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PROFESSIONAL FOOTBALL LEAGUE MERGER

GOVERNMENT
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HEARINGS BEFORE ANTITRUST SUBCOMMITTEE (Subcommittee No. 5) OF THE COMMITTEE ON THE JUDICIARY HOUSE OF REPRESENTATIVES

EIGHTY-NINTH CONGRESS

SECOND SESSION

ON

S. 3817

TO AUTHORIZE THE MERGER OF TWO OR MORE PROFESSIONAL FOOTBALL LEAGUES, AND TO PROTECT FOOTBALL CONTEST BETWEEN SECONDARY SCHOOLS FROM PROFESSIONAL FOOTBALL TELECASTS

AND SIMILAR BILLS

- H.R. 17661, H.R. 17675, H.R. 17679, H.R. 17698, H.R. 17765, H.R. 17791,
- H.R. 17806, H.R. 17929, H.R. 17977, H.R. 18038, H.R. 18039, H.R. 18040,
- H.R. 18047, H.R. 18060, H.R. 18120, H.R. 18121, H.R. 18123, H.R. 18124,
- H.R. 18131, H.R. 18145, H.R. 18177, H.R. 18198, H.R. 18226, H.R. 18258,
- AND H.R. 18424

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PROFESSIONAL FOOTBALL LEAGUE MERGER

THURSDAY, OCTOBER 6, 1966

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE NO. 5 OF THE
COMMITTEE ON THE JUDICIARY,
Washington, D.C.

The subcommittee met at 10:50 a.m., pursuant to call, in room 2141, Rayburn House Office Building, Hon. Emanuel Celler (chairman of the committee) presiding.

Present: Representatives Celler, Rodino, Rogers, Donohue, Brooks, Kastenmeier, Conyers, McCulloch, Cramer, and MacGregor.

Also present: Kenneth R. Harkins, chief counsel, Antitrust Subcommittee; Martin Hoffmann, associate counsel.

The CHAIRMAN. The committee will be in order.

Is Mr. Rozelle present?

Mr. LOVRE. Mr. Chairman, my name is Harold Lovre, a former member of this body and now attorney for the American Football League. Mr. Rozelle and his attorney, Hamilton Carothers, are on their way now and should be here any time.

Mr. ROGERS. Mr. Chairman, why can we not proceed with your statement? Mr. Rodino has one, and others have statements; then we can proceed with Mr. Rozelle.

The CHAIRMAN. The Chair will read a statement; the members who have statements may make them and then we will adjourn.

Today we commence hearings on S. 3817, a bill to authorize the merger of two or more professional football leagues and to protect football contests between secondary schools from professional football telecasts. This bill passed the Senate on September 26, 1966.

In addition, the hearings will consider 25 similar bills that have been introduced in the House. In summary, these bills have two objectives—they would amend the provisions of a law passed in 1961 providing antitrust exemptions for the telecasting of professional sports contests: First, the bills would exempt from the antitrust laws a joint agreement by the member clubs of the professional football leagues to combine operations in an expanding single league; and second, the bills would withhold any antitrust exemption to any joint agreement among professional football clubs or leagues which would permit the telecast of professional football games on a Friday after 6 p.m. or on any Saturday from the second Friday in September through the second Saturday in December, in communities where high school football teams were playing on Friday night or college football teams were playing on Saturday. Basically, this second provision extends present professional football telecast blackout rules so as to protect high school football contests on Friday night.

The Antitrust Subcommittee intends to explore thoroughly the extent of the antitrust immunity requested, and the results that would flow from any such grant of immunity. For many years, the Antitrust Subcommittee has been concerned with the functioning of U.S. business under the policies established in our antitrust legislation. Exemption from our antitrust policies is something that is given only with the greatest reluctance and only upon a showing of an overriding need therefor, and that it would be in the public interest.

There has been virtual unanimity among all commentators as to the positive values afforded to the United States by the antitrust laws. The Attorney General's National Committee to Study and Antitrust Laws, which published its report in 1955, stated:

Antitrust is a distinctive American means for assuring the competitive economy on which our political and social freedom under representative government in part depend * * *. They reinforce our ideal of careers open to superior skills and talent, a crucial index of a free society.

The antitrust laws have been a valuable protection to individuals possessing the superior skills and talents that are required to participate in professional football exhibitions.

The policies embodied in the antitrust laws generally have been considered to be of such great importance in the American business world that exemptions have been granted only after the most thoroughgoing examination. And when the Congress has seen fit to exempt industries from the antitrust laws, the normal procedure is for Congress to erect a mechanism or procedure which would serve to perform the same functions that competition under the antitrust laws is expected to perform. For this reason, when industries have been granted an antitrust exemption, the Congress has invariably established governmental boards or agencies to insure that the interests of the participants and the general public are protected. Without antitrust exemptions, the impersonal forces of competition would be relied upon to provide such protections.

The Antitrust Subcommittee, if an antitrust exemption is to be granted, must consider carefully what is to take the place of the antitrust laws as a safeguard to the interests of the general public as well as the participants in professional football. Should a governmental regulatory body be established? Is the office of the commissioner of professional football adequate to protect the interests of the players and the general public if an antitrust exemption is granted?

These hearings are complicated by the present legal posture of organized professional team sports. In 1922, the Supreme Court ruled that the antitrust laws do not apply to the business of organized professional baseball. Much water has gone over the dam since 1922. Many changes have been wrought in the concept of interstate commerce. With respect to organized professional football, however, as well as the business of professional boxing, hockey, and basketball, the Supreme Court has ruled that the provisions of the antitrust laws are fully applicable. In its opinions, the Supreme Court has recognized that its rulings, as they affect football and baseball may be "unrealistic, inconsistent or illogical." It concluded, however, that the orderly way for errors or discriminatory treatment between football and baseball to be eliminated is through the legislative process. In the *Radovitch* case, the Supreme Court said:

We, therefore, conclude that the orderly way to eliminate error or discrimination, if any there be, is by legislation and not by court decision. Congressional processes are more accommodative, affording the whole industry hearings and an opportunity to assist in the formulation of new legislation. The resulting product is therefore more likely to protect the industry and the public alike. The whole scope of congressional action would be known long in advance and effective dates for the legislation could be set in the future without the injustices of retroactivity and surprise which might follow court action. Of course, the doctrine of *Toolson* and *Federal Baseball* must yield to any congressional action and continues only at its sufferance.

Notwithstanding these statements by the Court, I have always been of the view that, should another baseball case reach the Supreme Court, the Supreme Court would withdraw the antitrust exemption previously granted and treat baseball in the same fashion as it has treated the other organized professional team sports businesses. At the present time the baseball exemption is again before the Supreme Court. The State of Wisconsin is appealing the decision that involves the move of the Braves from Milwaukee to Atlanta. These hearings, of course, since they apply only to the business of professional football, are not intended to affect in any manner the Court's decision in the baseball case.

Finally, I will note that in 1957, soon after the initial decision in the *Radovitch* case, professional football requested an exemption from the antitrust laws. In those hearings, representatives of professional football stated that continued subjection to the antitrust laws threatened the existence of the professional football exhibition business. Since that time, however, professional football, even though subject to the antitrust laws, has made prodigious strides in its development. Football is now one of the most important spectator sports in the United States. The Antitrust Subcommittee must be very careful that this outstanding growth in professional football is not arrested by precipitous legislation.

At this point in the record, I insert copies of the bills that are the subject of this hearing.

(The bills, and S. Rept. 1654, follow :)

[S. 3817, 89th Cong., 2d sess.]

AN ACT To authorize the merger of two or more professional football leagues, and to protect football contests between secondary schools from professional football telecasts

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of September 30, 1961 (75 Stat. 732; 15 U.S.C. 1291), is amended—

(1) by amending the first section thereof to read as follows :

“That the antitrust laws, as defined in section 1 of the Act of October 15, 1914, as amended (38 Stat. 730), or in the Federal Trade Commission Act, as amended (38 Stat. 717), shall not apply :

“(a) to any joint agreement by or among persons engaging in or conducting the organized professional team sports of football, baseball, basketball, or hockey, by which any league of clubs participating in professional football, baseball, basketball, or hockey contests sells or otherwise transfers all or any part of the rights of such league's member clubs in the sponsored telecasting of the games of football, baseball, basketball, or hockey, as the case may be, engaging in or conducted by such clubs.

“(b) to a joint agreement by which the member clubs of two or more professional football leagues combine their operations in an expanded single league, if such agreement increases rather than decreases the number of professional football clubs so operating, and the provisions of which are directly relevant thereto.”

(2) by inserting "(a)" after the words "section 1" where such words appear the second time in section 2;

(3) by amending section 3 to read as follows:

"Sec. 3. Section 1(a) of this Act shall not apply to any joint agreement described in section 1 of this Act which permits the telecasting of all or a substantial part of any professional football game on any Friday after 6 o'clock post-meridian or on any Saturday during the period beginning on the second Friday in September and ending on the second Saturday in December in any year from any telecasting station located within seventy-five miles of the games site of any intercollegiate or interscholastic football contest scheduled to be played on such a date if—

"(1) such intercollegiate football contest is between institutions of higher learning both of which confer degrees upon students following completion of sufficient credit hours to equal a four-year course, or

"(2) in the case of an interscholastic football contest, such contest is between secondary schools, both of which are accredited or certified under the laws of the State or States in which they are situated and offer courses continuing through the twelfth grade of the standard school curriculum, or the equivalent, and

"(3) such intercollegiate or interscholastic football contest and such game site were announced through publication in a newspaper of general circulation prior to August 1 of such year as being regularly scheduled for such day and place."

Passed the Senate September 26, 1966.

Attest:

EMERY L. FRAZIER,
Secretary.

[S. Rept. 1654, Calendar No. 1621, 89th Cong., 2d sess.]

The Committee on the Judiciary, to which was referred the bill (S. 3817) to authorize the merger of two or more professional football leagues, and to protect football contests between secondary schools from professional football telecasts, having considered the same, reports favorably thereon with amendments and recommends that the bill as amended do pass.

AMENDMENTS

Amendment No. 1: On page 1, line 5, strike out all after the word "by" and insert in lieu thereof "amending the first section thereof to read as follows:"

Amendment No. 2: On page 1, strike out lines 6 and 7.

Amendment No. 3: On page 1, line 8, insert quotation marks before the word "That".

Amendment No. 4: On page 2, line 13, strike the word "any" and insert in lieu thereof the word "a".

Amendment No. 5: On page 2, line 15, strike the word "where" and insert in lieu thereof the word "if".

Amendment No. 6: On page 2, line 17, after the word "operating" strike out the period and insert the following: ", and the provisions of which are directly relevant thereto."

Amendment No. 7: On page 2, line 19, after "1", strike out "in line 2 of" and insert in lieu thereof the words "where such words appear the second time in".

Amendment No. 8: On page 2, line 20, after the word "by" strike out the words "inserting a new section 3" and insert in lieu thereof the words "amending section 3 to read".

Amendment No. 9: On page 2, line 21, strike the quotation mark and insert "SEC. 3."

Amendment No. 10: On page 3, line 18, strike the word "daily".

Amendment No. 11: On page 3, line 19, strike the word "March" and insert in lieu thereof the word "August".

PURPOSE OF AMENDMENTS

The purpose of the first three amendments is to make technical corrections in the bill.

The purpose of amendments 4, 5 and 6 is to limit the exemption from the anti-trust laws to those provisions of a joint agreement by which two or more pro-

professional football leagues combine their operations into a single league which are directly relevant to the accomplishment of such combination.

The purpose of amendments 10 and 11 is to give the high schools a more reasonable time period in which to schedule their football games and to require only that such schedule be published in a newspaper of general circulation, either a daily or weekly.

PURPOSE

The purpose of the proposed legislation as amended is to exempt from the antitrust laws the merger of two or more professional football leagues in a single combined league and to provide protection to interscholastic football contests from the telecasting of professional football games at those times traditionally used for the playing of such interscholastic contests.

STATEMENT

The proposed legislation is necessary to permit the planned merger of the American Football League and the National Football League into a single professional football league. The proposed legislation would permit the two leagues to combine their operations without fear that the antitrust laws would apply to that act.

An essential element in this planned merger seeking congressional sanction and upon which it is conditioned, is that the merger results in increasing, rather than decreasing, the number of professional football clubs, operating in the United States.

The committee is advised that the plan for an expanded league assures that all 24 of the existing professional football teams will continue to operate in their present locations. The committee was further advised absent the merger, there was danger that some of the less favorably situated franchises in both existing leagues faced dissolution or transfers to other cities.

One of the results of the merger will be the bringing of professional football teams to new cities. In addition to the two new teams added this year—Miami and Atlanta—the merger calls for two additional franchises by 1968 and two more franchises later.

The agreement provides for a world championship game in January 1967 between the leaders of the two existing leagues. In addition, it is provided that there will be preseason contests beginning in 1967 between teams in the two leagues and regular season interleague play beginning in 1970. The merger will improve player strength and financial resources of weaker teams in both leagues.

The committee discussed the effect of the proposed merger on the football players and agreed that the proposed legislation did not in any way diminish their existing rights. The committee was advised that while bonuses to college players will be reduced, such action will make possible relatively higher salaries for players generally, based on proven ability in professional football, will eliminate inequities which were said to be demoralizing established players, and will substantially increase player salary minimums. The retention of all existing teams and the addition of new franchises will increase the overall employment opportunities for professional football players and coaches.

The committee realizes the concern of professional football at this time for congressional action. An organized professional sports league is entitled to have reservations about proceeding with such measures in the absence of clarifying legislation. Possible injunctive actions or potential treble damage liability, accumulating with each step taken, may make the entire plan impracticable.

The proposed bill would not extend to the combined league any greater antitrust immunity than that now existing for the existing professional football leagues. The proposed legislation does not seek to resolve any of the antitrust problems of professional football or the other professional team sports.

It is the intent of the committee that the new league will commence operations with no greater antitrust immunity than the existing individual league now enjoy. The sole effect of this legislation is to permit the combination of the two leagues to go forward without fear of antitrust challenge based upon a joint agreement between the member clubs of two leagues to combine in a single league and to conduct their affairs as members of a single league.

The proposed legislation also extends to high schools the same protection from the telecasting of professional football games that has already been accorded to the colleges. That protection prohibits the telecasting of a professional foot-

ball game from a telecasting station located within 75 miles of the game site of a college or high school game. The protection extends from 6 o'clock p.m. on the second Friday in September until the second Saturday in December.

In the committee discussion it was pointed out that the existing law does not prohibit the telecasting of a game by a individual football club independently of the league. The high schools and colleges have expressed concern that this practice by an individual club might increase in the future to the detriment of attendance of high school and college games on Friday nights and Saturdays.

The committee was informed that during the last 11 years there have been only five telecasts of a league game on a Friday night. These five games were not nationally telecast, but to an individual city.

The committee views the practice of telecasting professional football games at those times traditionally used for the playing of high school and college games as a serious threat to the scholastic athletic programs. The committee intends to maintain a close scrutiny on this practice with a view of determining at a later date whether further legislation is necessary to circumscribe such a practice.

The committee is of the opinion that the merger of the two football leagues and the protection given high school football contests would be of benefit to the public and organized professional football, and recommends that S. 3817, as amended, be considered favorably.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman) :

ACT OF SEPTEMBER 30, 1961—75 STAT. 732

That the antitrust laws, as defined in section 1 of the Act of October 15, 1914, as amended (38 Stat. 730), or in the Federal Trade Commission Act, as amended (38 Stat. 717), shall not apply :

(a) to any joint agreement by or among persons engaging in or conducting the organized professional team sports of football, baseball, basketball, or hockey, by which any league of clubs participating in professional football, baseball, basketball, or hockey contests sells or otherwise transfers all or any part of the rights of such league's member clubs in the sponsored telecasting of the games of football, baseball, basketball, or hockey, as the case may be, engaged in or conducted by such clubs.

(b) to a joint agreement by which the member clubs of two or more professional football leagues combine their operations in an expanded single league, if such agreement increases rather than decreases the number of professional football clubs so operating, and the provisions of which are directly relevant thereto.

SEC. 2. Section 1 of this Act shall not apply to any joint agreement described in section 1(a) of this Act which prohibits any person to whom such rights are sold or transferred from televising any games within any area, except within the home territory of a member club of the league on a day when such club is playing a game at home.

SEC. 3. Section 1(a) of this Act shall not apply to any joint agreement described in section 1 of this Act which permits the telecasting of all or a substantial part of any professional football game on any Friday after 6 o'clock postmeridian or on any Saturday during the period beginning on the second Friday in September and ending on the second Saturday in December in any year from any telecasting station located within seventy-five miles of the game site of any intercollegiate or interscholastic football contest scheduled to be played on such a date if—

(1) such intercollegiate football contest is between institutions of higher learning both of which confer degrees upon students following completion of sufficient credit hours to equal a four-year course, [and] or

(2) in the case of an interscholastic football contest, such contest is between secondary schools, both of which are accredited or certified under the laws of the State or States in which they are situated and offer courses continuing through the twelfth grade of the standard school curriculum, or the equivalent, and

[(2)] (3) such intercollegiate or interscholastic football contest and such game site were announced through publication in a [daily] newspaper of general circulation prior to [March] August 1 of such year as being regularly scheduled for such day and place.

[H.R. 17661, 89th Cong., 2d sess.]

(MR. CRAMER)

A BILL To amend the Act of September 30, 1961 (75 Stat. 732)

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of September 30, 1961 (75 Stat. 732), is amended—

(1) by inserting a new section 1 as follows:

“Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the antitrust laws, as defined in section 1 of the Act of October 15, 1914, as amended (38 Stat. 730), or in the Federal Trade Commission Act, as amended (38 Stat. 717), shall not apply:

“(a) to any joint agreement by or among persons engaging in or conducting the organized professional team sports of football, baseball, basketball, or hockey, by which any league of clubs participating in professional football, baseball, basketball, or hockey contests sells or otherwise transfers all or any part of the rights of such league's member clubs in the sponsored telecasting of the games of football, baseball, basketball, or hockey, as the case may be, engaged in or conducted by such clubs.

“(b) to any joint agreement by which the member clubs of two or more professional football leagues combine their operations in an expanded single league, where such agreement increases rather than decreases the number of professional football clubs so operating.”

(2) by inserting “(a)” after the words “section 1” in line 2 of section 2;

(3) by inserting a new section 3 as follows:

“Section 1 of this Act shall not apply to any joint agreement described in section 1(a) of this Act which permits the telecasting of all or a substantial part of any professional football game on any Friday after 6 o'clock post meridian or on any Saturday during the period beginning on the second Friday in September and ending on the second Saturday in December in any year from any telecasting station located within seventy-five miles of the game site of any intercollegiate or interscholastic football contest scheduled to be played on such a date if—

“(1) such intercollegiate football contest is between institutions of higher learning, both of which confer degrees upon students following completion of sufficient credit hours to equal a four-year course, or

“(2) in the case of an interscholastic football contest, such contest is between secondary schools, both of which are accredited or certified under the laws of the State or States in which they are situated and offer courses continuing through the twelfth grade of the standard school curriculum, or the equivalent, and

“(3) such intercollegiate or interscholastic football contest and such game site were announced through publication in a daily newspaper of general circulation prior to March 1 of such year as being regularly scheduled for such day and place.”

[H.R. 17675, 89th Cong., 2d sess.]

(MR. GERALD R. FORD)

A BILL To amend the Act of September 30, 1961 (75 Stat. 732)

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of September 30, 1961 (75 Stat. 732), is amended—

(1) by inserting a new section 1 as follows:

“Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the antitrust laws as defined in section 1 of the Act of October 15, 1914, as amended (38 Stat. 730), or in the Federal Trade Commission Act, as amended (38 Stat. 717), shall not apply:

“(a) to any joint agreement by or among persons engaging in or conducting the organized professional team sports of football, baseball, basketball, or hockey, by which any league of clubs participating in professional football, baseball, basketball, or hockey contests sells or otherwise transfers all or any part of the rights of such league's member clubs in the sponsored telecasting of the games of football, baseball, basketball, or hockey, as the case may be, engaged in or conducted by such clubs.

"(b) to any joint agreement by which the member clubs of two or more professional football leagues combine their operations in an expanded single league, where such agreement increases rather than decreases the number of professional football clubs so operating."

