rights fees is explained primarily by 1) competitive bidding between interested parties, and 2) the growing popularity of NFL football.

Competitive bidding boosted the figures for the rights to the 1963 championship game and the 1964-5 regular season games. In both instances, all three national television networks were interested in bidding for the television rights. Their strong desires to obtain the television rights were translated into high bids as each sought to outbid the others within economic limits. The winning bid in this strong competition was very high both times -- especially in the 1964 bidding for the regular season contract.

The popularity factor explained why the networks were so desirous to acquire the NFL rights -- to the point of exceeding reasonable bid levels. NFL football was becoming increasingly popular with the television viewers as audience statistics show.

In 1963 several of the NFL games were on the list of the top ten televised sports events according to ratings
figures. In 1964, the average rating for regular season games was 15.1 (indicating nearly 8 million homes viewing) and in 1965 this climbed to a 15.5 -- excellent ratings for a Sunday afternoon time period. The title game ratings respectively for the two years were 26.7 and 30.5 -- excellent ratings for any programs.

This accounting of popularity with the television viewer naturally made the NFL games attractive and desirable to television networks as program entities. The networks could easily interest advertisers with these audiences and therefore make Sunday afternoon a profitable television time period.

Other factors also were involved in the network's willingness to spend freely on television rights. Prestige was one. The NFL games were generally regarded as the most prestigious sports package to present on television. To obtain this important intangible, the television networks could be excessively generous with their money. William MacPhail, vice-president of CBS Sports, verbalized the prestige factor when his network won the bidding in 1964:

Admittedly emotion, a lot of it, entered into our bid. There's the image and the prestige factor. We started doing professional football in 1956. We didn't want to lose out now.

A network's schedule of televised sporting events was also a factor in the network's desire to acquire the rights. A network without any football games was usually anxious to obtain some, even at a high cost, to round out its sports programming.

These factors of popularity, prestige, and programming explained, generally, why the price still rose when negotiation rather than competitive bidding was the method of determining the rights fee.

Thus, in 1966, when CBS was the only network that was interested in the NFL rights, it still acquiesced to NFL price demands because it desperately needed the games. Without the NFL games the network would not have football telecasts for the first time in many years and a huge Sunday afternoon time bloc would be vacant.\(^4\)

More specific reasons explained the increase in 1961-1962 and 1965-1966. The increase of television rights fees in 1962 was an adjustment of equity between fees and the minimum value of television rights. It was accomplished through the first NFL "package" rights contract. This collective sale of rights corrected the growing disparity

between rights fees and values that had evolved during the individual team contract system.  

In 1966, part of the increase can be explained by the valuable benefits the NFL included in the contract. The modified blackout plan, the increased number of double-headers and games, and an inter-divisional playoff in 1967 were the benefits that caused the NFL to ask for and obtain a higher rights fee than in past years.  

For these reasons, the television rights fees continued on an upward course. As they did, the NFL absorbed the increasing monies in a number of ways.

League uses of television income.--Television revenue was most obviously directed into the NFL's Player Benefit Plan -- a program that provides both short term insurance and long term retirement benefits for NFL players. This plan, established in 1959, got its biggest boost in operating funds from television money. In 1961 it was decided that $300,000 of the championship game television fees would be put into the Plan in 1961 and 1962. In 1963, with a higher-priced contract, $450,000 went into the Plan. In 1964, with a still better contract, the amount was $900,000. Lesser amounts of television income from

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5 Defendants' statement, NFL vs. USA, (E.D. of Pa.: 1961).
6 National Observer, op. cit.
the Playoff Bowl and the Pro Bowl also went into this Plan yearly. As the rights fees for all of these annual games increased, much of this burgeoning income was being channeled into the Player Benefit Plan to enlarge the program. 7

Much of the expanding television revenue, too, was surely consumed in meeting the natural rises in costs of operation. 8 But the television income was so substantial that, above helping to meet rising costs, considerable monies surely remained.

One other conspicuous way that the NFL used the abundant television revenues was to finance the competition with the American Football League, particularly in terms of players salaries. From the beginning of the rivalry, the competition forced clubs to increase salaries in order to retain their players, and television income provided the extra funds. In the later stages when the two League's were strongly competing to sign the best college players and were using huge salaries and bonuses as inducements, the NFL applied part of the television revenue to this


The AFL also was relying heavily on television income from a big money contract with NBC-TV.\textsuperscript{10}

In another action involving players and relating to the leagues rivalry, the NFL raised its team player limits from 37 to 40. This action, obviously to allow the clubs to secure more of the best players, required financial support.\textsuperscript{11} Television income made it possible.

The cost efficiency question.--As the amounts of money in the NFL-television transactions spiraled upward a question of limits loomed. Was there a ceiling to the amount of income the NFL could ask for and obtain from the television networks?

This ceiling on network spending, if it existed, would actually be determined by the advertisers who ultimately pay the high prices. The network passes the price on to the advertisers in the form of sponsorship rate charges.\textsuperscript{12} When the advertisers refuse to pay higher rate costs the network will lose its source of funds for the television rights payments and the ceiling will be reached.

This economic relationship between price levels of the television rights fees and the advertising costs of

\textsuperscript{9} "Cincinnati's NFL Fate is in Congress," Citizen Journal, October 13, 1966, p. 27.
\textsuperscript{12} "Countdown for Football," Television Age, August 1, 1966, p. 19.
sponsorship can be seen in the following table. The table shows the sponsorship cost for one minute of advertising in an NFL telecast for the various years:

**TABLE VIII**

**SPONSORSHIP COST PER MINUTE OF ADVERTISING**

**IN NFL TELECASTS, 1962 - 1966**

<table>
<thead>
<tr>
<th>Game Telecasts</th>
<th>Cost Per Minute of Sponsorship</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular season games</td>
<td>$45,000</td>
</tr>
<tr>
<td>Championship game</td>
<td>77,500</td>
</tr>
</tbody>
</table>

*Championship game advertising time was sold in a "package" along with time in the regular season games this year, at a price of $70,000 per minute for all advertising time.

By juxtaposing this table with the table of television rights fees, the transfer of rights fee costs to the advertisers is apparent.

A discrepancy to this direct relationship seemingly occurs in the increases of the 1964 television rights and sponsorship costs. The television rights fee tripled this year while the advertising costs rose approximately fifty per cent. These facts seem to say the network absorbed
some of the costs -- possibly under the fear that advertisers this time would not bear the entire financial burden of a tremendous rights fee increase.

The network, in reality, did not absorb any of the costs of this rights contract in 1964. The network still passed all the costs onto the advertisers but was able to keep costs-per-advertiser increases to a minimum through shrewd sales strategy.

CBS-TV simply added more commercial minutes and more sponsors to broaden the base for advertising costs. The number of commercial minutes was increased from 16 to 18 per game, and the double-header was created that provided additional programming for 14 more commercial minutes. The addition of sponsors, to fill this increase in commercial time, enabled the network to pro-rate the rights fee at a reasonable cost per sponsor.

This adjustment by CBS-TV averted a protest by the advertisers who might have declared a ceiling on prices, otherwise. The fact that the network took an active part in assisting the advertiser in absorbing the costs would indicate that rights costs were beginning to approach a challenging level.

Even with this network adjustment, advertising cost-per-minute rates climbed steadily in subsequent years.
When the advertisers balked at further cost increases, then a ceiling would be reached.

The advertisers decision, however, would not be based on sheer cost, but on cost efficiency -- a ratio of cost to the size of the viewing audience that the advertising message reaches. Costs in this framework were meaningful. This all-important cost efficiency is expressed in terms of cost-per-thousand homes reached (CPM). (CPM = homes viewing telecast, divided by sponsorship cost x 1/1000).

The cost-per-thousand statistics for NFL football from 1962 - 1965 are shown in the following table. In addition, cost-per-thousand male viewers figures are included: they are of even more interest to advertisers because they show the strength of the League's unique male-dominated audience.