(2) by inserting "(a)" after the words "section 1" in line 2 of section 2;

(3) by inserting a new section 3 as follows:

"Section 1 of this Act shall not apply to any joint agreement described in section 1(a) of this Act which permits the telecasting of all or a substantial part of any professional football game on any Friday after 6 o'clock postmeridian or on any Saturday during the period beginning on the second Friday in September and ending on the second Saturday in December in any year from any telecasting station located within seventy-five miles of the game site of any intercollegiate or interscholastic football contest scheduled to be played on such a date if—

"(1) such intercollegiate football contest is between institutions of higher learning, both of which confer degrees upon students following completion of sufficient credit hours to equal a four-year course, or

"(2) in the case of an interscholastic football contest, such contest is between secondary schools, both of which are accredited or certified under the laws of the State or States in which they are situated and offer courses continuing through the twelfth grade of the standard school curriculum, or the equivalent, and

"(3) such intercollegiate or interscholastic football contest and such game site were announced through publication in a daily newspaper of general circulation prior to March 1 of such year as being regularly scheduled for such day and place."

[H.R. 17679, 89th Cong., 2d sess.]

(MR. LAIRD)

A BILL To amend the Act of September 30, 1961 (75 Stat. 732), relating to professional athletics

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of September 30, 1961 (75 Stat. 732), is amended—

(1) by inserting a new section 1 as follows:

"*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That the antitrust laws, as defined in section 1 of the Act of October 15, 1914, as amended (38 Stat. 730), or in the Federal Trade Commission Act, as amended (38 Stat. 717), shall not apply:

"(a) to any joint agreement by or among persons engaging in or conducting the organized professional team sports of football, baseball, basketball, or hockey, by which any league of clubs participating in professional football, baseball, basketball, or hockey contests sells or otherwise transfers all or any part of the rights of such league's member clubs in the sponsored telecasting of the games of football, baseball, basketball, or hockey, as the case may be, engaged in or conducted by such clubs.

"(b) to any joint agreement by which the member clubs of two or more professional football leagues combine their operations in an expanded single league, where such agreement increases rather than decreases the number of professional football clubs so operating."

(2) by inserting "(a)" after the words "section 1" in line 2 of section 2;

(3) by inserting a new section 3 as follows:

"Section 1 of this Act shall not apply to any joint agreement described in section 1(a) of this Act which permits the telecasting of all or a substantial part of any professional football game on any Friday after 6 o'clock postmeridian or on any Saturday during the period beginning on the second Friday in September and ending on the second Saturday in December in any year from any telecasting station located within seventy-five miles of the game site of any intercollegiate or interscholastic football contest scheduled to be played on such a date if—

"(1) such intercollegiate football contest is between institutions of higher learning, both of which confer degrees upon students following completion of sufficient credit hours to equal a four-year course, or

"(2) in the case of an interscholastic football contest, such contest is between secondary schools, both of which are accredited or certified under the laws of the State or States in which they are situated and offer courses

continuing through the twelfth grade of the standard school curriculum, or the equivalent, and

"(3) such intercollegiate or interscholastic football contest and such game site were announced through publication in a daily newspaper of general circulation prior to March 1 of such year as being regularly scheduled for such day and place."

[H.R. 17698, 89th Cong., 2d sess.]

(MR. MINSHALL)

A BILL To amend the Act of September 30, 1961 (75 Stat. 732)

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of September 30, 1961 (75 Stat. 732), is amended—

(1) by inserting a new section 1 as follows:

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the antitrust laws, as defined in section 1 of the Act of October 15, 1914, as amended (38 Stat. 730), or in the Federal Trade Commission Act, as amended (38 Stat. 717), shall not apply:

"(a) to any joint agreement by or among persons engaging in or conducting the organized professional team sports of football, baseball, basketball, or hockey, by which any league of clubs participating in professional football, baseball, basketball, or hockey contests sells or otherwise transfers all or any part of the rights of such league's member clubs in the sponsored telecasting of the games of football, baseball, basketball, or hockey, as the case may be, engaged in or conducted by such clubs.

"(b) to any joint agreement by which the member clubs of two or more professional football leagues combine their operations in an expanded single league, where such agreement increases rather than decreases the number of professional football clubs so operating."

(2) by inserting "(a)" after the words "section 1" in line 2 of section 2;

(3) by inserting a new section 3 as follows:

"Section 1 of this Act shall apply not only to any joint agreement described in section 1(a) of this Act which permits the telecasting of all or a substantial part of any professional football game on any Friday after 6 o'clock post meridian or on any Saturday during the period beginning on the second Friday in September and ending on the second Saturday in December in any year from any telecasting station located within seventy-five miles of the game site of any intercollegiate or interscholastic football contest scheduled to be played on such a date if—

"(1) such intercollegiate football contest is between institutions of higher learning, both of which confer degrees upon students following completion of sufficient credit hours to equal a four-year course, or

"(2) in the case of an interscholastic football contest, such contest is between secondary schools, both of which are accredited or certified under the laws of the State or States in which they are situated and offer courses continuing through the twelfth grade of the standard school curriculum, or the equivalent, and

"(3) such intercollegiate or interscholastic football contest and such game site were announced through publication in a daily newspaper of general circulation prior to March 1 of such year as being regularly scheduled for such day and place."

[H.R. 17765, 89th Cong., 2d sess.]

(MR. MATHIAS)

A BILL To amend the Act of September 30, 1961 (75 Stat. 732)

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of September 30, 1961 (75 Stat. 732), is amended—

(1) by inserting a new section 1 as follows:

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the antitrust laws, as defined in section 1 of the Act of October 15, 1914, as amended (38 Stat. 730), or in the Federal Trade Commission Act, as amended (38 Stat. 717), shall not apply:

"(a) to any joint agreement by or among persons engaging in or conducting the organized professional team sports of football, baseball, basketball, or hockey, by which any league of clubs participating in professional football, baseball, basketball, or hockey contests sells or otherwise transfers all or any part of the rights of such league's member clubs in the sponsored telecasting of the games of football, baseball, basketball, or hockey, as the case may be, engaged in or conducted by such clubs.

"(b) to any joint agreement by which the member clubs of two or more professional football leagues combine their operations in an expanded single league, where such agreement increases rather than decreases the number of professional football clubs so operating."

(2) by inserting "(a)" after the words "section 1" in line 2 of section 2;

(3) by inserting a new section 3 as follows:

"Section 1 of this Act shall not apply to any joint agreement described in section 1(a) of this Act which permits the telecasting of all or a substantial part of any professional football game on any Friday after 6 o'clock postmeridian or on any Saturday during the period beginning on the second Friday in September and ending on the second Saturday in December in any year from any telecasting station located within seventy-five miles of the game site of any intercollegiate or interscholastic football contest scheduled to be played on such a date if—

"(1) such intercollegiate football contest is between institutions of higher learning, both of which confer degrees upon students following completion of sufficient credit hours to equal a four-year course, or

"(2) in the case of an interscholastic football contest, such contest is between secondary schools, both of which are accredited or certified under the laws of the State or States in which they are situated and offer courses continuing through the twelfth grade of the standard school curriculum, or the equivalent, and

"(3) such intercollegiate or interscholastic football contest and such game site were announced through publication in a daily newspaper of general circulation prior to March 1 of such year as being regularly scheduled for such day and place."

[H.R. 17791, 89th Cong., 2d sess.]

(MR. BOGGS)

A BILL To authorize the merger of two or more professional football leagues, and to protect football contests between secondary schools from professional football telecasts

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of September 30, 1961 (75 Stat. 732; 15 U.S.C. 1291), is amended—

(1) by inserting a new section 1 as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the antitrust laws, as defined in section 1 of the Act of October 15, 1914, as amended (38 Stat. 730), or in the Federal Trade Commission Act, as amended (38 Stat. 717), shall not apply:

"(a) to any joint agreement by or among persons engaging in or conducting the organized professional team sports of football, baseball, basketball, or hockey, by which any league of clubs participating in professional football, baseball, basketball, or hockey contests sells or otherwise transfers all or any part of the rights of such league's member clubs in the sponsored telecasting of the games of football, baseball, basketball, or hockey, as the case may be, engaged in or conducted by such clubs.

"(b) to any joint agreement by which the member clubs of two or more professional football leagues combine their operations in an expanded single league, where such agreement increases rather than decreases the number of professional football clubs so operating."

(2) by inserting "(a)" after the words "section 1" in line 2 of section 2;

(3) by inserting a new section 3 as follows:

"Section 1(a) of this Act shall not apply to any joint agreement described in section 1 of this Act which permits the telecasting of all or a substantial part of any professional football game on any Friday after 6 o'clock postmeridian or

on any Saturday during the period beginning on the second Friday in September and ending on the second Saturday in December in any year from any telecasting station located within seventy-five miles of the game site of any intercollegiate or interscholastic football contest scheduled to be played on such a date if—

“(1) such intercollegiate football contest is between institutions of higher learning, both of which confer degrees upon students following completion of sufficient credit hours to equal a four-year course, or

“(2) in the case of an interscholastic football contest, such contest is between secondary schools, both of which are accredited or certified under the laws of the State or States in which they are situated and offer courses continuing through the twelfth grade of the standard school curriculum, or the equivalent, and

“(3) such intercollegiate or interscholastic football contest and such game site were announced through publication in a daily newspaper of general circulation prior to March 1 of such year as being regularly scheduled for such day and place.”

[H.R. 17806, 89th Cong., 2d sess.]

(MR. POFF)

A BILL To amend the Act of September 30, 1961 (75 Stat. 732)

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of September 30, 1961 (75 Stat. 732), is amended—

(1) by inserting a new section 1 as follows:

“Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the antitrust laws, as defined in section 1 of the Act of October 15, 1914, as amended (38 Stat. 730), or in the Federal Trade Commission Act, as amended (38 Stat. 717), shall not apply:

“(a) to any joint agreement by or among persons engaging in or conducting the organized professional team sports of football, baseball, basketball or hockey, by which any league of clubs participating in professional football, baseball, basketball, or hockey contests sells or otherwise transfers all or any part of the rights of such league's member clubs in the sponsored telecasting of the games of football, baseball, basketball, or hockey, as the case may be, engaged in or conducted by such clubs.

“(b) to any joint agreement by which the member clubs of two or more professional football leagues combine their operations in an expanded single league, where such agreement increases rather decreases the number of professional football clubs so operating.”

(2) by inserting “(a)” after the words “section 1” in line 2 of section 2;

(3) by inserting a new section 3 as follows:

“Section 1 of this Act shall not apply to any joint agreement described in section 1(a) of this Act which permits the telecasting of all or a substantial part of any professional football game on any Friday after 6 o'clock postmeridian or on any Saturday during the period beginning on the second Friday in September and ending on the second Saturday in December in any year from any telecasting station located within seventy-five miles of the game site of any intercollegiate or interscholastic football contest scheduled to be played on such a date if—

“(1) such intercollegiate football contest is between institutions of higher learning, both of which confer degrees upon students following completion of sufficient credit hours to equal a four-year course, or

“(2) in the case of an interscholastic football contest, such contest is between secondary schools, both of which are accredited or certified under the laws of the State or States in which they are situated and offer courses continuing through the twelfth grade of the standard school curriculum, or the equivalent, and

“(3) such intercollegiate or interscholastic football contest and such game site were announced through publication in a daily newspaper of general circulation prior to March 1 of such year as being regularly scheduled for such day and place.”

[H.R. 17929, 89th Cong., 2d sess.]

(MR. LEGGETT)

A BILL To amend the Act of September 30, 1961 (75 Stat. 732)

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of September 30, 1961 (75 Stat. 732), is amended—

(1) by inserting a new section 1 as follows:

“Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the antitrust laws, as defined in section 1 of the Act of October 15, 1914, as amended (38 Stat. 730), or in the Federal Trade Commission Act, as amended (38 Stat. 717), shall not apply:

“(a) to any joint agreement by or among persons engaging in or conducting the organized professional team sports of football, baseball, basketball, or hockey, by which any league of clubs participating in professional football, baseball, basketball, or hockey contests sells or otherwise transfers all or any part of the rights of such league's member clubs in the sponsored telecasting of the games of football, baseball, basketball, or hockey, as the case may be, engaged in or conducted by such clubs.

“(b) to any joint agreement by which the member clubs of two or more professional football leagues combine their operations in an expanded single league, where such agreement increases rather than decreases the number of professional football clubs so operating.”

(2) by inserting “(a)” after the words “section 1” in line 2 of section 2;

(3) by inserting a new section 3 as follows:

“Section 1 of this Act shall not apply to any joint agreement described in section 1 (a) of this Act which permits the telecasting of all or a substantial part of any professional football game on any Friday after 6 o'clock post-meridian or on any Saturday during the period beginning on the second Friday in September and ending on the second Saturday in December in any year from any telecasting station located within seventy-five miles of the game site of any intercollegiate or interscholastic football contest scheduled to be played on such a date if—

“(1) such intercollegiate football contest is between institutions of higher learning, both of which confer degrees upon students following completion of sufficient credit hours to equal a four-year course, or

“(2) in the case of an interscholastic football contest, such contest is between secondary schools, both of which are accredited or certified under the laws of the State or States in which they are situated and offer courses continuing through the twelfth grade of the standard school curriculum, or the equivalent, and

“(3) such intercollegiate or interscholastic football contest and such game site were announced through publication in a daily newspaper of general circulation prior to March 1 of such year as being regularly scheduled for such day and place.”

[H.R. 17977, 89th Cong., 2d sess.]

(MR. MACGREGOR)

A BILL To authorize the merger of two or more professional football leagues, and to protect football contests between secondary schools from professional football telecasts

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of September 30, 1961 (75 Stat. 732; 15 U.S.C. 1291), is amended—

(1) by amending the first section thereof to read as follows:

“That the antitrust laws, as defined in section 1 of the Act of October 15, 1914, as amended (38 Stat. 730), or in the Federal Trade Commission Act, as amended (38 Stat. 717), shall not apply:

“(a) to any joint agreement by or among persons engaging in or conducting the organized professional team sports of football, baseball, basketball, or hockey, by which any league of clubs participating in professional football, baseball, basketball, or hockey contests sells or otherwise transfers all or any part of the rights of such league's member clubs in the sponsored telecasting of the games of football, baseball, basketball, or hockey, as the case may be, engaged in or conducted by such clubs.

"(b) to a joint agreement by which the member clubs of two or more professional football leagues combine their operations in an expanded single league, if such agreement increases rather than decreases the number of professional football clubs so operating, and the provisions of which are directly relevant thereto."

(2) by inserting "(a)" after the words "section 1" where such words appear the second time in section 2;

(3) by amending section 3 to read as follows:

"SEC. 3. Section 1(a) of this Act shall not apply to any joint agreement described in section 1 of this Act which permits the telecasting of all or a substantial part of any professional football game on any Friday after 6 o'clock postmeridian or on any Saturday during the period beginning on the second Friday in September and ending on the second Saturday in December in any year from any telecasting station located within seventy-five miles of the game site of any intercollegiate or interscholastic football contest scheduled to be played on such date if—

"(1) such intercollegiate football contest is between institutions of higher learning both of which confer degrees upon students following completion of sufficient credit hours to equal a four-year course, or

"(2) in the case of an interscholastic football contest, such contest is between secondary schools, both of which are accredited or certified under the laws of the State or States in which they are situated and offer courses continuing through the twelfth grade of the standard school curriculum, or the equivalent, and

"(3) such intercollegiate or interscholastic football contest and such game site were announced through publication in a newspaper of general circulation prior to August 1 of such year as being regularly scheduled for such day and place."

[H.R. 18038, 89th Cong., 2d sess.]

(MR. RODINO)

A BILL To authorize the merger of two or more professional football leagues, and to protect football contests between secondary schools from professional football telecasts

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of September 30, 1961 (75 Stat. 732; 15 U.S.C. 1291), is amended—

(1) by amending the first section thereof to read as follows:

"That the antitrust laws, as defined in section 1 of the Act of October 15, 1914, as amended (38 Stat. 730), or in the Federal Trade Commission Act, as amended (38 Stat. 717), shall not apply:

"(a) to any joint agreement by or among persons engaging in or conducting the organized professional team sports of football, baseball, basketball, or hockey, by which any league of clubs participating in professional football, baseball, basketball, or hockey contests sells or otherwise transfers all or any part of the rights of such league's member clubs in the sponsored telecasting of the games of football, baseball, basketball, or hockey, as the case may be, engaged in or conducted by such clubs.

"(b) to a joint agreement by which the member clubs of two or more professional football leagues combine their operations in an expanded single league, if such agreement increases rather than decreases the number of professional football clubs so operating, and the provisions of which are directly relevant thereto."

(2) by inserting "(a)" after the words "section 1" where such words appear the second time in section 2;

(3) by amending section 3 to read as follows:

"SEC. 3. Section 1(a) of this Act shall not apply to any joint agreement described in section 1 of this Act which permits the telecasting of all or a substantial part of any professional football game on any Friday after 6 o'clock postmeridian or on any Saturday during the period beginning on the second Friday in September and ending on the second Saturday in December in any year from any telecasting station located within seventy-five miles of the game site of any intercollegiate or interscholastic football contest scheduled to be played on such a date if—

"(1) such intercollegiate football contest is between institutions of higher learning both of which confer degrees upon students following completion of sufficient credit hours to equal a four-year course, or

"(2) in the case of an interscholastic football contest, such contest is between secondary schools, both of which are accredited or certified under the laws of the State or States in which they are situated and offer courses continuing through the twelfth grade of the standard school curriculum, or the equivalent, and

"(3) such intercollegiate or interscholastic football contest and such game site were announced through publication in a newspaper of general circulation prior to August 1 of such year as being regularly scheduled for such day and place."

[H.R. 18039, 89th Cong., 2d sess.]

(MR. ROGERS OF COLORADO)

A BILL To authorize the merger of two or more professional football leagues, and to protect football contests between secondary schools from professional football telecasts

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of September 30, 1961 (75 Stat. 732; 15 U.S.C. 1291), is amended—

(1) by amending the first section thereof to read as follows:

"That the antitrust laws, as defined in section 1 of the Act of October 15, 1914, as amended (38 Stat. 730), or in the Federal Trade Commission Act, as amended (38 Stat. 717), shall not apply:

"(a) to any joint agreement by or among persons engaging in or conducting the organized professional team sports of football, baseball, basketball, or hockey, by which any league of clubs participating in professional football, baseball, basketball, or hockey contests sells or otherwise transfers all or any part of the rights of such league's member clubs in the sponsored telecasting of the games of football, baseball, basketball, or hockey, as the case may be, engaged in or conducted by such clubs.

"(b) to a joint agreement by which the member clubs of two or more professional football leagues combine their operations in an expanded single league, if such agreement increases rather than decreases the number of professional football clubs so operating, and the provisions of which are directly relevant thereto."

(2) by inserting "(a)" after the words "section 1" where such words appear the second time in section 2;

(3) by amending section 3 to read as follows:

"Sec. 3. Section 1(a) of this Act shall not apply to any joint agreement described in section 1 of this Act which permits the telecasting of all or a substantial part of any professional football game on any Friday after 6 o'clock postmeridian or on any Saturday during the period beginning on the second Friday in September and ending on the second Saturday in December in any year from any telecasting station located within seventy-five miles of the game site of any intercollegiate or interscholastic football contest scheduled to be played on such a date if—

"(1) such intercollegiate football contest is between institutions of higher learning both of which confer degrees upon students following completion of sufficient credit hours to equal a four-year course, or

"(2) in the case of an interscholastic football contest, such contest is between secondary schools, both of which are accredited or certified under the laws of the State or States in which they are situated and offer courses continuing through the twelfth grade of the standard school curriculum, or the equivalent, and

"(3) such intercollegiate or interscholastic football contest and such game site were announced through publication in a newspaper of general circulation prior to August 1 of such year as being regularly scheduled for such day and place."

[H.R. 18040, 89th Cong., 2d sess.]

(MR. CORMAN)

A BILL To authorize the merger of two or more professional football leagues, and to protect football contests between secondary schools from professional football telecasts

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of September 30, 1961 (75 Stat 732; 15 U.S.C. 1291), is amended—

(1) by amending the first section thereof to read as follows:

“That the antitrust laws, as defined in section 1 of the Act of October 15, 1914, as amended (38 Stat. 730), or in the Federal Trade Commission Act, as amended (38 Stat. 717), shall not apply:

“(a) to any joint agreement by or among persons engaging in or conducting the organized professional team sports of football, baseball, basketball, or hockey, by which any league of clubs participating in professional football, baseball, basketball, or hockey contests sells or otherwise transfers all or any part of the rights of such league's member clubs in the sponsored telecasting of the games of football, baseball, basketball, or hockey, as the case may be, engaged in or conducted by such clubs.