These statistics were on an upward trend indicating a decline of cost efficiency. The advertisers, nevertheless, were quick to buy sponsorship time without complaint until 1966. At this point the cost-per-thousand homes reached $8 -- nearly double the cost efficiency of most network programs. If the cost-per-thousand couldn't be reduced or kept constant in succeeding years, many advertisers voiced their intention of ending sponsorship in NFL telecasts.\(^{13}\)

\(^{13}\)Ibid.
<table>
<thead>
<tr>
<th>Cost per thousand</th>
<th>Year</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1962</td>
<td>1963</td>
<td>1964</td>
<td>1965</td>
</tr>
<tr>
<td>Homes</td>
<td>$4.56</td>
<td>$3.92</td>
<td>$7.91</td>
<td>$8</td>
</tr>
<tr>
<td>Male viewers</td>
<td>$4.21</td>
<td></td>
<td></td>
<td>$7.80</td>
</tr>
</tbody>
</table>


The cost-per-thousand male viewers was hardly encouraging, either. It was true that the NFL games on television did attract a sizeable male audience that was perfectly tailored for several sponsor's products. However, advertisers at this point weighed the audience quality against the increasing costs to reach it. 14

The year 1966, then, was critical for the economic system of the NFL as the advertisers worried about cost efficiency. Several advertisers said they would seriously re-evaluate sponsorship in NFL games if the cost efficiency didn't improve in 1966.

It was estimated that cost efficiency would improve in 1966 because of the audience-building tactics that were employed for the 1965 NFL telecasts. Through televising a few games in prime evening television time and on Saturday afternoons, and televising nearly all games in color, the NFL hoped to attract new viewers to the NFL games on television.

The results of this audience-building effort, at the time of this writing, were not extremely productive. The second game that was televised in prime evening time -- Monday October 31st -- did not obtain an exceptionally large television audience, although it was larger than the audiences for the normal Sunday afternoon telecasts. The game received an 18.7 rating. The first game that was telecast in prime time (Monday, September 10th) encountered unusually strong programming competition from a network special program and therefore cannot be considered as a representative prime-time game telecast. It received a 14.7 rating.

The overall outcome of audience growth and the related cost efficiency in 1966 must be awaited. The advertisers' sponsorship decisions must be awaited, also. Possibly, they may not follow the pre-season pronouncements in view of the NFL-AFL merger.

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15 Ibid.
Television audiences seem bound to increase because of the merger. The interleague games between teams during the first few years should draw significantly larger numbers of television viewers. However, the television rights fees would probably increase too, and this would mean a rise in advertising rates.

Which direction the cost-per-thousand statistics might move with these audience and rights fee increases is speculative. However, the CPM won't deviate too far from its present level if the rights costs and the audiences parallel each other in growth -- which they should. Thus advertisers should continue to sponsor NFL telecasts.

If rights fees exceed audiences in the process and cost efficiency therefore decline, advertisers would still find it difficult to ignore professional football sponsorship in the era of the merger. There is the prestige factor of being identified with the events that most sports fans will follow very closely. This intangible along with the very tangible male audience should induce most of the appropriate advertisers to sponsor NFL telecasts.

It is this writer's opinion that the ceiling on costs is not at hand for the NFL because of the merger. The interest and excitement that this development has generated should attract sponsors regardless of costs or efficiency trends.
Pay television.--Pay television (the system that has the viewer pay to watch his home television set) was mentioned earlier as the potential source of far greater income than the League now derives from commercial television. The League's views on this alternative have not been made public. The author speculates on the probability of a pay television arrangement in the next chapter.
CHAPTER IX

A FINAL ANALYSIS

What has been television's impact upon the National Football League? In sum, television has created a mass viewing audience for NFL games that has provided the League with a new source of income; and television, in the process, has taken minor control over certain areas of NFL activity.

The past impact.—Television and the League first transacted at a time when the League had a considerable following, but on a regional basis as a result of stadium attendance. Telecasts of the games created a new audience—a vast viewing audience that had a national sweep. Commissioner Rozelle said, "Television had a major role in making the League national in scope." The telecasts captured long-time NFL fans and generated new fans that together became the new entity, the NFL television audience.

This television audience has had value for the NFL. The League has sold its games to the television medium, so to speak, so that television could continue serving this newly-created audience.

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1 Statement by Commissioner Pete Rozelle, personal interview, March 1966.
The commercial system of broadcasting -- the advertiser-supported system that prevails at this time -- has made the sale of television rights very profitable for the League. Under the commercial system, the advertiser pays for programs in order to place his advertising message in them. It follows that the advertiser will pay more for programs with large audiences, since he usually wants his message to reach the greatest number of people possible. As television created a large audience for NFL programs, it therefore made these programs valuable to advertisers. Advertisers paid high prices to the television network to sponsor NFL programs; and the networks, in turn, paid high prices to the League to obtain the television rights.

This new source of income had a major impact on the League. Television income doubled the revenue of the NFL. This increase made the League a very profitable enterprise after years of marginal operation. Television money supplied the capital for the League to grow on.

Commercial television created a large viewing audience for the NFL, and, in so doing, contributed to the League a large financial input that stimulated development.

But television also has exercised progressive control over certain facets of NFL activity. There has been probably no serious encroachment to date and no adverse
effects. Television's control of a few game "time-outs" has been the only area of real concern.

This was the general impact of television upon football from television's inception through 1966. The future, too, will witness further impact of the medium upon the sport.

The future impact.—The future holds several possibilities for television impact upon the League, and it is interesting to speculate upon them. In the future television could have major effects on the League through the following developments:

1) increased control of the game,
2) pay television,
3) overexposure of NFL football on television.

Television control of the game presentation probably will not increase very much. Television already controls the game circumstances to a reasonable limit (player introductions, post-game locker-room interviews, option time-outs, videotape interviews before the game). The limit was exceeded once, with the sideline interview man -- an innovation that brought immediate objections from coaches. Any further attempts at game control would seem to go beyond the reasonable limit and again bring strong reaction.

There are, for example, further areas in which television could try to exert game control. Television could
enter the locker-rooms before the game and at half-time for a revealing view of game strategy. Television could request longer intermissions between quarters. Somewhat less plausible, but still possible, television could place a camera (s) directly on the field, either hand-held or permanently mounted. All of these possibilities, however seem to go beyond the reasonable and practical limit. They interfere with or violate the traditional way of playing the game, and surely would not be acceptable to the League.

Control may increase, though, in one area of game presentation, and a very important area. The number of commercial positions in a game could possibly expand. As of 1966, there were 18 commercial positions in each regular season NFL game.

The Commissioner has stated that 18 positions was the limit, but this number could very well increase. The League may have to concede an additional commercial position or two to the network if the League charges the network higher television rights fees.

The network defrays the cost of the rights by means of the sale of commercial positions, and therefore may need additional positions in games in order to pay rising rights costs. The network could increase the price of each

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existing position, and it has in the past, but price soon may become preventive for some advertisers. At this point, the network may ask for more commercial positions; this would keep the cost per position down but increase the total revenue.

The number of commercial positions could be a crucial area of control. If only a few extra positions are added, they can be absorbed in the present telecast format. But if several are inserted, there is a danger of game segmentation by advertising. The players and coaches again would probably protest such a development and many viewers surely would not approve. Viewing might decline as a result.

It would seem that if the NFL desires to limit the number of commercial positions and keep advertisers interested in buying this time, it will have to use moderation in the increases in television rights fees.

Television influence in the total sphere of League operations is very speculative for the future. The degree of influence would seem to depend largely on the television-football arrangement that is yet to be determined for the new 28 team league.

The matter of pay television leads to further interesting speculation. It has been said that a pay television system of coverage -- viewers would pay a small fee to receive the NFL game on their television sets -- could
increase the League's television income very substantially. One source speculated that the League could receive up to $10 million a week from a pay television plan.3

Pay television -- if the League decided to change to this system -- would be, by necessity, a long-range development. A pay television system would need facilities to present the NFL telecasts on a national scale. As of 1966, these facilities did not exist.

Independent CATV operations may provide the means, though, for a pay television system, and these facilities are rapidly spreading across the country. (CATV is a local television service that provides several channels of television programming via wire to homes in the community for a monthly service charge.) Potentially the League could make its games available in some manner to CATV services, when they reach a national density. Viewers would then have to pay to see NFL telecasts. Before embarking on this plan, the League would probably need to wait several years -- ten, maybe -- until CATV systems gain a national audience potential.