“(b) to a joint agreement by which the member clubs of two or more professional football leagues combine their operations in an expanded single league, if such agreement increases rather than decreases the number of professional football clubs so operating, and the provisions of which are directly relevant thereto.”

(2) by inserting “(a)” after the words, “section 1” where such words appear the second time in section 2;

(3) by amending section 3 to read as follows:

“Sec. 3. Section 1(a) of this Act shall not apply to any joint agreement described in section 1 of this Act which permits the telecasting of all or a substantial part of any professional football game on any Friday after 6 o'clock post-meridian or on any Saturday during the period beginning on the second Friday in September and ending on the second Saturday in December in any year from any telecasting station located within seventy-five miles of the game site of any intercollegiate or interscholastic football contest scheduled to be played on such a date if—

“(1) such intercollegiate football contest is between institutions of higher learning both of which confer degrees upon students following completion of sufficient credit hours to equal a four-year course, or

“(2) in the case of an interscholastic football contest, such contest is between secondary schools, both of which are accredited or certified under the laws of the State or States in which they are situated and offer courses continuing through the twelfth grade of the standard school curriculum, or the equivalent, and

“(3) such intercollegiate or interscholastic football contest and such game site were announced through publication in a newspaper of general circulation prior to August 1 of such year as being regularly scheduled for such day and place.”

[H.R. 18047, 89th Cong., 2d sess.]

(MR. O'NEILL OF MASSACHUSETTS)

A BILL To authorize the merger of two or more professional football leagues, and to protect football contests between secondary schools from professional football telecasts

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of September 30, 1961 (75 Stat. 732; 15 U.S.C. 1291), is amended—

(1) by amending the first section thereof to read as follows:

“That the antitrust laws, as defined in section 1 of the Act of October 15, 1914, as amended (38 Stat. 730), or in the Federal Trade Commission Act, as amended (38 Stat. 717), shall not apply:

“(a) to any joint agreement by or among persons engaging in or conducting the organized professional team sports of football, baseball, basketball, or hockey, by which any league of clubs participating in professional football, baseball, basketball, or hockey contests sells or otherwise transfers all or

any part of the rights of such league's member clubs in the sponsored telecasting of the games of football, baseball, basketball, or hockey, as the case may be, engaged in or conducted by such clubs.

"(b) to a joint agreement by which the member clubs of two or more professional football leagues combine their operations in an expanded single league, if such agreement increases rather than decreases the number of professional football clubs so operating, and the provisions of which are directly relevant thereto."

(2) by inserting "(a)" after the words "section 1" where such words appear the second time in section 2;

(3) by amending section 3 to read as follows:

"SEC. 3. Section 1(a) of this Act shall not apply to any joint agreement described in section 1 of this Act which permits the telecasting of all or a substantial part of any professional football game on any Friday after 6 o'clock postmeridian or on any Saturday during the period beginning on the second Friday in September and ending on the second Saturday in December in any year from any telecasting station located within seventy-five miles of the game site of any intercollegiate or interscholastic football contest scheduled to be played on such date if—

"(1) such intercollegiate football contest is between institutions of higher learning both of which confer degrees upon students following completion of sufficient credit hours to equal a four-year course, or

"(2) in the case of an interscholastic football contest, such contest is between secondary schools, both of which are accredited or certified under the laws of the State or States in which they are situated and offer courses continuing through the twelfth grade of the standard school curriculum, or the equivalent, and

"(3) such intercollegiate or interscholastic football contest and such game site were announced through publication in a newspaper of general circulation prior to August 1 of such year as being regularly scheduled for such day and place."

[H.R. 18060, 89th Cong., 2d sess.]

(MR. MORRIS)

A BILL to authorize the merger of two or more professional football leagues, and to protect football contests between secondary schools from professional football telecasts

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of September 30, 1961 (75 Stat. 732; 15 U.S.C. 1291), is amended—

(1) by amending the first section thereof to read as follows:

"That the antitrust laws, as defined in section 1 of the Act of October 15, 1914, as amended (38 Stat. 730), or in the Federal Trade Commission Act, as amended (38 Stat. 717) shall not apply:

"(a) to any joint agreement by or among persons engaging in or conducting the organized professional team sports of football, baseball, basketball, or hockey, by which any league of clubs participating in professional football, baseball, basketball, or hockey contests sells or otherwise transfers all or any part of the rights of such league's member clubs in the sponsored telecasting of the games of football, baseball, basketball, or hockey, as the case may be, engaged in or conducted by such clubs.

"(b) to a joint agreement by which the member clubs of two or more professional football leagues combine their operations in an expanded single league, if such agreement increases rather than decreases the number of professional football clubs so operating, and the provisions of which are directly relevant thereto."

(2) by inserting "(a)" after the words "section 1" where such words appear the second time in section 2;

(3) by amending section 3 to read as follows:

"SEC. 3. Section 1(a) of this Act shall not apply to any joint agreement described in section 1 of this Act which permits the telecasting of all or a substantial part of any professional football game on any Friday after 6 o'clock postmeridian or on any Saturday during the period beginning on the second

Friday in September and ending on the second Saturday in December in any year from any telecasting station located within seventy-five miles of the game site of any intercollegiate or interscholastic football contest scheduled to be played on such a date if—

“(1) such intercollegiate football contest is between institutions of higher learning both of which confer degrees upon students following completion of sufficient credit hours to equal a four-year course, or

“(2) in the case of an interscholastic football contest, such contest is between secondary schools, both of which are accredited or certified under the laws of the State or States in which they are situated and offer courses continuing through the twelfth grade of the standard school curriculum, or the equivalent, and

“(3) such intercollegiate or interscholastic football contest and such game site were announced through publication in a newspaper of general circulation prior to August 1 of such year as being regularly scheduled for such day and place.”

[H.R. 18120, 89th Cong., 2d sess.]

(MR. DOWDY)

A BILL To authorize the merger of two or more professional football leagues, and to protect football contests between secondary schools from professional football telecasts

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of September 30, 1961 (75 Stat. 732; 15 U.S.C. 1291), is amended—

(1) by amending the first section thereof to read as follows:

“That the antitrust laws, as defined in section 1 of the Act of October 15, 1914, as amended (38 Stat. 730), or in the Federal Trade Commission Act, as amended (38 Stat. 717), shall not apply:

“(a) to any joint agreement by or among persons engaging in or conducting the organized professional team sports of football, baseball, basketball, or hockey, by which any league of clubs participating in professional football, baseball, basketball, or hockey contests sells or otherwise transfers all or any part of the rights of such league's member clubs in the sponsored telecasting of the games of football, baseball, basketball, or hockey, as the case may be, engaged in or conducted by such clubs.

“(b) to a joint agreement by which the member clubs of two or more professional football leagues combine their operations in an expanded single league, if such agreement increases rather than decreases the number of professional football clubs so operating, and the provisions of which are directly relevant thereto.”

(2) by inserting “(a)” after the words “section 1” where such words appear the second time in section 2;

(3) by amending section 3 to read as follows:

“Sec. 3. Section 1(a) of this Act shall not apply to any joint agreement described in section 1 of this Act which permits the telecasting of all or a substantial part of any professional football game on any Friday after 6 o'clock postmeridian or on any Saturday during the period beginning on the second Friday in September and ending on the second Saturday in December in any year from any telecasting station located within seventy-five miles of the game site of any intercollegiate or interscholastic football contest scheduled to be played on such a date if—

“(1) such intercollegiate football contest is between institutions of higher learning both of which confer degrees upon students following completion of sufficient credit hours to equal a four-year course, or

“(2) in the case of an interscholastic football contest, such contest is between secondary schools, both of which are accredited or certified under the laws of the State or States in which they are situated and offer courses continuing through the twelfth grade of the standard school curriculum, or the equivalent, and

“(3) such intercollegiate or interscholastic football contest and such game site were announced through publication in a newspaper of general circulation prior to August 1 of such year as being regularly scheduled for such day and place.”

[H.R. 18121, 89th Cong., 2d sess.]

(MR. DUNCAN OF TENNESSEE)

A BILL To amend the Act of September 30, 1961 (75 Stat. 732)

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of September 30, 1961 (75 Stat. 732), is amended—

(1) by inserting a new section 1 as follows:

“Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the antitrust laws, as defined in section 1 of the Act of October 15, 1914, as amended (38 Stat. 730), or in the Federal Trade Commission Act, as amended (38 Stat. 717), shall not apply:

“(a) to any joint agreement by or among persons engaging in or conducting the organized professional team sports of football, baseball, basketball, or hockey, by which any league of clubs participating in professional football, baseball, basketball, or hockey contests sells or otherwise transfers all or part of the rights of such league's member clubs in the sponsored telecasting of the games of football, baseball, basketball, or hockey, as the case may be, engaged in or conducted by such clubs.

“(b) to any joint agreement by which the member clubs of two or more professional football leagues combine their operations in an expanded single league, where such agreement increases rather than decreases the number of professional football clubs so operating.”

(2) by inserting “(a)” after the words “section 1” in line 2 of section 2;

(3) by inserting a new section 3 as follows:

“Section 1 of this Act shall not apply to any joint agreement described in section 1(a) of this Act which permits the telecasting of all or a substantial part of any professional football game on any Friday after 6 o'clock postmeridian or on any Saturday during the period beginning on the second Friday in September and ending on the second Saturday in December in any year from any telecasting station located within seventy-five miles of the game site of any intercollegiate or interscholastic football contest scheduled to be played on such a date if—

“(1) such intercollegiate football contest is between institutions of higher learning, both of which confer degrees upon students following completion of sufficient credit hours to equal a four-year course, or

“(2) in the case of an interscholastic football contest, such contest is between secondary schools, both of which are accredited or certified under the laws of the State or States in which they are situated and offer courses continuing through the twelfth grade of the standard school curriculum, or the equivalent, and

“(3) such intercollegiate or interscholastic football contest and such game site were announced through publication in a daily newspaper of general circulation prior to March 1 of such year as being regularly scheduled for such day and place.”

[H.R. 18123, 89th Cong., 2d sess.]

(MR. KING OF NEW YORK)

A BILL To authorize the merger of two or more professional football leagues, and to protect football contests between secondary schools from professional football telecasts

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of September 30, 1961 (75 Stat. 732; 15 U.S.C. 1291), is amended—

(1) by amending the first section thereof to read as follows:

“That the antitrust laws, as defined in section 1 of the Act of October 15, 1914, as amended (38 Stat. 730), or in the Federal Trade Commission Act, as amended (38 Stat. 717), shall not apply:

“(a) to any joint agreement by or among persons engaging in or conducting the organized professional team sports of football, baseball, basketball, or hockey, by which any league of clubs participating in professional football, baseball, basketball, or hockey contests sells or otherwise transfers all or any part of the rights of such league's member clubs in the sponsored telecasting of the games of football, baseball, basketball, or hockey, as the case may be, engaged in or conducted by such clubs.

"(b) to a joint agreement by which the member clubs of two or more professional football leagues combine their operations in an expanded single league, if such agreement increases rather than decreases the number of professional football clubs so operating, and the provisions of which are directly relevant thereto."

(2) by inserting "(a)" after the words "section 1" where such words appear the second time in section 2;

(3) by amending section 3 to read as follows:

"SEC. 3. Section 1(a) of this Act shall not apply to any joint agreement described in section 1 of this Act which permits the telecasting of all or a substantial part of any professional football game on any Friday after 6 o'clock post-meridian or on any Saturday during the period beginning on the second Friday in September and ending on the second Saturday in December in any year from any telecasting station located within seventy-five miles of the game site of any intercollegiate or interscholastic football contest scheduled to be played on such date if—

"(1) such intercollegiate football contest is between institutions of higher learning both of which confer degrees upon students following completion of sufficient credit hours to equal a four-year course, or

"(2) in the case of an interscholastic football contest, such contest is between secondary schools, both of which are accredited or certified under the laws of the State or States in which they are situated and offer courses continuing through the twelfth grade of the standard school curriculum, or the equivalent, and

"(3) such intercollegiate or interscholastic football contest and such game site were announced through publication in a newspaper of general circulation prior to August 1 of such year as being regularly scheduled for such day and place."

[H.R. 18124, 89th Cong., 2d sess.]

(MR. DINGELL)

A BILL To authorize the merger of two or more professional football leagues, and to protect football contests between secondary schools from professional football telecasts

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of September 30, 1961 (75 Stat. 732; 15 U.S.C. 1291), is amended—

(1) by amending the first section thereof to read as follows:

"That the antitrust laws, as defined in section 1 of the Act of October 15, 1914, as amended (38 Stat. 730), or in the Federal Trade Commission Act, as amended (38 Stat. 717), shall not apply:

"(a) to any joint agreement by or among persons engaging in or conducting the organized professional team sports of football, baseball, basketball, or hockey, by which any league of clubs participating in professional football, baseball, basketball, or hockey contests sells or otherwise transfers all or any part of the rights of such league's member clubs in the sponsored telecasting of the games of football, baseball, basketball, or hockey, as the case may be, engaged in or conducted by such clubs.

"(b) to a joint agreement by which the member clubs of two or more professional football leagues combine their operations in an expanded single league, if such agreement increases rather than decreases the number of professional football clubs so operating, and the provisions of which are directly relevant thereto."

(2) by inserting "(a)" after the words "section 1" where such words appear the second time in section 2;

(3) by amending section 3 to read as follows:

"SEC. 3. Section 1(a) of this Act shall not apply to any joint agreement described in section 1 of this Act which permits the telecasting of all or a substantial part of any professional football game on any Friday after 6 o'clock post-meridian or on any Saturday during the period beginning on the second Friday in September and ending on the second Saturday in December in any year from any telecasting station located within seventy-five miles of the game site of any intercollegiate or interscholastic football contest scheduled to be played on such a date if—

"(1) such intercollegiate football contest is between institutions of higher learning both of which confer degrees upon students following completion of sufficient credit hours to equal a four-year course, or

"(2) in the case of an interscholastic football contest, such contest is between secondary schools, both of which are accredited or certified under the laws of the State or States in which they are situated and offer courses continuing through the twelfth grade of the standard school curriculum, or the equivalent, and

"(3) such intercollegiate or interscholastic football contest and such game site were announced through publication in a newspaper of general circulation prior to August 1 of such year as being regularly scheduled for such day and place."

[H.R. 18131, 89th Cong., 2d sess.]

(MR. WILLIS)

A BILL To authorize the merger of two or more professional football leagues, and to protect football contests between secondary schools from professional football telecasts

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of September 30, 1961 (75 Stat. 732; 15 U.S.C. 1291), is amended—

(1) by amending the first section thereof to read as follows:

"That the antitrust laws, as defined in section 1 of the Act of October 15, 1914, as amended (38 Stat. 730), or in the Federal Trade Commission Act, as amended (38 Stat. 717), shall not apply:

"(a) to any joint agreement by or among persons engaging in or conducting the organized professional team sports of football, baseball, basketball, or hockey, by which any league of clubs participating in professional football, baseball, basketball, or hockey contests sells or otherwise transfers all or any part of the rights of such league's member clubs in the sponsored telecasting of the games of football, baseball, basketball, or hockey, as the case may be, engaged in or conducted by such clubs.

"(b) to a joint agreement by which the member clubs of two or more professional football leagues combine their operations in an expanded single league, if such agreement increases rather than decreases the number of professional football clubs so operating, and the provisions of which are directly relevant thereto."

(2) by inserting "(a)" after the words "section 1" where such words appear the second time in section 2;

(3) by amending section 3 to read as follows:

"SEC. 3. Section 1(a) of this Act shall not apply to any joint agreement described in section 1 of this Act which permits the telecasting of all or a substantial part of any professional football game on any Friday after 6 o'clock postmeridian or on any Saturday during the period beginning on the second Friday in September and ending on the second Saturday in December in any year from any telecasting station located within seventy-five miles of the game site of any intercollegiate or interscholastic football contest scheduled to be played on such a date if—

"(1) such intercollegiate football contest is between institutions of higher learning both of which confer degrees upon students following completion of sufficient credit hours to equal a four-year course, or

"(2) in the case of an interscholastic football contest, such contest is between secondary schools, both of which are accredited or certified under the laws of the State or States in which they are situated and offer courses continuing through the twelfth grade of the standard school curriculum, or the equivalent, and

"(3) such intercollegiate or interscholastic football contest and such game site were announced through publication in a newspaper of general circulation prior to August 1 of such year as being regularly scheduled for such day and place."

[H.R. 18145, 89th Cong., 2d sess.]

(MR. DOLE)

A BILL To amend the Act of September 30, 1961 (75 Stat. 732)

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of September 30, 1961 (75 Stat. 732), is amended—

(1) by inserting a new section 1 as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the antitrust laws as defined in section 1 of the Act of October 15, 1914, as amended (38 Stat. 730), or in the Federal Trade Commission Act, as amended (38 Stat. 717), shall not apply:

“(a) to any joint agreement by or among persons engaging in or conducting the organized professional team sports of football, baseball, basketball, or hockey, by which any league of clubs participating in professional football, baseball, basketball, or hockey contests sells or otherwise transfers all or any part of the rights of such league's member clubs in the sponsored telecasting of the games of football, baseball, basketball, or hockey, as the case may be, engaged in or conducted by such clubs.

“(b) to any joint agreement by which the member clubs of two or more professional football leagues combine their operations in an expanded single league, where such agreement increases rather than decreases the number of professional football clubs so operating.”

(2) by inserting “(a)” after the words “section 1” in line 2 of section 2;

(3) by inserting a new section 3 as follows:

“Section 1 of this Act shall not apply to any joint agreement described in section 1(a) of this Act which permits the telecasting of all or a substantial part of any professional football game on any Friday after 6 o'clock post-meridian or on any Saturday during the period beginning on the second Friday in September and ending on the second Saturday in December in any year from any telecasting station located within seventy-five miles of the game site of any intercollegiate or interscholastic football contest scheduled to be played on such a date if—

“(1) such intercollegiate football contest is between institutions of higher learning, both of which confer degrees upon students following completion of sufficient credit hours to equal a four-year course, or

“(2) in the case of an interscholastic football contest, such contest is between secondary schools, both of which are accredited or certified under the laws of the State or States in which they are situated and offer courses continuing through the twelfth grade of the standard school curriculum, or the equivalent, and

“(3) such intercollegiate or interscholastic football contest and such game site were announced through publication in a daily newspaper of general circulation prior to March 1 of such year as being regularly scheduled for such a day and place.”

[H.R. 18177, 89th Cong., 2d sess.]

(MR. GILBERT)

A BILL To authorize the merger of two or more professional football leagues, and to protect football contests between secondary schools from professional football telecasts

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of September 30, 1961 (75 Stat. 732; 15 U.S.C. 1291), is amended—

(1) by amending the first section thereof to read as follows:

“That the antitrust laws, as defined in section 1 of the Act of October 15, 1914, as amended (38 Stat. 730), or in the Federal Trade Commission Act, as amended (38 Stat. 717), shall not apply:

“(a) to any joint agreement by or among persons engaging in or conducting the organized professional team sports of football, baseball, basketball, or hockey, by which any league of clubs participating in professional foot-

ball, baseball, basketball, or hockey contests sells or otherwise transfers all or any part of the rights of such league's member clubs in the sponsored telecasting of the games of football, baseball, basketball, or hockey, as the case may be, engaged in or conducted by such clubs.

"(b) to a joint agreement by which the member clubs of two or more professional football leagues combine their operations in an expanded single league, if such agreement increases rather than decreases the number of professional football clubs so operating, and the provisions of which are directly relevant thereto."

(2) by inserting "(a)" after the words "section 1" where such words appear the second time in section 2;

(3) by amending section 3 to read as follows:

"SEC. 3. Section 1(a) of this Act shall not apply to any joint agreement described in section 1 of this Act which permits the telecasting of all or a substantial part of any professional football game on any Friday after 6 o'clock postmeridian or on any Saturday during the period beginning on the second Friday in September and ending on the second Saturday in December in any year from any telecasting station located within seventy-five miles of the game site of any intercollegiate or interscholastic football contest scheduled to be played on such a date if—

"(1) such intercollegiate football contest is between institutions of higher learning both of which confer degrees upon students following completion of sufficient credit hours to equal a four-year course, or

"(2) in the case of an interscholastic football contest, such contest is between secondary schools, both of which are accredited or certified under the laws of the State or States in which they are situated and offer courses continuing through the twelfth grade of the standard school curriculum, or the equivalent, and

"(3) such intercollegiate or interscholastic football contest and such game site were announced through publication in a newspaper of general circulation prior to August 1 of such year as being regularly scheduled for such day and place."