There are reasons to believe, however, that a pay system will never be the League's television system.

The most salient reason centers around the fan. NFL fans in large numbers would be at stake when a pay television system takes over. Possibly a third of the NFL fans would not be willing to pay to watch an NFL telecast in their homes. There would be many fans not ardent enough to watch -- whatever the price -- who would rebel at the thought of paying for something that had been "free" for so long. Doubtless, too, many of the remaining viewers would not watch as much NFL football in the future as they had in the past because of the cost factor.

Even with this loss of viewers (fans) the pay television system would be very profitable for the League, according to certain sources. However, the League in the past has set a premium on the interests of the fans. The League has maintained that the interest of the fans is the foundation for the League's success. For this reason pay television, even with its monetary lure, would probably not be acceptable.

The fans are paramount to all other NFL concerns because the fans are the genesis of League economics and an integral part of the game of football. The fans provide both the gate receipts and the game environment at the stadiums. These fans who are crucial to NFL operation could be reduced by pay television.
Pay television would probably reduce the number of television viewers of the NFL games. Many of these viewers would be fans who generally attend an NFL game or two. When they discontinue their viewing, because of pay television, they would be likely to lose interest gradually in the NFL competition as they become less familiar with their team and its successes. Chances are, they wouldn't be highly motivated any longer to attend the home games of their team.

Pay television then poses a potential adversity to fan interest and stadium attendance. The author speculates, therefore, that the League will probably never adopt a pay television system. However, a League pay television experiment that showed only minor effects on stadium attendance could bring about a pay television plan.

There is a possibility, that pay television (and theater television) could be used in a supplementary way. Either means could be used, for example, to provide television coverage in a game city of a major game that was sold out at the stadium. In this instance the fans without tickets in the game city would have an alternative to a "blackout", but the alternative should not effect the stadium attendance. The fans across the nation meanwhile would watch the game on the regular commercial television service.
There really shouldn't be any reason for the League to change from the commercial television arrangement. All indications suggest commercial television will provide increasing television income for the League in the near future.

There does not appear to be a ceiling in the commercial system on prices for the NFL rights. Many people fear that there is. It is doubtful that networks and ultimately the advertisers will balk at reasonable increases of price for NFL football programming. They will continue to pay increased prices because of sponsorship reasons that are unique.

The advertiser is the key to the commercial economic system -- the source of the money that pays for the programming. In the case of the NFL, the advertiser is willing, even eager, to sponsor the game telecasts, and at almost any cost, surprisingly.

Advertisers have swiftly purchased sponsorship time in NFL game telecasts from 1961 through 1966 -- a period when advertising rates rose from $45,000 to $70,000 per minute for regular game sponsorship. Advertisers sponsored, although their cost efficiency -- cost related to the size of the viewing audience -- reached a cost-per-thousand homes of $8. This C/M was nearly double that for a regular
evening entertainment program. Advertisers have sponsored though prices have climbed and cost efficiency has declined, and the trend should continue.

The reason for this advertiser support is that advertisers view sponsorship of NFL football telecasts in a unique way. The CPM, the normal advertising yardstick for cost efficiency, does not seem to be considered. The advertiser is concerned with cost efficiency, but he measures it a different way for NFL football. Rather than thinking in terms of the number of viewers in relation to cost, he thinks in terms of the number of prospective customers for his product in relation to the cost of advertising. This is a more realistic measurement of cost efficiency, and on this basis many advertisers feel they are getting their money's worth in NFL advertising.

Many advertisers feel that the NFL television audience contains a large number of prospects for their products. The audience with its unique composition of men with purchasing power would seem to be perfect for certain product advertising. Sponsorship of the NFL telecasts therefore becomes very efficient for these advertisers, regardless of CPM figures. If each thousand homes is the "right" thousand homes, then the advertising cost to reach them has little meaning.
Advertisers probably will continue to sponsor NFL telecasts for emotional reasons, too, aside from any economic considerations. They desire the identification with a very popular sports program and would pay very high prices of sponsorship rather than let competitors gain exposure in these telecasts. With the merger drawing increased attention to professional football, advertisers should have an even greater emotional cause to be associated with professional football.

The advertisers, in short, see values in NFL football that would induce them to sponsor NFL games at increased rates. The commercial television system therefore should be lucrative for the League in the immediate future.

The League can be expected to increase the television rights fees progressively in the future. The merged league games should attract larger television audiences than both leagues together had attracted in previous years. These larger audiences would give the games more commercial value which the League would translate into higher television rights fees.

The television rights fees should increase as the audience expands, and the audiences should continue to expand in the near future. Besides the attraction of the merger, the joint league will probably make further efforts to enlarge its audience by presenting more games in
television prime time. A natural population increase will be responsible for small increases in NFL television audiences, too.

A final area of speculative television impact upon football is overexposure. Television has the potential to present too much football. This has an undesirable effect on viewers, satiating them with football, and, in many cases, causing viewers to lose some interest in football. They become tired of watching the same type of programming for extended lengths of time. This development, naturally, would be detrimental to the League.

There should be no immediate danger of overexposure. The Harris poll has indicated that viewers desire to see more NFL games on television, and the merger development should draw viewers to more game telecasts.

In the long-range consideration, however, the possibility of overexposure of football on television would seem to be a real possibility. The surfeit effect could start after the excitement of the merger subsides.

Television has heavily programmed other sports -- boxing, wrestling, baseball -- and these sports, after a rapid rise in popularity, have lost significant viewer interest. In the cases of boxing and wrestling, the sports nearly disappeared from television and suffered a loss
of vital fan interest after the over-exposure. Baseball is a pervasive sport and closely connected with American life, yet it has suffered some loss of fan interest because of overexposure on television.

It would seem that sports programming on television runs in cycles like the other types of television shows -- a phenomenon of the medium's operation. A program type (or sport) "catches-on" with the television audience; television subsequently presents many hours of the program type; the viewer eventually tires from the sameness and shifts his interest to another program type. One program type (or sport) slowly replaces another in the television programming cycle.

Sports programs, though, would not seem to be as susceptible to this cycle as regular television programs. Viewers of sports programs are generally loyal fans of the sport who don't readily tire of watching such programs. However, if the sport is exposed too much for a long enough time on television, even the most ardent fan might lose some of his interest.

Professional football, that has its roots in a sport of major national participation and appeal, is not likely to be damaged severely by overexposure. But overexposure could reduce financial gains somewhat as viewer interest dwindled.
Overexposure would seem to be a real worry for the League in the distant future. Television and League officials are certainly aware of this potential and will have to take measures to escape it.

Television, then, poses these probable effects for the League in the future. Television control of the game may increase slightly. The commercial system of television should support the League (the merged leagues) with increased television income, while pay television is probably by-passed. Television audiences for the games should increase. And the danger of NFL overexposure on television should grow.

This analysis must be qualified at this point. The future appraisal of the League and television is based upon the relationship of the past and the patterns that have been established. Any new television development -- and there are several possibilities -- could render this analysis obsolete. Public television (the new title for educational television), pay television, satellite television, and community antenna television are significant variables in the television field of tomorrow. If one, or several, of these developments has a major impact on the television system, the television football relationship will undoubtedly depart from the predictions in this thesis.
Regardless of the future direction, television has and should continue to have tremendous influence on the National Football League.

Television's impact upon NFL football has probably had repercussions for the whole area of sports programming on television. The NFL's success with television could very well have stimulated the current rise in sports programs on television. Television created an audience and an income for the League; why couldn't the same be done in the case of other sports leagues and sports. The most appropriate example of this effect is the creation and development of the American Football League. This rival League originated surely on the basis of the NFL success and the availability of television income.

Television, in the final analysis, has become an essential factor to the National Football League operation at this time, in terms of money and promotion. If television coverage stopped, the League surely would face a drastic retrenchment, if not an eventual demise. Television, therefore, and the way the League uses it, will determine the future of the National Football League.
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