[H.R. 18198, 89th Cong., 2d sess.]

(MR. ST. ONGE)

A BILL To authorize the merger of two or more professional football leagues, and to protect football contests between secondary schools from professional football telecasts

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of September 30, 1961 (75 Stat. 732; 15 U.S.C. 1291), is amended—

(1) by amending the first section thereof to read as follows:

"That the antitrust laws, as defined in section 1 of the Act of October 15, 1914, as amended (38 Stat. 730), or in the Federal Trade Commission Act, as amended (38 Stat. 717), shall not apply.

"(a) to any joint agreement by or among persons engaging in or conducting the organized professional team sports of football, baseball, basketball, or hockey, by which any league of clubs participating in professional football, baseball, basketball, or hockey contests sells or otherwise transfers all or any part of the rights of such league's member clubs in the sponsored telecasting of the games of football, baseball, basketball, or hockey, as the case may be, engaged in or conducted by such clubs.

"(b) to a joint agreement by which the member clubs of two or more professional football leagues combine their operations in an expanded single league, if such agreement increases rather than decreases the number of professional football clubs so operating, and the provisions of which are directly relevant thereto."

(2) by inserting "(a)" after the words "section 1" where such words appear the second time in section 2;

(3) by amending section 3 to read as follows:

"SEC. 3. Section 1(a) of this Act shall not apply to any joint agreement described in section 1 of this Act which permits the telecasting of all or a substantial part of any professional football game on any Friday after 6 o'clock postmeridian or on any Saturday during the period beginning on the second

Friday in September and ending on the second Saturday in December in any year from any telecasting station located within seventy-five miles of the game site of any intercollegiate or interscholastic football contest scheduled to be played on such a date if—

“(1) such intercollegiate football contest is between institutions of higher learning both of which confer degrees upon students following completion of sufficient credit hours to equal a four-year course, or

“(2) in the case of an interscholastic football contest, such contest is between secondary schools, both of which are accredited or certified under the laws of the State or States in which they are situated and offer courses continuing through the twelfth grade of the standard school curriculum, or the equivalent, and

“(3) such intercollegiate or interscholastic football contest and such game site were announced through publication in a newspaper of general circulation prior to August 1 of such year as being regularly scheduled for such day and place.”

[H.R. 18226, 89th Cong., 2d sess.]

(MR. MCCLORY)

A BILL To authorize the merger of two or more professional football leagues, and to protect football contests between secondary schools from professional football telecasts

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of September 30, 1961 (75 Stat. 732; 15 U.S.C. 1291), is amended—

(1) by amending the first section thereof to read as follows:

“That the antitrust laws, as defined in section 1 of the Act of October 15, 1914, as amended (38 Stat. 730), or in the Federal Trade Commission Act, as amended (38 Stat. 717), shall not apply:

“(a) to any joint agreement by or among persons engaging in or conducting the organized professional team sports of football, baseball, basketball, or hockey, by which any league of clubs participating in professional football, baseball, basketball, or hockey contests sells or otherwise transfers all or any part of the rights of such league's member clubs in the sponsored telecasting of the games of football, baseball, basketball, or hockey, as the case may be, engaged in or conducted by such clubs.

“(b) to a joint agreement by which the member clubs of two or more professional football leagues combine their operations in an expanded single league, if such agreement increases rather than decreases the number of professional football clubs so operating, and the provisions of which are directly relevant thereto.”

(2) by inserting “(a)” after the words “section 1” where such words appear the second time in section 2;

(3) by amending section 3 to read as follows:

“SEC. 3. Section 1(a) of this Act shall not apply to any joint agreement described in section 1 of this Act which permits the telecasting of all or a substantial part of any professional football game on any Friday after 6 o'clock post-meridian or on any Saturday during the period beginning on the first Friday in September and ending on the second Saturday in December in any year from any telecasting station located within seventy-five miles of the game site of any intercollegiate or interscholastic football contest scheduled to be played on such date if—

“(1) such intercollegiate football contest is between institutions of higher learning both of which confer degrees upon students following completion of sufficient credit hours to equal a four-year course, or

“(2) in the case of an interscholastic football contest, such contest is between secondary schools, both of which are accredited or certified under the laws of the State or States in which they are situated and offer courses continuing through the twelfth grade of the standard school curriculum, or the equivalent, and

“(3) such intercollegiate or interscholastic football contest and such game site were announced through publication in a newspaper of general circulation prior to August 1 of such year as being regularly scheduled for such day and place.”

[H.R. 18258, 89th Cong., 2d sess.]

(MR. MOORE)

A BILL To authorize the merger of two or more professional football leagues, and to protect football contests between secondary schools from professional football telecasts

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of September 30, 1961 (75 Stat. 732; 15 U.S.C. 1291), is amended—

(1) by amending the first section thereof to read as follows:

“That the antitrust laws, as defined in section 1 of the Act of October 15, 1914, as amended (38 Stat. 730), or in the Federal Trade Commission Act, as amended (38 Stat. 717), shall not apply:

“(a) to any joint agreement by or among persons engaging in or conducting the organized professional team sports of football, baseball, basketball, or hockey, by which any league of clubs participating in professional football, baseball, basketball, or hockey contests sells or otherwise transfers all or any part of the rights of such league's member clubs in the sponsored telecasting of the games of football, baseball, basketball, or hockey, as the case may be, engaged in or conducted by such clubs.

“(b) to a joint agreement by which the member clubs of two or more professional football leagues combine their operations in an expanded single league, if such agreement increases rather than decreases the number of professional football clubs so operating, and the provisions of which are directly relevant thereto.”

(2) by inserting “(a)” after the words “section 1” where such words appear the second time in section 2;

(3) by amending section 3 to read as follows:

“SEC. 3. Section 1(a) of this Act shall not apply to any joint agreement described in section 1 of this Act which permits the telecasting of all or a substantial part of any professional football game on any Friday after 6 o'clock postmeridian or on any Saturday during the period beginning on the second Friday in September and ending on the second Saturday in December in any year from any telecasting station located within seventy-five miles of the game site of any intercollegiate or interscholastic football contest scheduled to be played on such a date if—

“(1) such intercollegiate football contest is between institutions of higher learning both of which confer degrees upon students following completion of sufficient credit hours to equal a four-year course, or

“(2) in the case of an interscholastic football contest, such contest is between secondary schools, both of which are accredited or certified under the laws of the State or States in which they are situated and offer courses continuing through the twelfth grade of the standard school curriculum, or the equivalent, and

“(3) such intercollegiate or interscholastic football contest and such game site were announced through publication in a newspaper of general circulation prior to August 1 of such year as being regularly scheduled for such day and place.”

[H.R. 18424, 89th Cong., 2d sess.]

(MR. CONYERS)

A BILL To authorize the merger of two or more professional football leagues, and to protect football contests between secondary schools from professional football telecasts

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of September 30, 1961 (75 Stat. 732; 15 U.S.C. 1291), is amended—

(1) by amending the first section thereof to read as follows:

“That the antitrust laws, as defined in section 1 of the Act of October 15, 1914, as amended (38 Stat. 730), or in the Federal Trade Commission Act, as amended (38 Stat. 717), shall not apply:

“(a) to any joint agreement by or among persons engaging in or conducting the organized professional team sports of football, baseball, basketball, or hockey, by which any league of clubs participating in professional football, baseball, basketball, or hockey contests sells or otherwise transfers all or any

part of the rights of such league's member clubs in the sponsored telecasting of the games of football, baseball, basketball, or hockey, as the case may be, engaged in or conducted by such clubs.

"(b) to a joint agreement by which the member clubs of two or more professional football leagues combine their operations in an expanded single league, if such agreement increases rather than decreases the number of professional football clubs so operating, and the provisions of which are directly relevant thereto."

(2) by inserting "(a)" after the words "section 1" where such words appear the second time in section 2;

(3) by amending section 3 to read as follows:

"SEC. 3. Section 1(a) of this Act shall not apply to any joint agreement described in section 1 of this Act which permits the telecasting of all or a substantial part of any professional football game on any Friday after 6 o'clock postmeridian or on any Saturday during the period beginning on the second Friday in September and ending on the second Saturday in December in any year from any telecasting station located within seventy-five miles of the game site of any intercollegiate or interscholastic football contest scheduled to be played on such a date if—

"(1) such intercollegiate football contest is between institutions of higher learning both of which confer degrees upon students following completion of sufficient credit hours to equal a four-year course, or

"(2) in the case of an interscholastic football contest, such contest is between secondary schools, both of which are accredited or certified under the laws of the State or States in which they are situated and offer courses continuing through the twelfth grade of the standard school curriculum, or the equivalent, and

"(3) such intercollegiate or interscholastic football contest and such game site were announced through publication in a newspaper of general circulation prior to August 1 of such year as being regularly scheduled for such day and place."

The CHAIRMAN. Mr. Rodino.

STATEMENT OF HON. PETER W. RODINO, JR., A REPRESENTATIVE IN CONGRESS FROM THE 10TH DISTRICT OF NEW JERSEY

Mr. RODINO. Mr. Chairman, I wish to compliment the chairman, first of all, for the statement which he has presented to this committee which shows, again, the nature of our chairman: The fact that he proceeds in these matters in a way to be fair and in a way to insure that the things that this committee does is in a manner that we can all be proud of.

At the outset I would like to express appreciation to the chairman of the Judiciary Committee and this subcommittee for scheduling this hearing at a time when the agenda in Congress is, of course, very crowded.

We are considering today, however, a matter of considerable urgency on which, in my judgment, prompt action is essential in the public interest.

The situation briefly is this: The clubs of the National Football League and American Football League have developed a plan to combine into a single and large league, and I am sure that the testimony today will show that his plan offers many exciting benefits to sports fans across the country. Yet, it is now clear that the clubs may not be able to go ahead with this plan in view of serious uncertainty under our antitrust laws. In the absence of legislation they face a prospect of long, complex, and uncertain litigation. I believe we in the Congress have a responsibility to clarify the law, so I have introduced H.R. 18038 which is similar to S. 3817 already passed by the Senate. The

bill will simply permit the football clubs to go ahead with this highly desirable expanded league. It does not deal at all with a host of other complex issues involving the application of antitrust laws to professional sports generally, so these issues are not pertinent to the present bill. They can be considered later when there is more time.

I am pleased, too, that many other bills and similar bills have been introduced by the distinguished majority and minority leaders in the House, and by many colleagues on this subcommittee and the full Judiciary Committee.

I believe millions of sports followers will be disappointed if the plan for an enlarged and improved league is abandoned because of inaction or delay of the Congress. Certainly, the reaction of the public and the press that has come to my attention and the attention of many has been overwhelmingly favorable.

Arthur Daley, the veteran sports columnist of the New York Times, summed up the matter very well with these words which I quote:

Everyone presently involved will benefit. Owners, coaches, team members and fans. The merger will bring stability in pro football to the mutual benefit of all concerned.

So, my main hope today, Mr. Chairman and members of the committee, is that we will give prompt consideration to this legislation while there is yet time to act at this session.

Thank you, Mr. Chairman.

Mr. ROGERS. Mr. Chairman?

The CHAIRMAN. Mr. Rogers?

STATEMENT OF HON. BYRON G. ROGERS, A REPRESENTATIVE IN CONGRESS FROM THE FIRST DISTRICT OF COLORADO

Mr. ROGERS. First, may I pay my respects to the chairman for his fairness and willingness to proceed with the proposals which are now in S. 3817. I have introduced a similar bill, H.R. 18039, with the objective of trying to clear up the situation that exists in football. May I point out, Mr. Chairman, to begin with, this proposal only relates to football and has no relation whatsoever to baseball, and I trust that throughout the hearings will thus be confined.

As a representative of the Denver community I can attest to a strong public support for the plan for an expansion of a nationwide football league.

Unfortunately, the Denver Broncos are not as yet one of the leaders in the AFL—in fact, they won their first game Sunday—but the facts about the new league indicate many arrangements which will help the Broncos compete on more even terms with other franchises, which now may be more favorably situated.

This will add security and stability to teams such as the Broncos and will mean better football games for the public.

The plan not only preserves and strengthens existing franchises, but will bring professional football to fans in new cities, as well as to the fans in Denver. Fans everywhere, are looking forward to the proposed world championship game and to competition between teams in the two leagues.

The antitrust laws obviously are intended to serve, not obstruct, the public interest. The plan for an expanded football league will bring many benefits to the public. It is clearly appropriate for the Congress to clarify the law; to permit the clubs to put this plan into effect. For these reasons I have introduced H.R. 18039 and joined many of my colleagues who have introduced similar bills. The time for action is short, but there is sufficient time if we really want to preserve and strengthen this sport and add to the enjoyment it brings to many communities.

May I add, Mr. Chairman, that at the present time my community is considering the question of the construction of a municipal stadium. If this legislation is approved I am sure that it would aid and assist the football fans in having adequate and larger facilities to carry on their activities in the Denver community. Therefore, Mr. Chairman, I appreciate your letting us have these hearings. I point out that the two large daily papers in the Rocky Mountain area, the Rocky Mountain News and the Denver Post, have written favorable editorials urging the passage of this legislation.

The CHAIRMAN. Mr. Donohue?

Mr. DONOHUE. Nothing at this time.

The CHAIRMAN. Mr. Conyers?

Mr. CONYERS. I do not have a statement.

Mr. KASTENMEIER. Mr. Chairman?

The CHAIRMAN. Mr. Kastenmeier.

STATEMENT OF HON. ROBERT W. KASTENMEIER, A REPRESENTATIVE IN CONGRESS FROM THE SECOND DISTRICT OF WISCONSIN

Mr. KASTENMEIER. Mr. Chairman, I just comment briefly. I am in wholehearted support with the chairman's statement and am particularly pleased the chairman mentioned the move of the Braves from Milwaukee to Atlanta and the suit the State of Wisconsin presently has.

I hate to be in disagreement with my colleague from Colorado, but I do think that all professional sports are involved in this hearing, and to what extent we do not know.

To permit a merger in one case could prejudice in another matter, in courts or otherwise, in which monopolistic practices of another professional sport are under examination, as is the case in the Milwaukee-Braves case.

It is not only this case, Mr. Chairman, but I think there are other matters that require our very thoughtful and cautious concern here as we commence these hearings today. I hope we will not move precipitously in these twilight zones during the last hours of the session.

Mr. ROGERS. Mr. Chairman, in response to the gentleman from Wisconsin, it is my understanding that so far as this legislation is concerned as it relates to baseball, there is no intention to affect baseball nor does baseball claim to have any intention other than to support this legislation. It would not interfere with any suits that may be pending. I am informed that baseball itself supports this legislation. We certainly do not want to upset any rights that Milwaukee may have, nor do we intend to litigate those matters in this hearing.

Mr. KASTENMEIER. Mr. Chairman, if the gentleman will yield. Of course, professional baseball would not object to a merger in other sports that would be inconsistent with its own practices.

The CHAIRMAN. Mr. McCulloch?

Mr. McCULLOCH. Mr. Chairman, I would like to ask my colleague from Colorado a question—and off the record.

(Discussion off the record.)

The CHAIRMAN. Mr. Cramer?

**STATEMENT OF HON. WILLIAM C. CRAMER, A REPRESENTATIVE
IN CONGRESS FROM THE 12TH DISTRICT OF FLORIDA**

Mr. CRAMER. Mr. Chairman, very briefly, I introduced and supported the compromise bill which passed the other body just recently and which is a substantial cutback from the Senate bill, S. 950, passed the year before. This new bill has the objective of excluding the merger of the two leagues from the antitrust law, and is very restrictive in nature.

I will say to my distinguished colleague from Ohio and my distinguished colleague from Colorado that, yes, Miami, too, hopes that this national championship game will be played; as a matter of fact, they have already put in a bid for its location, so there is a considerable interest in the legislation.

The question of whether the merger would be in violation of the antitrust laws as an agreement in restraint of trade remains uncertain. The two leagues have agreed to the terms of such a merger.

The accumulated treble damages that could arise if this uncertainty, is not settled, should somebody bring a law suit challenging the merger could exceed the combined income of all franchises and literally wipe out professional football. The objective basically of this legislation is to get rid of this uncertainty and to legalize, in effect, without question, the merger of the two leagues.

It is highly questionable whether, in view of the uncertain situation without legislation, a responsible sports organization involving 26 or more franchises in 25 or more cities can afford to, and in a good business sense would, go ahead with the merger itself without legislation being passed.

The bill would have the effect of permitting the new merged league to begin operations in 1967, free from the possibility of a legal challenge based solely on the agreement for an expanded league as announced this past June.

And incidentally, the bill protects, and properly so, attendance at high school and college football games by not permitting the telecasting of professional football games on any Friday evening after 6 p.m.

So, I think it is possible to get a good bill out and I hope we do.

Mr. MACGREGOR. Mr. Chairman.

The CHAIRMAN. Mr. MacGregor?

STATEMENT OF HON. CLARK MacGREGOR, A REPRESENTATIVE IN CONGRESS FROM THE THIRD DISTRICT OF MINNESOTA

Mr. MACGREGOR. Mr. Chairman, less than 2 weeks ago the Senate passed the bill, S. 3817. Immediately thereafter I introduced in the House of Representatives a bill identical to the bill passed by the Senate. The purpose in so doing is to facilitate its adoption in the House of Representatives and to avoid the necessity of a conference between the two bodies and to speed this matter to conclusion should this committee decide that the action is wise.

I am particularly impressed with the provisions in the Senate bill which provide an absolute protection for high school football. In my area of the country, and I am sure in all areas of the country, there is a great deal of interest in and a great deal of benefit derived from the highly competitive nature of high school football.

An essential element in this planned merger seeking congressional sanction and upon which it is conditioned, is that the merger results in increasing rather than decreasing the number of professional football clubs operating in the United States.

The plan for an expanded league assures that all 24 of the existing professional football teams will continue to operate in their present locations. Without the merger, there was danger that some of the less favorably situated franchises in both existing leagues face dissolution or transfers to other cities. One of the results of the merger will be the bringing of professional football teams to new cities. In addition to the two new teams added this year—Miami and Atlanta—the merger calls for two additional franchises by 1968 and two more franchises later. Cincinnati, Mr. Chairman, and Seattle, as well as other cities are hotly in contention for these new franchises.

I was impressed with the Chairman's statement here that we must be careful that the recent outstanding growth in professional football not be arrested by legislation.

Mr. Chairman, as one Member of the House who is pleased to have an NFL team in his congressional district, who has been a rabid fan of the Minnesota Vikings—and indeed of professional football generally—and as one who has carefully studied every facet of this problem, I am convinced that this legislation will result in an expansion, not a constriction, of franchises and competition.

I think it is most important to note that in addition to the NFL and the AFL we have at the present time other professional football leagues. Nothing in this proposal will in any way diminish the opportunity of those other professional leagues, and perhaps more still to come, from growing and participating fully in this exciting sport.

May I say to my distinguished colleague from the State of Colorado, his poor Broncos are one up on the Vikings, we haven't won a game yet this year.

Thank you, Mr. Chairman.

The CHAIRMAN. The bells have rung, a quorum is asked for in the House.

We will resume with the other football witnesses on Tuesday next, at 10 o'clock.

(Thereupon, at 11:25 a.m., the subcommittee recessed to reconvene at 10 a.m., Tuesday, October 11, 1966.)

PROFESSIONAL FOOTBALL LEAGUE MERGER

TUESDAY, OCTOBER 11, 1966

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE No. 5,
COMMITTEE ON THE JUDICIARY,
Washington, D.C.

The subcommittee met at 10:10 a.m., pursuant to recess, in room 2141, Rayburn House Office Building, Hon. Emanuel Celler (chairman of the committee) presiding.

Present: Representatives Celler, Rodino, Rogers, Donohue, Kastenmeier, Cramer, and MacGregor.

Also present: Kenneth R. Harkins, chief counsel, Antitrust Subcommittee, and Martin Hoffmann, associate counsel.

The CHAIRMAN. The committee will come to order.

Mr. Rozelle, you have submitted a statement. I take it you want to read it; is that correct?

Mr. ROZELLE. Yes, Mr. Chairman.

The CHAIRMAN. You may proceed.

STATEMENT OF PETE ROZELLE, COMMISSIONER, NATIONAL FOOTBALL LEAGUE; ACCOMPANIED BY LAMAR HUNT, PRESIDENT, KANSAS CITY CHIEFS, AMERICAN FOOTBALL LEAGUE; TEXAS SCHRAMM, PRESIDENT, DALLAS COWBOYS, NATIONAL FOOTBALL LEAGUE; AND HAMILTON CAROTHERS, COUNSEL

Mr. ROZELLE. Mr. Chairman and members of the Antitrust Subcommittee of the House of Representatives, professional football will always be most appreciative of this opportunity for hearings extended by Chairman Celler and the members of this committee. Your recognition of the urgency of our problem and your willingness to review it at this time are most gratifying.

I am here today to respectfully urge this committee to act promptly and to act favorably on S. 3817, a bill of very limited scope. By doing so, you will be making possible a plan for major league professional football in America which has the support of millions of sports fans and which will be beneficial to the colleges and the high schools as well.

I shall not attempt today to set before you every reason, both practical and legal, for the passage of this bill, nor will I attempt to set forth every factor which supports our plan for a single league. I will answer any questions you may have at the close of my statement. Should certain questions fall into areas with which others have greater familiarity, they can be answered by others here today.

I have with me Mr. Lamar Hunt, principal founder of the American Football League and current president of the Kansas City Chiefs of that league. I also have with me Texas Schramm, president of the Dallas Cowboys of the National Football League. These two gentlemen have an established experience in football club operations and played the lead role in developing the single-league plan which this bill will permit to become effective.

On the basis of our present evaluation of the liabilities that might be accumulated through governmental and/or private litigation, I feel I must say very candidly at this time that if legislation is not passed by the Congress, it will be my strong, although reluctant, recommendation to the presidents of the 24 clubs comprising the National Football League and American Football League that they should not proceed with the plan.

I am going to limit my comments simply to the four basic elements of the matter before this committee:

First, I would like to comment on what the bill does and what it does not do.

Secondly, I want to point out some of the many benefits which this single-league plan will bring to the public, to the local fans of professional football clubs, to civic stadium authorities, and the players themselves.

Third, I want to emphasize what is going to happen within a very short period of time if this plan is not made possible.

Fourth, I want to briefly comment on why this bill is necessary and why we urge it be enacted during the present session of Congress.

S. 3817, as passed by the Senate, has two basic purposes. The basic, vital purpose of this bill is to clarify the status under the antitrust laws of our announced plan to bring into existence a single, nationwide professional football league consisting of all present clubs of both the National Football League and the American Football League and other franchises to be added later.

The bill would make this possible by declaring that the simple act of the clubs of both present leagues in bringing their operations within the structure of a single league will not in itself be subject to challenge under the antitrust laws.

It does no more than this.

In the words of the Senate report, it "would not extend to the combined league any greater antitrust immunity than that now existing for the existing professional football leagues." Expressed another way, it would not give the expanded league any greater antitrust immunity than that which other single-league professional sports, such as basketball or hockey, now have.

The only item exempted from the application of the antitrust laws would be the agreement among the member clubs of the two leagues to combine into a single league. All other applications of the antitrust laws to professional sports, which various versions of the sports bill have attempted to clarify, would remain as they are. But we need this intermediate and thoroughly limited measure now in order to give us the ability to go forward with the plan. The orderly expansion and growth of professional football, as opposed to a disorderly contraction, depend on this.

Secondly, the bill would extend to the high schools of America the same protections against Friday night or Saturday telecasts of professional football games as that presently given college football.

The plan for the expanded league is embodied in an agreement between the member clubs of the two leagues which was entered into during the first week of June of this year. That agreement has been filed with counsel for this committee.

I will outline for you its principal features:

1. Every franchise of both leagues will remain in its present location.
2. Two new franchises will be added by the 1968 season, making a total of 26 teams.
3. Studies will then be made of the feasibility of adding two more franchises.
4. A world championship game between the champions of the two present leagues will be established beginning in January 1967.
5. Following this championship game, a player selection system will be instituted by the combined league with priority of selection determined by the won-loss record of each team during the 1966 season.
6. Preseason games will be played between the teams of the two present leagues beginning with the 1967 season.
7. By 1970, there will be full integration of the combined league schedule with regular season games being played by the clubs of the two present leagues.
8. During the period prior to 1970, each league will continue to operate under existing television contracts. Beginning in 1970, there will be an equal division of television income among all clubs of the combined league.

Professional football unquestionably has widespread public support. We appreciate this and, furthermore, we recognize the debt that goes with it in meeting fan desires. The pro football fans have told us in recent years that—

- they wanted a championship game between the leagues;
- they decried what they considered wild spending for unproven talent;
- they didn't like the increasing indication that the stronger teams would continue to dominate the various divisions and conferences of the leagues.

These were their basic points.

We believe we have met these demands and more in every phase of this plan. There is no alternative way of meeting these public interests and establishing them on a permanent basis.

The advantages of this plan to many different interests are clear. Among these, I refer to the following:

1. Professional football operations will be preserved in the 23 cities and 25 stadiums where such operations are presently being conducted. This alone is a matter of considerable public interest—to local economies, stadium authorities, and consumers. Without the plan, franchise moves and/or franchise failures will occur as a matter of course within the next few years.

2. The plan will guarantee additional professional football franchises for a number of new cities. Professional football will then be

even more national in scope, more so than any other professional sport. Without the plan, contraction rather than expansion will be the ultimate consequence, as the developing economic conditions in professional football successively put more and more franchises into difficulty. Professional football experienced this once before in the All-American Conference days and is again heading toward the same end.

3. By placing all the existing major league professional football franchises under one league structure, under a common set of bylaws and on substantially the same basis of economic opportunity, there will be a return to the primary objective of professional football—a type of football competition the public enjoys. With all franchises operating under the same player squad limits, the same pension plan, with equal access to player trades, with equal television income, participation in a player draft, and equally attractive visiting teams, football competition rather than ability to withstand losses can be made the dominant element of the game. Conditions can be created where all clubs, including those in less favorably situated cities, can have an equal run at success in competition with such cities as New York, Los Angeles, and Chicago.

4. Under the plan, a drafted player will receive a minimum income of \$12,000 in his first year of competition.

5. It will substantially increase insurance and pension plan benefits to all AFL players.

6. The later player selection meeting will eliminate interference with the college football program and improve the relationship between amateur and professional athletics.

Our plan does not involve a merger in any traditional business or antitrust sense. All clubs of both leagues remain under their present ownership and there are no exchanges of stock or business assets. What it is, in essence, is an agreement between the member clubs of the two leagues to play games with one another and to conduct their affairs in the manner in which professional sports leagues operate.

But the implementation of the plan makes a broad series of accompanying commitments necessary. Stadium commitments, television commitments, new franchise commitments, the application of a common set of bylaws to the clubs of both leagues, and literally thousands of contract relationships are broadly involved in the plan.

Before even the first of these is undertaken, we must have reasonable assurance that the new league can continue on a permanent basis free of endless litigation directed at each action taken or not taken.

As the newspapers have already made clear, possible injunctive suits and potential treble damage liability, accumulating with each step taken, make the plan extremely hazardous in the absence of congressional approval. The Antitrust Division of the Department of Justice has authorized us to state that they have serious concern about the plan, but they have not yet decided whether to bring suit.

It is conceivable that the sum total of financial risks resulting from legal action could easily be larger than the total value and net assets of all the existing franchises. This is what led me to emphasize at the outset that I would have no responsible alternative, but to recommend that we not proceed.

The consequences of continuing as separate entities are clear. Club-owners in both leagues know it, but current conditions offer no escape.

Both leagues must, if they are to preserve their public image of major league status, secure a fair share of the football talent emerging from the colleges each year. But such talent is in limited supply and, in the last analysis, the competition is not between the two leagues but between the individual clubs of the two leagues.

The results would be player costs soaring ever upward, increasing internal deterioration of both leagues, increasing inequalities of team play within each league and the development of conditions where the ability to field representative football teams will depend solely on the franchise's willingness and ability to stand increasing losses.

These are not simply self-serving speculations. The familiar process is already well underway. No competitive abstractions drawn from other business contexts can alter these results. Factors of income increases, when they have occurred in the past or should they occur in the future, will do not more than advance the struggle to higher income and loss levels.

Today some clubs of both leagues have already withdrawn from the player market. Others, under the pressure of having to remain competitive within their own leagues and with a determination to be among those clubs which survive, are bidding for players at prices which have no relation to football economics.

Indeed, many clubs are assuming deferred payment obligations of such dimensions, that if this practice continues, active player payrolls in future years will be only a minor element of player costs. This is simply a process of exchanging future obligations for present survival, a process which will make future survival even more questionable.

Statistics of individual player contracts have been furnished on a confidential basis to your committee counsel. I can only say that where bonus commitments and deferred payment obligations to single players have exceeded the entire gross road game receipts of a member club, survival in football is shortly going to depend solely on each league's ability to carry its own failing franchises.

The need for this bill is clear. So also is its urgency. We must immediately designate at least one new city for expansion in order to permit that new franchise to develop its organization to participate in the draft scheduled for January.

We must immediately begin making television and other arrangements for the championship game scheduled for this coming January. We must immediately begin preparing for the draft to follow the championship game. We can do none of these things without your prompt support followed by early action in the House of Representatives.

Mr. Chairman, I would like your consideration to add for the record certain comments from newsmen, newspaper editorials, players and athletic officials that have been printed in the newspapers throughout the country in recent months. I would like to simply pass this up and have your consideration that it be inserted in the record.

The CHAIRMAN. You will have that privilege.

(Mr. Rozelle's prepared statement and the comments from the news media are as follows:)

STATEMENT OF COMMISSIONER ROZELLE

Mr. Chairman and members of the Antitrust Subcommittee of the House of Representatives:

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On the basis of our present evaluation of the liabilities that might be accumulated through governmental and/or private litigation, I feel I must say very candidly at this time that if legislation is not passed by the Congress it will be my strong, although reluctant, recommendation to the presidents of the twenty-four clubs comprising the National Football League and American Football League that they should not proceed with the plan.

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REACTION TO THE NFL-AFL PLAN

Press reaction to the National Football League-American Football League announcement of June 8, 1966, has been quite favorable. The plan for our single enlarged nationwide professional football league has evoked widespread public approval:

Gene Ward, New York Daily News, June 13: "Gus and Gussie fans * * * came out the big winners, and it couldn't happen to nicer people. Gus and Gussie

are going to see more and better football * * * they get to keep all their televised football * * * they are going to see the long-awaited world championship show between the kingpins of each loop * * * they are going to see clashes between NFL and AFL clubs * * * you can just bet me if you don't think the Giants and Jets will pack 'em in * * *"

Bob August, the Cleveland Press, June 9: "The Nation's football fans will benefit and increased interest will be assured. By 1970 * * * pro football will operate on a scale never achieved before * * * the players should do very well in the new organization * * * pro football should be better for it in years to come."

Arthur Daley, New York Times, June 10: "The longer a grandstand quarterback thinks about [the agreement] the more convinced he becomes that everyone presently involved will benefit—owners, coaches, team members, and fans * * *. This [championship game] can be developed into the finest attraction on the sports calendar * * *. The merger will bring stability into pro ball to the mutual benefit of all concerned."

Lloyd Larson, Milwaukee Sentinel, June 11: "Football recognizes that expansion is desirable and feasible. And in the process of spreading the 'gospel' to previously untapped areas, it will not cause any established territory to suffer. It all adds up to * * * a strong desire to build more and more good will, probably an entertainment organization's most important asset."

Washington Post, an editorial, June 12: "It is a match that should benefit all concerned. The threat of the dollar sign overwhelming the sense of sport is lessened * * *. Best of all, once the merger is complete, the teams can devote their full attention to providing the fans with good football."

Washington Evening Star, an editorial, June 18: "The merger, which becomes fully effective in 1970, seems in fact to be to everybody's benefit, with the exception of the rookie players and possibly the television networks * * *. For everyone else involved, everything came up roses * * *. The owners, it would seem, thought things over like rational men and decided that the continuing escalation of their war made negotiations necessary."

Bob Maisel, Baltimore Sun, June 26: "The merger of the National and American football leagues was good for both, and for the sport of pro football * * * [it] was a sensible and progressive step."

Boston Globe, June 9, Herb Ralby: "Football fans greeted the news with enthusiasm. Now they would be able to see, live, the star players they had read about and watched on television in the rival league." Neil Singelais: "Players and coaches alike—the people who makes their living from football—couldn't disguise their elation."

Charles Heaton, Cleveland Plain Dealer, June 9: "It all adds up to even more exciting days for the Browns and pro football."

Jack Murphy, San Diego Union, June 10: "In the case of San Diego, it was a gain of almost inestimable value * * *. Looking at the merger from a broader perspective, the immediate advantage is the championship game to be played in January, 1967 * * * it will rank with the Kentucky Derby as the premier spectacle of the American sports scene * * * [it] will be assured of the largest viewing audience in the history of sport."

Sandy Grady, Philadelphia Evening Bulletin, June 10: "The winners, of course, are the fans * * *"

Lewis F. Atchison, Washington Evening Star, June 9: "It meant the end of those fabulous, but outrageous, bonuses for unproven rookies * * *. It also saved some shaky franchises in both leagues from eventually going over the financial cliff * * * spiraling expenses and a fixed income could only end in disaster * * *. Had the leagues continued on their separate ways both would have gone broke, eventually, despite television money."

David Condon, Chicago Tribune, June 11: "No longer will the pro owners defy a law of economics that eventually would have ruined them all."

Arthur Daley, New York Times, June 10: "Fantastic [bonus] payments kept driving the owners ever closer to financial suicide; they handed coaches sacred cows who made their jobs more awkward; they caused resentment among established stars to the disruption of team morale and they made a shabbier over-all package to hand the fans. And this dollar warfare showed signs of escalating into a cruel and ruthless battle to the death. The end came just in time * * *"

Paul Zimmerman, Los Angeles Times, June 12: "The formula [saved] the NFL and AFL from self destruction * * * the pro conflict [was] sheer absurdity."

Robert L. Burnes, St. Louis Globe-Democrat: "* * * an all-out financial war could bring ruin to both leagues * * * the Bench Warmer is happy to see both leagues come to their senses."

Many players as well as sports editors and columnists recognized that while rookie bonuses may not now reach the tremendous sums paid to a few college stars in the recent past, the agreement will be beneficial for players generally, as it benefits the sport as a whole.

Comments by players, Kansas City Chiefs, Len Dawson: "For the fans and all connected with the game, this is the best thing that could happen. Now we can return to the purpose of pro football—to entertain, and, at the same time, prove who really plays it best." Aaron Brown: "That's the greatest news I've heard in years." Jim Tyrer: "This probably saved the game." (Quoted in Kansas City Times, June 9.)

Comments by players, Dallas Cowboys, Pettis Norman: "In the long run, it will probably help both leagues." Frank Clarke: "Now we can give the people who have been supporting pro football and have made it what it is a better show." Ralph Neely: "It's a terrific thing * * *. I think there will be better football and more interest." (Quoted in Dallas Times Herald, June 9.)

Comments by players, St. Louis Cardinals, Larry Stallings: "It was the only logical thing they could have done. The club owners were going to kill themselves." Sonny Randle: "It was getting out of hand, and something had to happen to correct the situation. Football would have been ruined in an all-out war between leagues and players." (Quoted in the St. Louis Post Dispatch, June 9.)

Bob Skoronski, player representative, Green Bay Packers: "This should upgrade the entire pay scale for the proven player. Fighting between the two leagues was not healthy * * *. This makes the entire future of pro football much better * * * the competition should be tremendous." (Quoted in the Green Bay Press Gazette, June 9.)

Tom Hall, Minnesota Vikings: "The veterans will * * * like the college kids getting reasonable bonuses again. It should help the morale of teams; the relationships between rookies and veterans. And it means players will be sticking around longer." Mick Tinkelhoff, Vikings: "It certainly will mean more college players will be drafted." (Quoted in Minneapolis Tribune, June 9.)

Len Dawson, Kansas City quarterback: "It's something all the players wanted. The big bonuses were good for the collegiate players but they were not a good thing (over-all). They often produced bad team morale." (Quoted by United Press, June 23.)

Dallas Morning News, June 19: "Curley Johnson of the New York Jets 'likes the idea of a merger * * * It means more money for everyone, he says, and when the AFL pension plan is brought on a level with the NFL plan, it could mean a retirement income of better than \$800 a month for men like Curley Johnson.'"

Pat Richter, Washington Redskins: "Naturally, the big bonuses create some bad feeling. Now everybody will be on a par. It will be good for team atmosphere." (Quoted in Washington Post, June 9.)

Billy Martin, Atlanta Falcons: "I think the merger will be better for all players, salaries will be comparable, and rookies will have to prove themselves." (Quoted in Atlanta Constitution, June 9.)

John Gordy, player representative, Detroit Lions: "A player is back to bargaining on his own ability * * *. The proven player is in a better position. Maybe he will get the money they were giving to the rookies." (Quoted by Associated Press, June 9.)

David Condon, Chicago Tribune, June 11: "A few graduating college All-Americans may find themselves in the same position you were when leaving the alma mater: having to work for a living. The days of the big bonuses are over. Yet the days of the big salaries may only be beginning. As pro football becomes more popular, established stars will be rewarded with larger checks and increased benefits. That's the way it should be * * *. Now pro football can go back to paying for proven merchandise."

Larry Benz, Atlanta Falcons: "I think it's good for the players and can upgrade both leagues." (Quoted in Cleveland Press, June 9.)

Steve Weller, Buffalo Evening News, June 9: "* * * the majority of players probably will benefit in the long run. There will be more money for sensible expenditures."

Roosevelt Taylor, Chicago Bears: The agreement will be a "wonderful thing." The projected expansion and merger will be beneficial to players just out of college because "the rookies will have a better opportunity to make their club." (Quoted in New Orleans Times-Picayune, June 18.)

The agreement's impact upon colleges also prompted favorable comment:

Fritz Chrisler, athletic director, University of Michigan: "You have to be delighted with anything that gets away from what has been happening [in signing of players]. They bothered the kids. They were even down to the high schools. It had to bother the colleges. The merger should alleviate this situation, and anything that will do that is good." (Quoted by the Associated Press, June 9.)

Paul Zimmerman, sports editor, Los Angeles Times, June 10: "Leading the rejoicing over peace in pro football should be the colleges. Recruiting before the season ended and the pressure put on top stars by a swarm of bird-dogging scouts from the two pro leagues had coaches and athletic directors up in arms. The common draft should put an end to such problems."

Milt Bruhn, coach, University of Wisconsin: "It had reached a ridiculous point with that rivalry between the AFL and NFL. At my opening football practice this spring there were seven different pro teams represented, some by as many as three different scouts * * * [now] there'll be less pressure on the college players." (Quoted in Boston Globe, June 14.)

Boston Globe, June 9: "College coaches in the area, like Harvard's John Yovicsin, Boston University's Warren Schmakel, and Northeastern's Joe Zabalski, felt it would be a stimulant to college and that it would increase attendance * * * Schmakel added, 'It was the only sensible thing to do. The way things were going the morale of the veteran players was hurt more and more by those fabulous bonuses given to the college players' * * * 'It's wonderful for Boston,' remarked Yovicsin, 'and it's a great thing for the American Football League * * * neither league could afford a lengthy war.'"

After it became apparent that the plan for a combined league was in jeopardy because of antitrust uncertainties, a substantial number of editorial writers supported legislation to clarify the law and permit the clubs to go ahead with the plan:

Kansas City Star, September 23: "The much-lauded peace merger of last June between the National and American football leagues now appears to need immediate congressional approval * * *. So pro football is asking Congress, in a separate bill with bipartisan sponsorship, to grant antitrust immunity only to the actual steps required to effect the merger * * *. It seems a reasonable request. We only hope Congress won't delay too long in the huddle."

Chicago Tribune, September 28: "The merger offers many advantages * * * [it] cannot be accomplished if a legal cloud hangs over it * * *. We feel it would be in the interest of the game if the House acted promptly on the legislation."

Buffalo Evening News, September 21: "If the AFL-NFL merger is accomplished and the leagues expand into new cities as planned, the players can't help but benefit, far more than if a half dozen existing clubs collapse * * *. If Congress doesn't cooperate there are going to be a lot of disappointed if not irate football followers."

Denver Post, September 25: "Legislative proposals are before the U.S. Congress which would facilitate the merger and expansion of the two major professional football leagues. These proposals will by no means solve all of pro football's problems but they appear—at this time—to be a reasonable solution to one of the more urgent requirements of the game * * * if Denver is to retain a position in the expanded league, congressional action may be decisive."

San Diego Union, September 20: "When professional football was faced with a crisis that threatened its existence, its leaders acted with enlightenment. (The agreement) was an exciting development for communities as well as fans * * * but a cloud remains * * * a bill assuring (the agreement) is held up in the House * * * favorable action on the Senate bill is essential in this formative year for the new football league."

Long Beach (California) Press-Telegram, September 23: "A bill to allow professional football to proceed without being endangered by antitrust prosecution is now pending in Congress * * * it is to be hoped that Congress will move speedily in resolving this problem * * * the fans will be the ultimate losers if the merger is scuttled."

Pontiac (Michigan) Press, September 26: "Professional football is in dire danger. Sensing the predicament and its importance, a Senate committee has already leaped into action and suggested necessary legislation to save the sport * * * the modification of existing antitrust laws has been equitably and thoughtfully drawn. The public has accepted this sport so completely (the bill) deserves immediate attention."

Pasadena Independent, September 26: "Pro football is only asking that it be relieved of an immediate antitrust threat so that it may proceed with plans which everyone close to the sport wants * * * there is no real reason why Congress should not expedite the bill."

Associated Press radio column, September 22: "The news (of the agreement) was warmly greeted by pro football fans * * * however, there have been road-blocks in the plan to get things moving * * * the chief fear is an antitrust objection that can cause a monkey wrench to be thrown into (the plan). A bipartisan bill for immunity has been prepared in both houses in Washington. And many sports fans are hoping the measure will pass."

San Gabriel Valley Daily Tribune, September 23: "Our primary interest in success of the merger is whether it will improve the game viewed by the spectators. We believe it will * * * The merger (would) be advantageous to the fans, the players, and the clubs * * * therefore we urge our Legislators to get moving * * * if the bill can clear Congress by mid-October, merger plans can proceed on schedule."

The CHAIRMAN. Does that conclude your preliminary statement?

Mr. ROZELLE. Yes, Mr. Chairman.

The CHAIRMAN. On page 4 of your statement, near the top of the page, you say that the only item to be exempted from the application of the antitrust laws would be agreements among the member clubs of the two leagues to combine into a single league.

Is that quite accurate? For example, it would not only be the agreement to bring the two leagues together, but it would also involve all operations under the arrangement that you may make with the two leagues together, is that not so?

Mr. ROZELLE. We take the position, Mr. Chairman, that it simply gives us the right to operate as a single organization, that the practices of that individual organization could be challenged by the Government or private parties just as they can be challenged today.

The CHAIRMAN. Do you not wish the antitrust exemptions to apply to your bylaws and your constitution?

Mr. ROZELLE. No, Mr. Chairman. We are seeking—

The CHAIRMAN. Are you sure of that, Mr. Rozelle? For example, do you mean to say that you do not want the antitrust laws to apply to the assignment of players, to player drafts, to player trades, to minimum salaries, to squad limits, to pension plans? You do want the exemption to apply to that, don't you, and you want it to apply to television, do you not?

Mr. ROZELLE. We have a present exemption with regard to television.

The CHAIRMAN. Do you also want it to apply to closed-circuit television and pay television, too?

Mr. ROZELLE. No, Mr. Chairman, we are not seeking that.

The CHAIRMAN. Many of the documents that you submitted seem to indicate that you are going into pay television, particularly for the championship games. Now, would you want exemption from the antitrust laws for that also?

Mr. ROZELLE. No, we would not, and we will not have pay television for the championship game.

The CHAIRMAN. Don't you think you should consult your lawyer on that?

Mr. CAROTHERS. Mr. Chairman, the Senate bill as passed, read in light of its report, makes it clear that the immunity granted extends solely to the acts which put these two leagues together as a single league. The Senate report says, "The proposed bill would not extend to the combined league any greater antitrust immunity than that now existing for the existing professional football leagues."

The CHAIRMAN. What do the words on page 2, line 16 of the Senate bill, mean? Do you have the bill before you?

"And the provisions of which are directly relevant thereto"?

Mr. CAROTHERS. That language was added by the Senate committee to insure that the limited objective which we urged upon that committee would be achieved.

If we go ahead with this transaction, we carry a double burden. We carry a burden of not only being vulnerable to the extent that any single sports league is vulnerable under the antitrust laws, but we would carry with us the historical fact that every practice that we engaged in as a single league could be attributable to an agreement dated June 8, 1966. Our sole request, as we have stated to both committees and as this committee report makes clear, is to permit us to begin operations as a single league.

Mr. RODINO. Will the chairman yield?

The CHAIRMAN. Yes.

Mr. RODINO. Reading further in the Senate report on page 3, and this intrigues me, because as I understood your request, it was simply that the joint agreement between the two leagues would be that which would be exempted; that is, the merger, the bringing together of the two leagues. But that would not be seeking through this merger to resolve any antitrust problems that might arise which presently could arise within the two leagues.

Mr. CAROTHERS. Our draft system as the practice of a single league could be challenged under the antitrust laws under this bill. It could not be challenged on the basis that an agreement of June 8, 1966, made it a practice of a single league.

The CHAIRMAN. Mr. Carothers, to my mind, as a lawyer, I would say that if it would just give you approval of the agreement, it would give you an empty right; it would be just as worthless as a wine cellar without a corkscrew. You would get nothing out of it; it would mean nothing.

Your joint agreement, for example, I am reading on page 3, speaks of the following: "To develop the mechanics and establish the principles under which the plan will be implemented."

You have to implement this plan. You want exemption from the antitrust laws for the implementation of the plan and the implementation would involve all those factors I have elucidated—the draft, the division of the funds from television and possibly pay television, and the draft, player trades, the boycott, and so forth. If you did not have all that, what would be the good of the bill? It would not be worth anything.

Mr. CAROTHERS. But the exemption would only extend to those acts as acts of bringing the two leagues together. It would not extend to the practices of the league as a single league.

Let's take basketball today. Basketball has a single league; it has a draft system. We do not know whether that draft system is vulnerable under the antitrust laws—

The CHAIRMAN. I think it is vulnerable. The football case makes it clear that basketball and hockey are subject to our antitrust laws. The statements seem to imply that there was immunity from those sports; that is not true, and even—

Mr. ROZELLE. We did not mean to imply that, Mr. Chairman.

The CHAIRMAN. On page 3, in the words of the Senate report :

* * * Would not extend to the combined league any greater antitrust immunity than that now existing for the existing professional football leagues.

Incidentally, that is not quite accurate, because the National Football League is now subject to the antitrust laws.

Mr. ROZELLE. Mr. Chairman, we say here "any greater antitrust immunity." We do have antitrust immunity in the area of television. That is the only reason that wording was in the Senate report.

The CHAIRMAN. You only have limited immunity?

Mr. ROZELLE. Yes, sir.

The CHAIRMAN. Then you say, expressed another way, the bill would not give the expanded league any greater antitrust immunity than that which other single-league professional sports such as basketball or hockey now have.

I don't think that is quite accurate.

Mr. ROZELLE. Mr. Chairman, they, too, have immunity in the area of television.

The CHAIRMAN. In the football case, the court implied that those sports were subject to the antitrust laws. However, Mr. Harkins has some questions.

Mr. HARKINS. Mr. Rozelle, to start, one phase of this problem is, in fact, that there is no merger agreement at the present time, is that not true?

Mr. ROZELLE. There is nothing signed, Mr. Harkins. There is an agreement.

Mr. HARKINS. You have a document that you submitted to the committee which is entitled, "Recapitulation of Basic Terms Agreed to by the Member Clubs of the National Football League and the American Football League." Is this the agreement you are referring to?

Mr. ROZELLE. Yes, sir; it expresses the understanding that has been reached between the two leagues.

Mr. HARKINS. But there is no executed document.

Mr. ROZELLE. There has been nothing signed; no, sir.

Mr. HARKINS. Is there a legal obligation upon the league to proceed at this time?

Mr. CAROTHERS. There is an understanding that the situation will be reviewed as it progresses. The ultimate decision will be made by 24 franchises collectively.

The CHAIRMAN. But at the present time there is no legal document in existence binding anybody?

Mr. CAROTHERS. That document that you have, counsel, expresses the understanding reached between the two leagues in total. I mean by that that there are no signed agreements which have not been submitted.

The CHAIRMAN. You could not enforce this agreement because nobody has signed anything. There is no present obligation. Don't quibble with me, Mr. Carothers, because I don't think that is helpful. There is no present obligation; nobody has signed that document.

Mr. HARKINS. Not only is there no obligation, you have not even agreed in principle on all the understandings you will have to have to have a merger agreement; is that true?

Mr. CAROTHERS. May I speak to that, counsel?

Mr. HARKINS. Yes.

Mr. CAROTHERS. In an ordinary business merger one company acquires the assets of another and that is the sum total of the transaction.

Mr. HARKINS. When do they have an agreement to merge?

Mr. CAROTHERS. I do not think the term "merger" is applicable. Here every club is going to remain under its present ownership.

Mr. HARKINS. So there is no merger.

Mr. CAROTHERS. The putting of these two leagues together is a process of applying to a single league all the rules that the National Football League currently has in operation in its own single league.

Now, quite obviously that requires agreement on the constitution and bylaws, on squad limits, and a whole host of side agreements which have no relevance to the antitrust laws, but are just steps in making a single league operable.

Mr. HARKINS. But they are steps that are relevant to the combining of the two leagues, is that right?

Mr. CAROTHERS. We have to agree on expansion cities; we have to agree on where we will play the championship game; we will have to agree on television arrangements; we will have to do all of those and those could not be put in the basic document. So they are still to come.

Mr. HARKINS. But until these additional agreements are made, the parties are free to go their respective ways, is that true, without liability?

Mr. CAROTHERS. Yes, I presume that is a correct statement. But these clubs have entered into this understanding in good faith and they intend to abide by it.

Mr. HARKINS. They have an agreement in principle, in your document, "Recapitulation of Basic Terms." Your transmittal memorandum stated:

A number of additional understandings will be put in writing when time permits. For example, there will have to be formal agreements with respect to monetary payments. The joint committee will also have certain responsibilities in developing additional understandings to be effective during the interim period, some of which have to be cleared with the league membership. None of these will have any antitrust significance independent of the combination itself and, in most cases, no antitrust significance whatsoever.

This is your statement.

Mr. CAROTHERS. Yes.

Mr. HARKINS. This is an accurate reading of your statement?

Mr. CAROTHERS. Yes, sir.

Mr. HARKINS. It is true, is it not, that document did not subject the league or the club to any legal obligations under the antitrust laws?

Mr. CAROTHERS. We are already defendants in a \$12 million lawsuit based on actions not taken as a result of that agreement of June 8.

The CHAIRMAN. That does not make the claim valid just because the suit was filed.

Mr. CAROTHERS. That is correct, sir.

Mr. HARKINS. You do not have a merger as of June 8, do you?

Mr. CAROTHERS. No, sir.

Mr. HARKINS. You do not have an organized plan as of June 8, do you?

Mr. CAROTHERS. Yes; we do have an organized plan.

Mr. HARKINS. In operation?

Mr. CAROTHERS. No, we have delayed implementation of it until this committee has had an opportunity to look at it.

Mr. HARKINS. Then, is it part of the organized plan to have additional understandings which until made you will have no obligations amongst each other to go forward?

Mr. ROZELLE. The first step would be jointly selecting the two new expansion cities. That should have been done——

Mr. HARKINS. If you do not agree on that, what happens?

Mr. ROZELLE. We must jointly agree.

Mr. HARKINS. You don't have a merger unless you have that joint agreement, right?

Mr. ROZELLE. You mean we could not have expansion if we could not jointly agree?

Mr. HARKINS. You would not even have a combination.

Mr. ROZELLE. I don't understand that, sir.

Mr. HARKINS. The purpose of this line of questioning is to see to what extent you have reached an agreement to merge the two leagues, to combine the two leagues. And the further thrust of the questioning is to see if there is any obligation on the members at this time to go forward on the basis of the understandings that have been reached at this time.

Mr. ROZELLE. I think to some extent it is a matter of semantics. If you wish to say we do not have a signed agreement and that therefore it lacks legality, I would agree with you.

We have an agreement, the 24 people have accepted it, given their word to it, we feel obligated to continue unless circumstances force us to drop the plan.

Mr. HARKINS. But as commissioner of football, you have had occasions arise where you have relied upon the fact that the merger is wholly executory at this time. In fact, you pointed this out to Mr. K. S. Adams of the Houston Oilers Football Club in connection with alleged tampering of player contracts. Do you remember this?

Mr. ROZELLE. Yes.

Mr. HARKINS. The Houston Oilers is a member club of the AFL, is that not so?

Mr. ROZELLE. Yes.

Mr. HARKINS. And you were writing this letter as the commissioner of the NFL?

Mr. ROZELLE. Yes.

Mr. HARKINS. In this letter you stated:

The plan for an expanded league at this time is wholly executory. Neither league is in a position to take steps to implement it earlier than January 1967. We committed ourselves to the Justice Department prior to the announcement of the plan and confirmed this commitment in writing by letter which, I understand, was cleared with both leagues.

What is this commitment you have with the Department of Justice with respect to this merger?

Mr. ROZELLE. I would have our counsel speak on that.

I would like to make one point, however, Mr. Harkins. This is necessarily being done in stages, when you talk about it being implemented. Certain things have already been done. The American Football League for this present season has altered some of its playing rules, revised some provisions of its constitution and bylaws to conform with those of the National Football League, and removed the title of commissioner and replaced that office with the title of president. In other words, steps that could be taken have been taken. Others we feel must await consideration by this committee.

Mr. HARKINS. You do not feel, though, that the steps that have been taken have resulted in a combination this far? The combination that you seek to have—

Mr. ROZELLE. No, we do not.

Mr. CAROTHERS. May I just add to that, that we conferred with the Antitrust Division promptly—the same day of the announcement—to give them an opportunity to evaluate it. We agreed with them that we would do none of the implementing steps which we would ordinarily have done until they had a chance to evaluate it.

As a result, we have had a responsibility to report to them when any step was taken which had permanent significance or in any way antitrust significance.

Mr. HARKINS. You have an agreement with the Department of Justice with respect to this?

Mr. CAROTHERS. We have an agreement to report to them and notify them in advance of taking any of our joint steps.

Mr. HARKINS. With whom in the Department of Justice did you make this agreement?

Mr. CAROTHERS. With Mr. Turner.

Mr. HARKINS. You refer to a letter, to this commitment by a letter. I have not found such a letter in the documents you furnished to the committee.

Mr. CAROTHERS. Yes, sir; Mr. Turner, of course, has the letter and I have a copy.

Mr. HARKINS. Will you supply a copy for the record?

Mr. Chairman, I offer this document.

The CHAIRMAN. It will be accepted for the record.

(The letter to the Houston Oilers Football Club follows:)

THE NATIONAL  FOOTBALL LEAGUE

1 ROCKEFELLER PLAZA,

NEW YORK 20 • JUDSON 2-5265

1 July 1966

Mr. K. S. Adams, Jr.
Houston Oilers Football Club
6910 Fannin Street
Houston 1, Texas

Dear Mr. Adams:

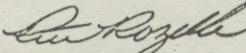
There has recently been called to my attention a number of newspaper articles in the Houston newspapers. I suggest that you may be operating under some misunderstanding.

The plan for an expanded league is at this time wholly executory. Neither league is in a position to take any steps to implement it earlier than January 1967. We committed ourselves to the Justice Department prior to the announcement of the plan and confirmed this commitment in writing by letter which, I understand, was cleared with both leagues. Until league attorneys advise to the contrary, this situation must continue with respect to all phases of the operations of both leagues.

As a consequence, you are under no impediment with respect to player contract negotiations which did not exist before the plan was announced. Within the limitations of your own league's Constitution and By-Laws and ordinary legal principles, you are free to conduct the affairs of the Houston Oilers in any fashion you think best.

I think it only fair to warn you, however, that litigation between franchises has often resulted when a club of one league has tampered with the contract of a player who still has playing time under his contract with a club of another league. In some instances, there have been substantial recoveries against the offending club.

Sincerely,


PETE ROZELLE
Commissioner

PR:te

Sent by certified mail/airmail
861 603 2 July 66

(Mr. Carothers subsequently submitted the letter to Mr. Turner, which follows:)

June 9, 1966

Delivered by hand
June 10, 1966

The Honorable Donald F. Turner
Assistant Attorney General
Antitrust Division
Department of Justice
Washington, D. C.

Re: National Football League/American Football League

Dear Mr. Turner:

This will confirm our conversation concerning the timing of the plan announced yesterday by the above professional football leagues.

Initially, it should be understood that this is not a merger or consolidation in any traditional business sense. No exchanges of stock are required and there will be no transfers of business assets. Each present franchise remains under its present ownership.

The leagues are seeking prompt Congressional endorsement of their plan and hope that legislation clarifying the application of the antitrust laws to professional football will be passed. At the end of the present session the matter will be reviewed on the basis of conditions as they then exist.

The first positive steps towards effectuation of the plan will not take place before January 1967 when a world championship game will be played, followed by a single player draft. Until then, the two leagues will operate under their present league alignments and without inter-league play. While individual league drafts have formerly been held in November, their postponement until after the college season and college bowl game schedule is in accordance with the expressed wishes of both the colleges and members of interested Congressional committees.

The Honorable Donald F. Turner

June 9, 1966

Page Two

During the interim period prior to full integration of the leagues, Commissioner Rozelle will serve as administrator of a committee to be designated by the two leagues to confer on details of the plan's implementation. No money will be paid and the plan will remain purely executory while arrangements for implementing the plan are being explored. You will be informed of any additional proposed interim steps taken for implementing the plan.

As I trust I made clear, the plan announced is a single package which will ultimately stand or fall as such. No variations are contemplated. Unless it becomes possible to proceed with the plan as announced, an expanded National Football League will not be possible.

Sincerely yours,

(Signed) GERHARD A. GESSELL

GAG:ash

bcc: Mr. Rozelle
Mr. Hunt

Mr. HARKINS. The proposal was negotiated for the AFL by Lamar Hunt, the owner of the Kansas City Chiefs, and for the NFL by Mr. Texas Schramm, general manager of the Dallas Cowboys; is that correct?

Mr. ROZELLE. That is correct.

Mr. HARKINS. Is it true that the various owners for the past 2 or 3 years have had discussions to eliminate rivalry between the leagues?

Mr. ROZELLE. Yes; there were discussions. You have had club presidents in each league, perhaps having similar business or social contacts, talking informally for several years, usually those who were more vitally interested in establishing a single league than others were at that time.

Mr. HARKINS. So there have been negotiations, or at least discussions—

Mr. ROZELLE. Not negotiations; I would term them informal discussions.

Mr. HARKINS. On March 30, 1966, were you informally advised by legal counsel, Mr. Carothers, to go ahead with the negotiation for a combined league?

Mr. ROZELLE. Yes; that is correct. He said that discussions could be entered into.

Mr. HARKINS. Are you familiar with the article by Mr. Schramm that appeared in the June 20, 1966, issue of the Sports Illustrated?

Mr. ROZELLE. Yes.

Mr. HARKINS. And in general, does this article accurately set forth the course of the negotiations?

Mr. ROZELLE. It does.

Mr. HARKINS. Would you agree that the primary objective of the negotiations was peace between the leagues and a necessity of avoiding an all-out war?

Mr. ROZELLE. I would say that the primary purpose for the plan would be as follows:

To bring order and stability to professional football and to insure competitive equality on the playing field, which we were losing.

I think that beyond that the personal reasons among the 24 club presidents could roughly be put into 3 categories. I believe that all of them shared the points that I just gave you. But there would be three basic reasons:

1. You would have some clubs in both leagues feeling that continued escalation of player costs in this competition would result in them either being forced to sell, fold, or move their franchise; in other words, money was a factor.

2. I do not feel, however, when you review the names of some of the people having professional football teams, that you could reasonably say that money would be the main factor for all of them. I think in the case of certain types of owners, this is an avocation. Some people of means collect stamps, others might have boats, others would like a football team. I think as an avocation they were losing interest because of the litigation and controversies. It was not entertaining for them.

3. You also have management people who coach as well. In the National Football League, you might refer to George Halas of Chicago or Vince Lombardi of Green Bay. They very strongly felt that con-

tinuation of excessive bonuses and payments to players would cause a complete deterioration of interest and morale on the playing field; the veterans would become even more discontented.

Frankly, the players receiving these sums would lose the vital interest that has made the game great, lose their interest on the playing field. That was the motivating factor, I would say, in the case of those two coached clubs.

So you have different schools of thought that led to this decision.

Mr. HARKINS. This "all-out war" phrase is taken from the article by Mr. Schramm in Sports Illustrated. That refers to the competition you have described in the competition for players?

Mr. ROZELLE. Yes; and raiding of veteran players, perhaps in both leagues.

Mr. ROGERS. Mr. Chairman, may I inquire at this point?

When you speak of the competition for players, or equalization between the league; is this one of the objectives of this proposal that we are now considering?

Mr. ROZELLE. It is one of the main objectives, Mr. Rogers. The football franchise located in your constituency, the Denver Broncos, has not over the last 6 years, I believe this is an accurate statement, signed either their first or second draft choices. This has materially affected the playing of the Denver team. This has also happened to teams in the National Football League.

The intent of the draft was completely negated and some teams were either unable to sign the quality players that their low standing in the league entitled them to, because of competition in the other league, or they would draft for signability. They would take a lesser player feeling they would have a better opportunity of signing him.

Mr. ROGERS. What you are saying is that the system that has been used has not made it possible for the competitive situation to exist among the teams within the league?

Mr. ROZELLE. That is correct.

Mr. ROGERS. And that what you propose to do here is have a system which will equalize it so that you can have competitive teams throughout both the leagues?

Mr. ROZELLE. Yes, sir; the player selection system enabled a community with some 78,000 people, Green Bay, Wis., to develop over a period of years one of the finest football teams in the history of professional football to compete with teams from New York, Los Angeles, and Chicago. That is what the selection system did for Green Bay.

But a Green Bay, and I would also question Denver and perhaps certain others today in the NFL, could not progress in that manner if they were starting today under present circumstances.

Mr. ROGERS. Thank you.

Mr. HARKINS. Mr. Chairman, to return to the Sports Illustrated article by Mr. Schramm:

At one place the article contains a summary called the major points of the merger. It lists seven points.

Would you say that these seven points are accurately set forth?

Mr. ROZELLE. I assume that they are the major points. Certainly there are others, as you are aware of through the documents we have given you, but apparently—

Mr. HARKINS. Do you have the article?

Mr. ROZELLE. I don't have the Sports Illustrated story here.

Mr. HARKINS. Point No. 6 says that American Football League clubs will pay an indemnity of \$18 million to the National Football League over the next 20 years; is that accurate?

Mr. ROZELLE. Yes; that is \$50,000 a year plus interest, per team, over 20 years will be paid.

The CHAIRMAN. What does that mean? What is the reason for that \$18 million to be paid over 20 years as an indemnity? It says the American Football League will pay that to the National Football League over a period of 20 years. Explain that, what does that all mean?

Mr. ROZELLE. It simply means that in negotiating the single league, this was requested of the American Football League clubs by the National Football League clubs and it was accepted by the American Football League clubs.

The CHAIRMAN. The league that pays the indemnity; namely, the American Football League, will not exist as a separate entity for 20 years, it is going to merge?

Mr. ROZELLE. That is correct.

The CHAIRMAN. How can it pay an indemnity if it is merged?

Mr. ROZELLE. Each club—

The CHAIRMAN. What is the reason for the indemnity? I am curious.

Mr. ROZELLE. I think it was the thinking on the part of some people in the National Football League that the plan for equal division of television, which is part of this, would help the present American Football League clubs; that more established teams would be playing AFL teams—

The CHAIRMAN. This is the payment for television rights?

Mr. ROZELLE. No, I am just saying this was just a payment for becoming part of the National Football League.

The CHAIRMAN. In other words, the American League is probably the weaker and therefore it will enjoy greater privileges and greater strength by joining in this league and therefore they must pay \$20 million to the National Football League, which accords them or makes possible this advantage; is that what is means?

Mr. ROZELLE. I guess that is a correct statement, Mr. Chairman.

The CHAIRMAN. How did you figure \$18 million?

Mr. ROZELLE. It was a negotiated figure.

The CHAIRMAN. And that is in addition to other television arrangements that might be made from year to year or other periods with the broadcasting chains?

Mr. ROZELLE. Starting 1970, there would be, of course, television arrangements made to accommodate 26 or 28 teams, and all television income would be shared equally among those teams, whether the team would be located in New York City, Green Bay or Denver.

The CHAIRMAN. Later we will ask you something about pay TV and there is some very interesting material on that score. Would that be in addition to the sharing of pay TV, this \$18 million also?

Mr. ROZELLE. In regard to pay television: (1) Pay television is specifically excluded, as you will recall, in the 1961 television statute. In other words, it is specifically excluded from antitrust immunity operating as a league, a pay television program; and (2) the National Football League's present contract with CBS prohibits any form of pay television.

The CHAIRMAN. We will come to that in a moment.

Go ahead, Mr. Harkins.

(The article from Sports Illustrated follows:)

Sports Illustrated

JUNE 20, 1966

HERE'S HOW IT HAPPENED

by TEX SCHRAMM as told to TEX MAULE

The end of the costly, six-year war between the National and American Football leagues was the result of long secret talks. The general manager of the Dallas Cowboys, who was the NFL's principal negotiator, now reveals the details.

The peace talks that led to agreement between the National Football League and the American began and ended near a statue of a Texas Ranger at the Love Field airport in Dallas, Texas. They started on April 6 of this year, when Lamar Hunt, the owner of the Kansas City Chiefs and one of the founders of the American Football League, interrupted a trip from Kansas City to Houston to meet me at the Dallas airport. I was waiting for him as inconspicuously as possible in the shadow of the Ranger's statue; at this point we did not want to be seen together.

A little over two months later we got off a plane from Washington together and parted at the statue of the Ranger. The deal between the two leagues had been completed after difficult negotiation, and Lamar looked up at the statue and said, "Here we are back at the Ranger again, but it doesn't make

any difference if anyone sees us or not this time."

There has been considerable speculation on what finally brought about a peace. Some think that when the Giants signed Pete Gogolak, the Buffalo kicker, and the AFL began to retaliate, the two leagues ran for cover to avoid spending money. Some people think that this happened because of the Roman Gabriel case on the Coast or the John Brodie case in Houston. But the negotiations were well under way before Gogolak was signed or Gabriel was approached by Oakland or John Brodie, the San Francisco quarterback, visited Houston. In fact, the Gogolak, Gabriel and Brodie cases were stumbling blocks to negotiation.

There had been serious discussion between individual owners in the two leagues for two or three years. You would hear that Sonny Werblin of New York had been talking to Carroll Rosenbloom of Baltimore or that Ralph Wilson of Buffalo had discussed peace

with Art Modell. A certain amount of ground work had been laid before my meeting with Lamar in Dallas.

I had always thought that if a proper plan could be worked out, peace was feasible. Sometime late in February, in a telephone conversation I had with Dan Reeves, the owner of the Los Angeles Rams, we explored the possibilities of a deal and tried to figure out what might be the essentials acceptable to the NFL owners. After talking it over with Dan, I called Pete Rozelle.

Pete and I decided that we should keep the early stages of a peace plan limited to the people most directly involved—Wellington Mara of the New York Giants and Lou Spadia of the San Francisco 49ers, the NFL owners in two-team cities—until it was developed further. We felt that if the NFL could come up with an acceptable plan that was good for the sport, it could then be presented to the American Football League. If they liked it, fine. If not, we could settle down to an all-out war. At the

continued

At his Dallas home, Schramm explains that there still is no formal written peace pact.

HOW IT HAPPENED *continued*

moment we were half fighting and half making love. We wanted the decks cleared.

Pete and I outlined a plan to Mara in a telephone conversation in early March; it was, in rough outline, the same plan that was eventually accepted by both leagues. Wellington was something less than enthusiastic, but he said that if the basics of the plan were strong enough so that the rest of the owners accepted it, the special New York problems could probably be solved.

Then I flew out to San Francisco to try to convince Lou Spadia that a deal could work. Lou's problem in San Francisco was a tough one. New York had shown that it was feasible for two pro clubs to exist in that city, since the Giants were sold out on season tickets and the Jets had a healthy season-ticket sale of their own. San Francisco, on the other hand, is not as big as New York and past history had raised some questions about the success of a two-team market. Lou met me at the airport, and we drove to Palo Alto for lunch.

Lou pointed out, reasonably enough, that he did not mind competing with the Oakland Raiders in San Francisco as long as they were in the AFL and he was in the NFL with exclusive use of NFL teams as opponents. He was not so sure that two NFL clubs could succeed in that area. He pointed out that San Francisco proper is an area bounded on three sides by water, with very little room for growth. The 49ers played in San Francisco's 41-year-old Kezar; the Raiders played in Oakland across the Bay and the growth area in northern California was there.

I had arrived at the airport at 11 in the morning, and Lou took me back at 5 in the afternoon. After six hours of discussion Lou was, to put it mildly, still not enthusiastic. But he understood what we were trying to do, and he agreed not to put any stumbling blocks in our way.

The next step was to discuss the whole thing with the NFL attorneys before approaching anyone in the American Football League. I talked to Hamilton Carothers, a member of the Washington firm of Covington & Burling, on March 30. After he and Pete and I went over the various legal and political aspects of the thing at some length by phone, he said so ahead, informally. Then Pete and I went over the list of American Football League owners, looking for the

best one with whom we could negotiate.

We wanted an owner who had prestige, the desire for peace, time to work on the problem, no personal prejudices—and who could keep his mouth shut. Lamar filled the requirements perfectly, and also he was one of the founders of the league. As a small unpremeditated plus, he lives only a few blocks from me in Dallas—which was to simplify our meetings later on.

So on Monday, April 4, I called Lamar in Kansas City and asked him if he could meet me in Dallas. He said he would arrange his travel from K.C. to an AFL meeting in Houston so that he would have an hour and a half layover in Dallas. His plane arrived in Dallas a little after 7 in the evening, and we met under the Ranger statue, then went out and sat in my car in the parking lot. I laid out the general plan for him and he listened intently, asking a question now and then for clarification. I told him that this was not just conversation, that Rozelle knew about it and approved, but I explained that only a few of our owners were aware of it and suggested that he keep it as confidential as possible for a while, at least until we resolved the problem of the two-team market. Pro football owners are individualists and competitors who like to compete in public. At this stage 24 owners would have made the discussions too unwieldy, so I suggested to Lamar that I be his only direct contact in the NFL and he would be mine in the AFL.

I did not hear from Lamar before going on a brief vacation. In the meantime, at the AFL meeting in Houston, Joe Foss resigned and was replaced by Al Davis. None of this seemed to be too important at the time. I went to Clint Murchison's island on April 12, with my wife and the Rozelles and four other couples, and stayed there until April 17, when my wife and I flew on to Jamaica.

During this time another problem had developed. Wellington Mara had come across information that Sonny Werblin was negotiating for the sale of the New York Jets. Also there were newspaper stories that Barron Hilton would sell the San Diego Chargers. One of the early problems in the peace talks was whether the Jets and Raiders would stay in New York and Oakland. Since these things had a bearing on the situation Lamar Hunt was informed of them. Lamar investigated the stories and reported to

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Wooed by NFL, Linebacker Tommy Nobis enjoyed party at New York's Lala'n Quarter.

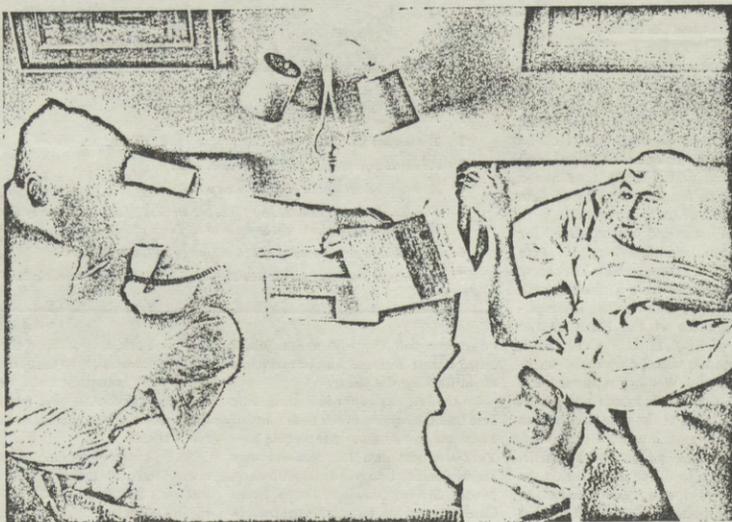


After spirited Aaron Brown away from NFL altar, Lamar Hunt signed him for AFL team.

SOME SIGHTS YOU WON'T SEE ANYMORE



When Hallback Ron Medved was married to Adrian Montbroussous, NFL baby-sitter John Merrill (left) went along, arranged honeymoon, later signed him.



NFL baby-sitter Maurice Murphy (left) established joint occupancy of End Robert Dunlevy's Washington hotel room, stayed until he joined Cowboys.

HOW IT HAPPENED *continued*

us that they would not affect the talks.

Meanwhile, Spadia in San Francisco was growing more and more unhappy, and Pete and Wellington flew out to San Francisco to talk to him on April 21 or 22. I was supposed to go from Jamaica to Panama on May 1 for some fishing, but I canceled the trip so that I could return to Dallas and resume the talks with Lamar. As it turned out, I came back on April 29 because of a flood that nearly washed my house away.

My next meeting with Lamar was in his home at 9 a.m. on the morning of May 3. His home is not far from the Dallas Cowboy office, so the meeting was convenient and inconspicuous. At this meeting we discussed the questions as they existed at the time—primarily to resolve the New York and San Francisco-Oakland area problems, and for the first time I told Lamar how much I personally thought it might cost the AFL. He didn't show much emotion. Luckily, he is a very quiet, unruffled personality. I could not have had a better man to negotiate with. I'm emotional, and I have a tendency to lose my temper. The few times I lost it with Lamar, he simply sat quietly and never flared back.

After this meeting he said he would need another week to think over the proposal. He called me the following Monday, and we met at his home again on Tuesday, May 10. Until this meeting Lamar had been noncommittal. Now he felt any problems could be solved, and for the first time I thought we had a good chance for success. I called Pete and told him of Lamar's reaction.

The NFL meeting was scheduled for Washington beginning May 16. Pete suggested that I come to New York early so that we could have a meeting with Wellington and Lou Spadia. The meeting took place at the Plaza on the evening of May 13 at 9 p.m., and it did not go too well. Lou was still unenthusiastic, and Wellington seemed less receptive than he had been previously. I did not know at the time that he was contemplating signing Pete Gogolak.

The next day I had lunch with Rozelle, and we came to the conclusion that the time was not ripe to present the idea to the league meeting. We decided that we would approach the owners one or two at a time and sound them out in general terms. This way we could get a go-ahead without any premature publicity or a big stir.

Then on Tuesday at the meeting Well dropped his Gogolak bomb. His signing of the Buffalo place kicker was perfectly legal and aboveboard, but it obviously came at a bad time for peace negotiations. Far from triggering an agreement between the leagues, it almost ended the possibility of peace. At a time when we wanted the owners in as harmonious a mood as possible, it created division and anger. And, of course, it created even more problems for Lamar.

I talked to Carroll Rosenbloom and Art Modell, who had talked to AFL owners a year ago, and to Edward Bennett Williams, Vince Lombardi and Dan Reeves, explaining to them the real prospects for a deal and asking their help in talking to the other owners so that there would be no open division at the meeting. They agreed that the prime objective

At this New York discussion Well said he would go along with us, and Spadia said he thought it would be agreeable to the 49ers under certain conditions. But he wanted to review the entire matter with the controlling stockholders of the 49ers, the widows of club founders Vic and Tony Morabito. He set up a meeting with them for Tuesday, May 24.

I flew back to Dallas Saturday night, May 21, and started a string of almost sleepless nights. Pete decided during the next week to discuss with club presidents the details of the proposed plan, leading to final approval. Tuesday, May 24, I flew back to New York, ostensibly to discuss a club TV problem but actually to meet with Pete and some of the other owners. He set up meetings with the Rooney's, Jerry Wolfman, Bill Ford, Modell and Mugs Halas, all of whom came



THE MAJOR POINTS OF THE MERGER

- 1 *Pete Rozelle (above) will be commissioner.*
- 2 *The leagues will play a world championship game this season.*
- 3 *All existing franchises remain at present sites.*
- 4 *A common draft will be held in January 1967.*
- 5 *Two franchises will be added by 1968, one stocked by the NFL, one by the AFL, but both franchise payments will be made to NFL.*
- 6 *AFL clubs to pay indemnity of \$18 million to NFL over 20 years.*
- 7 *Interleague preseason games will be played in 1967, single schedule in 1970.*

was peace and they did a fine job. I called Lamar and told him not to panic about the Gogolak thing.

On the last day of the league meeting Pete told the owners of the possibility of a deal and named a group to meet in New York the next day. Its members were Mara, Spadia, Lombardi, Rosenbloom, Modell, Stormy Bidwill of the St. Louis Cardinals and me. I was expected back in Dallas that day, so I called my wife and told her to tell anyone who called that I had stayed over for the Preakness. I had to remember to watch the Preakness on TV in case anyone asked me about it.

to New York, and outlined the deal for the other owners on the telephone. Everything went smoothly until we got to San Francisco. After his meeting with the widows, Lou Spadia had renewed reservations.

So Pete caught a plane to San Francisco Thursday evening, May 26, and met with Spadia on the 27th. He called me in Dallas later that day to say everything looked O.K., and I suggested that he come to Dallas for a couple of days so that we could finalize the general terms of the plan. Pete came in that night for a quiet weekend, and I told my daughter

not to mention that he was there. She nicknamed him "Sneaky Pete," but she kept quiet. She could not help overhearing our talk, though, as Pete called various club presidents, and at one point she asked incredulously, "Mom, are they talking about peace?" My wife had to threaten her with mayhem if she did not keep quiet.

So Saturday, Sunday and Monday, with Pete working on a borrowed typewriter, we made notes on the plan, and Pete called all the owners, developing a common ground everyone agreed on. By Monday—Memorial Day—we had it all squared away. The American Football League had not heard this version yet, so Sunday night I called Lamar Hunt, who was in Indianapolis for the 500, and asked him if he could come directly to my house in Dallas after the end of the race the next day. He said he could.

Lamar was having trouble with some of his people at this time. They seemed to feel that the NFL was setting some kind of booby trap for them. For the first time Pete talked to Lamar on the phone that Sunday night to reassure him of the good faith of the NFL and to let him know that this was not just conversation with me. Lamar was delayed the next day when the 500 was held up by the big accident. He was supposed to get to Dallas about 7:30, and I was waiting nervously for him to call. Pete had gone back to New York. About 7:50 the phone rang and I jumped a foot, but it was Clint Murchison, the Cowboy owner. I told him I was waiting for Lamar's call and that he had startled me. Some 20 minutes later the phone rang again. It was Clint again, and all he said this time was "Boo!"

Lamar finally called about a quarter after 9, but we were both too tired to meet that night, so he came around the next morning, May 31. I gave him a yellow pad and a pencil and then explained the plan using the five pages of notes that Pete and I had produced. Lamar made no comment as I talked, other than to question points for clarification. When I had finished, I said, "There it is. If you accept, this deal has been approved by every NFL club. If you have to alter it too much, it will blow up."

I ought to make it clear here that Lamar and I, in all the hours we talked about this, never argued bitterly. We were on the same side of the fence, doing our

best to reach a reasonable settlement for both leagues.

After this meeting Lamar went to New York, to the Regency Hotel, with his notes. He was to meet with Ralph Wilson and Billy Sullivan there. This, incidentally, was the first time I knew Lamar had a committee. My discussions were always with him alone. I heard from him again later in the week, by telephone. He gave me a list of 26 points of differences or additions. Some were minor, some were not.

I called Pete in New York, and we went over the 26 points. Either they presented no NFL problems, or Pete took them up with the clubs involved by phone. About a third of Lamar's points were acceptable, another third were not and that left a third to be worked out. A lot of the differences involved simple problems of wording. Even now, there is no formal written agreement between the two leagues other than a few notations made by the participants.

After I talked to Pete I called Lamar. It seems a roundabout way to do things, but that's the way it went for a few hours. Pete and Lamar were about 10 blocks apart in New York, and they negotiated by phone through me in Dallas.

My next meeting with Lamar in person was on Sunday night, June 5, at my home. We went over the master plan, point by point, and we went over the replies to the AFL's 26 points and by the time we finished that session, at 11:45 p.m., there were only a few items of disagreement left. The big bone of contention was on a question of expansion. The NFL and the AFL would each add a team during the four years before the actual combining of the leagues. The NFL owners wanted the AFL to provide the players for the new AFL team, but the payment for the new franchise would go directly to the NFL. That was the way it was settled.

Finally Lamar left to fly to New York early the next morning, and that day, Monday, June 6, we were in almost constant telephone contact, clarifying points. We reached tentative accord around midnight, Dallas time. I called Pete, and he got the approval of the NFL owners by phone by late morning on Tuesday, June 7. It had been planned to appoint committees from both leagues to clear up details and handle the release of the story in a deliberate fashion, but by now rumors were flying and stories were appear-

ing hourly that contained incorrect information. Pete talked to our Washington attorneys, and they advised that we release the news in proper form as soon as possible. They set up dates with Senator Philip Hart and Representative Emanuel Celler for Pete, and the original plan was accelerated. Then we arranged to meet in Washington with attorneys, and I called Lamar in New York.

We tried a little cloak-and-dagger here, reasoning that if all of us showed up in Washington some alert reporter might discover what was up. "We'll take a suite at the Sheraton-Carlton under a fictitious name," I told Lamar. "When you get there, go right up. Don't register under your own name." He agreed and hung up.

Unfortunately, I had forgotten to give him the fictitious name.

A friend of mine made the reservation for us under the name of "Ralph Pittman." Pete arrived in early afternoon, signed in as Ralph Pittman, and then he went to the league attorney's office, where I joined him that evening. I suddenly realized that Lamar did not know the name under which we registered, so I called the desk at the Sheraton and probably created instant confusion. "If a Lamar Hunt comes in and asks for Pete Rozelle or Tex Schramm," I said, "tell him that they are in the Ralph Pittman suite. I am registered there, but my name is Schramm."

Fortunately for all of us, Lamar's plane was delayed, and by pure coincidence he arrived in the lobby of the hotel just as Pete and the attorneys and I returned to the hotel, around 9 p.m. Then we all went to the Ralph Pittman suite and worked until 3 a.m. on the wording of the publicity release. Pete, late Tuesday afternoon, had conferred with Senator Hart on the legal and political aspects of the plan, and Wednesday afternoon he talked with Representative Celler.

We set up the press conference at the Warwick in New York for 6 p.m. Wednesday, and we were 15 minutes late because of traffic on Sixth Avenue. Maybe we were a long time coming to this peace, too. But I'm sure it is not too late.

After long and difficult negotiations involving concessions by people in both the American and the National Football leagues and recommendations by our attorneys, we feel the plan devised and announced is one that the public wants. It should bring about a better and more orderly era in professional football. ■

Mr. HARKINS. Mr. Chairman, Mr. Rozelle, the document entitled "Recapitulation of Basic Terms," which you delivered to the committee, on page 7, subparagraph 5, says:

"The present AFL clubs will pay a total of"—and then it has a blank—"including principal and interest."

Is the figure that should be inserted there \$18 million?

Mr. ROZELLE. I would like to have our counsel speak to that, because there are tax ramifications, Mr. Harkins.

Mr. CAROTHERS. One of the reasons that this is not an executed document at this time is that agreements for exchange of monetary amounts were agreed to, but as always happens in a transaction of this character, later tax consequences are discovered, and as a result the figure that will go into that agreement will be a figure representative of payments agreed upon minus whatever the tax consequences of the exchanges are.

Roughly speaking, it would be in the neighborhood of, I would estimate, \$22 million.

Mr. HARKINS. This indemnity, then, is a tax-free indemnity?

Mr. CAROTHERS. No, sir.

Mr. HARKINS. It is going from \$18 to \$22 million. I do not understand your explanation.

Mr. CAROTHERS. The figure will include a figure that represents \$18 million plus basically the residue after taxes of the franchise expansion sum derived from the 26th franchise.

Mr. HARKINS. This will be an amount of money to be paid by the present American Football League clubs to the present National Football League clubs?

Mr. CAROTHERS. Over a 20-year period, and it represents principal of roughly \$50,000 per AFL clubs per year plus interest.

Mr. HARKINS. This document, "Recapitulation of Basic Terms," indicates that the two leagues believe that unification cannot be achieved before 1970. That is your objective?

Mr. ROZELLE. Full unification; yes, sir.

Mr. HARKINS. During the interim period prior to 1970, the "Basic Terms" outline different procedures in provisions (a) through (q) for a number of different operations. Is this, in fact, accurate?

Mr. ROZELLE. Yes.

Mr. HARKINS. For example, regular season games between the two leagues will not be played before 1970?

Mr. ROZELLE. Yes.

Mr. HARKINS. However, preseason games will begin in 1967?

Mr. ROZELLE. Yes.

Mr. HARKINS. Before 1970, the clubs of the two leagues will not be permitted to have a player trade?

Mr. ROZELLE. That is correct.

Mr. HARKINS. In 1967, however, a championship playoff game is contemplated?

Mr. ROZELLE. Yes.

Mr. HARKINS. Would it be necessary to have a merger for the two leagues to have a championship playoff game?

Mr. ROZELLE. Legally, no. Factually, we feel, yes, for the following reasons:

One, we do not feel that you can, in effect, hit each other over the head for all but one day of the year. You cannot have raiding of players and compete as aggressively as we have been doing and then get together and play a football game.

As an example, if you had squad raiding between the leagues, it would be tantamount to the Brooklyn Dodgers and Baltimore—rather, the Los Angeles Dodgers, Chairman Celler—and the Baltimore Orioles meeting in the world's series a year from now and the Dodgers then having Palmer, McNally, and Bunker pitching for them. We just do not feel that, from a practical standpoint, it can be done.

Two, we feel if the game is to be successful, it must be highly competitive, and we feel to be competitive over the long run we must have a single draft to insure balanced competition for that game.

Mr. HARKINS. Do you think there would be any interest this year in a championship game between the two leagues?

Mr. ROZELLE. Yes.

Mr. HARKINS. Are they equally balanced now?

Mr. ROZELLE. I do not think anyone can answer that until they play, Mr. Harkins.

Mr. HARKINS. But you do not have to merge to find out?

Mr. ROZELLE. Legally, no.

Mr. HARKINS. As Commissioner, you are to be responsible for the television arrangements for the championship playoff game?

Mr. ROZELLE. Yes.

Mr. HARKINS. And you have discussed with the joint committee that has been established the possibility of carrying this championship game on closed-circuit television?

Mr. ROZELLE. I did not originate that, Mr. Harkins. A member of the committee raised the question. It was discussed and completely rejected by myself.

The CHAIRMAN. Pay television would yield to the owners far more money than free, open TV.

Mr. ROZELLE. Since the players receive most of the money from such telecasts, they would receive most of the money. However, I do not think it would be compatible to put that game on a pay-TV basis. I think it has to be carried on free television.

The CHAIRMAN. If we pass this bill in effect, would we not be putting the imprimatur of approval upon your leagues, or your merged leagues, to conduct the world championship games with the use of closed-circuit or pay television?

Mr. ROZELLE. We do not feel that it would, and if there are any questions in your mind, we would settle for a very firm declaration to the contrary in the committee report on this bill.

Chairman CELLER. I did not get that.

Mr. ROZELLE. We do not feel that approval of the bill will have that effect, but if you had any reservations, we would certainly be satisfied with a strong statement to the contrary in your committee report.

The CHAIRMAN. I do not know what effect the statement in the committee report would have. Would you agree that you would not use pay television for your championship games?

Mr. ROZELLE. I certainly would, Chairman Celler. We have no plans to use pay-TV other than as we did on one occasion in the past. We did have theater closed-circuit television in the city of Chicago,

when we had the NFL championship game there in, I believe, 1963. In that instance, the live telecast was not carried in the city of Chicago. But I would certainly agree that we would have our game carried on free regular network television.

Mr. HARKINS. Mr. Chairman.

The CHAIRMAN. Yes, Mr. Harkins.

Mr. HARKINS. Mr. Rozelle, at the July 21, 1966, meeting of the joint committee did Mr. Wilson point out that the closed-circuit television of the championship games could mean \$25 to \$30 million in revenue?

Mr. ROZELLE. He expressed that as his opinion. I advised him I felt that was not a valid estimate, No. 1; and, No. 2, that we would not have closed-circuit or pay television on that game.

Mr. HARKINS. Will you identify Mr. Wilson for us?

Mr. ROZELLE. Mr. Wilson is president of the Buffalo Bills.

Mr. HARKINS. I will continue reading the minutes:

An informal poll indicated that four of the members present were, in favor of the Rose Bowl as the site for the game; one preferred Miami and one was open on the matter.

Mr. Sullivan suggested that the formula used for the Army-Navy game which made tickets available to Congressional people could be considered for this game.

Commissioner Rozelle suggested that it might be possible to try closed circuit television on an experimental basis in Los Angeles if the game were held in the Rose Bowl.

He also pointed out that the blackout policy would create pressure from the Los Angeles press. It was agreed to send out newspapers there in advance for reaction to the Rose Bowl as a site for the game.

Commissioner Rozelle agreed to check with the Rose Bowl people on its availability and report back to the committee. He recommended doing nothing regarding television arrangements at this time.

Is that an accurate statement of what transpired?

Mr. ROZELLE. Yes; it is, Mr. Harkins. As I explained, the only consideration in my mind given to pay television was that cited in the case. If the game were played in Los Angeles, and the live telecast were not carried there, then we would consider doing as was done in Chicago in 1963.

Mr. HARKINS. If this merger goes through, will professional football games be moved from free TV to pay TV?

Mr. ROZELLE. We have no plans to do that. That will not be done.

Mr. HARKINS. However—

Mr. ROZELLE. The 1961 statute, Mr. Harkins, does not give us immunity from antitrust problems in that regard.

Mr. HARKINS. The statute does not apply to contracts made by individual clubs, does it?

Mr. ROZELLE. That is correct.

Mr. HARKINS. Television has been a matter that has been of crucial importance throughout the negotiations for this merger proposal; is that right?

Mr. ROZELLE. No; I would say that is not correct.

Mr. HARKINS. However, television does figure in the Basic Terms that have been provided?

Mr. ROZELLE. From the standpoint that the agreement provided that television income would be shared equally among all clubs starting in 1970, that is correct.

Mr. HARKINS. The Basic Terms, for example, in section 4(d), provide that until 1970 each league will have independent responsibility for its television arrangements?

Mr. ROZELLE. Yes.

Mr. HARKINS. However, after 1970 there will be an equal division from all leagues increasing the television income among all the clubs in the expanded league?

Mr. ROZELLE. Yes; that is primarily because of the existing television commitments of each league.

Mr. HARKINS. This applies to only free television income and does not apply to any pay or closed-circuit television, is that not so?

Mr. ROZELLE. Yes; because pay television income was just not considered, Mr. Harkins. Our plans are to have—

Mr. HARKINS. Was not considered?

Mr. ROZELLE. In discussions between the AFL and the NFL, the only thing considered was the plan starting in 1970 to be on commercial television and share the money equally among the 26 or 28 teams that may exist at that time.

Mr. HARKINS. However, the annual meeting of the National Football League in the Plaza Hotel, New York, on June 30, 1966, there were discussions of this among the National Football League owners?

Mr. ROZELLE. Within the NFL, yes.

Mr. HARKINS. And page 6 of the minutes state as follows:

Commissioner Rozelle announced that the Giants and the 49ers had agreed to waive television indemnification, a point in the recapitulation of terms discussed in yesterday's meeting.

Mr. Leahy discussed the division of regular season television income (Point 3(c) of terms) explaining that this meant that everyone would be committing to a single network with equal division of income; that everyone would be committing to an arrangement whereby any club organizing its own network would pool and divide its income; this excludes pay and closed circuit television—every club would be free to arrange pay television on its own, subject to whatever rules are adopted by the league on this matter.

Is that an accurate statement of what Mr. Leahy said at that meeting?

Mr. ROZELLE. Yes, the reference there, Mr. Harkins, was to having a form of theater or pay television, if it ever came about, in the home city, when the home team was playing at home within the so-called blacked-out area. But that could be only done with the permission of other teams in the league.

Mr. HARKINS. Mr. Modell also "suggested and it was agreed that this should include network preseason game income. Mr. Modell also suggested that pay and closed circuit television income be pooled also."

Is that accurate?

Mr. ROZELLE. Yes.

Mr. HARKINS (reading). "Following discussion it was agreed that this point does not include pay television."

Mr. ROZELLE. That is correct.

Mr. HARKINS (reading): "Mr. Schramm stated this was the understanding by all parties concerned."

Have the NFL and AFL, the negotiating parties, discussed this at the negotiations?

Mr. SCHRAMM. No, we did not discuss pay television at all.

Mr. HARKINS. What do the minutes mean when the minutes say, "Mr. Schramm stated this was the understanding by all parties concerned?"

Mr. SCHRAMM. Our discussions were limited only to free television. We did not even discuss pay television.

Mr. ROGERS. Mr. Chairman, may I interrupt at that point?

As I understand from what Mr. Rozelle has said, there is no intention at the present time of having the closed-circuit television in operation within the combined league is that an accurate statement?

Mr. ROZELLE. The only plan is for free network television. Our present thinking is that because of the logistics of handling perhaps 13 or 14 games on a Sunday afternoon, it would require at least 2 networks.

Mr. ROGERS. But since you do not have any plan or have the closed television setup, there would be no objection, as I take it from what you have to say, for the law to ban the TV closed circuit in this operation. Would there be any objection to that?

Mr. ROZELLE. Well, we would certainly accept a position that we were not given clearance for pay television by this. The only thinking that has been conducted in the National Football League for which I can speak in recent years has been the possibility someday in the future of simply enlarging the stadium, in effect, when a team is playing at home and that area is blacked out by having some form of local pay television, if it ever becomes practical.

But elsewhere, outside of the city where the game is being played, all of our plans are directed toward free, network television.

Mr. ROGERS. Well, there has been some claim that if this legislation was passed, that it would really do away with the regular broadcast of television and eliminate our sit-ins and those who stay at home from looking at the game unless he has the pay.

Mr. ROZELLE. That is why I suggested to Chairman Celler that, if he has any concern about this bill giving us that right, some strong language in the committee report to the effect that it does not give us that right will be perfectly satisfactory.

The CHAIRMAN. I think you went further and said you would be willing to have the act itself proscribe pay television.

Mr. ROZELLE. Yes, sir; we would like to discuss the language, but if the committee report itself would not be strong enough, certainly we would have no objection to adding it to the act.

Mr. ROGERS. Thank you.

The CHAIRMAN. Proceed.

Mr. HARKINS. Mr. Chairman, Mr. Rozelle, notwithstanding the circumstances that your plans are still nebulous and that perhaps pay television will be restricted to operations of individual clubs, is it not so, that the basic terms as submitted as the agreement, which is the subject of this proposed legislation, contemplates that after 1970 each club will be free to arrange pay television on its own, subject to whatever rules are adopted by the league?

Mr. ROZELLE. The only thing that has ever been considered, Mr. Harkins, was the idea that, if pay television became feasible, the League might have a form of pay television in the city where the game is played and where free television is not carried so as to not compete with attendance at the game.

Mr. HARKINS. In fact, there are arrangements regarding the pooling of income from television. I will continue reading the minutes of the annual meeting:

An informal poll regarding the pooling of pay television income showed that thirteen clubs were in favor of this and two passed on the matter at this time.

Commissioner Rozelle recommended that the Joint Committee check this with the AFL Joint Committee.

Have you checked it, at this time, with the AFL Joint Committee?

Mr. ROZELLE. No; it has not been discussed with them.

This was simply a thought for the future that was brought up at the meeting rather late. So long as we are talking about sharing, if pay television ever comes about, why do we not agree now to share it? There was discussion on the matter, but it was certainly not a discussion of the demand to go into pay television. It was simply if it ever came about, why do we not now agree that it be shared equally?

Mr. HARKINS. But this is relevant to the joint agreement that is being submitted here for clearance in bill S. 1387, is that not right?

Mr. ROZELLE. I do not know if it is relevant or not, Mr. Harkins, but I will repeat again, we have no plans for pay television. I will say that the club presidents certainly have considered it, as has everyone in sports. We would be most agreeable to discussing with you language for the committee report or for the bill itself that would satisfy your concern in the matter of pay television.

Mr. MACGREGOR. Mr. Chairman, if I may for just a moment, may I have the floor just to ask a question or two?

The CHAIRMAN. Yes.

Mr. MACGREGOR. I think the record should be clear in connection with Mr. Rozelle's statement about this question of pay television in expanding the number of spectators in an area that can see the game.

Do you, Mr. Rozelle, have the situation among NFL and AFL clubs, where you have sold out the stadium in that particular area, you have other people who would like to see the game but who are denied that opportunity because they live in the blacked out area and because they cannot get a seat to the stadium?

Mr. ROZELLE. Yes, that has been discussed, as a method of expanding the size of the stadium through local theater or some form of pay television.

Mr. MACGREGOR. And is it correct that the discussions referred to by counsel have been on the part of participants in the NFL and AFL from the standpoint of the desire to expand the opportunity for people to see the game?

Mr. ROZELLE. That is the context in which it was discussed.

Mr. MACGREGOR. Thank you, Mr. Chairman.

Mr. HARKINS. Mr. Rozelle, in addition to the recapitulation of basic terms, you have submitted another document entitled, "Recapitulation of Terms Agreed to by the Member Clubs of the National Football League and the American Football League Having Particular Relation to Two-Team Operations in New York City and the San Francisco-Oakland area."

These two areas are the two communities where the National Football League and the American Football League are in direct competition, each having a franchise in the same area?

Mr. ROZELLE. Yes.

Mr. HARKINS. The special terms applicable to the New York Giants and the New York Jets, in paragraph 3, provide that for the regular season games after 1969, "every effort will be made to avoid direct conflicts between the away game of either team on television and the home game of the other."

At the present time are away games of the Jets televised in New York City when the Giants are playing at home?

Mr. ROZELLE. Yes.

Mr. HARKINS. After 1969 do you think the people of New York City will be able to watch away games of the Jets on television on the same day that the Giants are playing at home?

Mr. ROZELLE. Yes.

Mr. HARKINS. Then what is the meaning of "every effort will be made to avoid direct conflicts between the away game of either team on television and the home game of the other?"

Mr. ROZELLE. This is a reference to scheduling, Mr. Harkins. In other words, we will attempt to schedule the away New York team in a time zone that will permit the telecast to come into New York City in a manner to avoid a direct—in other words, let's say, from 2 to 4:30 conflict.

Mr. HARKINS. So, in the fixing of this schedule you are not concerned with a blackout on the day and date; it is just to avoid a direct conflict in playing time?

Mr. ROZELLE. To avoid direct conflict. As you will note here, it is a best effort to avoid the conflict as much as possible.

Mr. HARKINS. Paragraph 4 of the special terms provides "That following unification of the two leagues, the New York Giants and New York Jets, respectively, will be guaranteed that all of their regular season road games will be televised live back in New York City."

Mr. ROZELLE. Yes.

Mr. HARKINS. How will this provision work with the requirements of paragraph 3?

Mr. ROZELLE. In paragraph 3(1) in the first place, it is a best effort. Secondly, as I pointed out, it is to avoid as much of a head-on conflict as possible by scheduling the away team in a time zone that would not result in its telecast coming back in at the exact time and completely overlapping the playing of the game in New York City.

Mr. HARKINS. Then I take your testimony to mean that the people of New York City will be able to see professional football on television when the other club is playing a home game?

Mr. ROZELLE. If they are not, I think we will be in serious difficulty with the people of New York City. We are going to make every effort, which is why I feel we will probably have to go to two networks, to assure that each of the 26 or 28 teams has all of its road games brought back to its home city, just as we do in the National and American Football Leagues today.

Mr. HARKINS. The special terms with respect to San Francisco and Oakland, in paragraph 6 provide that following unification in 1969, no road games of either club will be televised back to either home city on the day when the other team is playing a game at home "without the consent" of the home team.

Mr. ROZELLE. I think if you will take paragraph 6, Mr. Harkins, and several other paragraphs in this agreement involving San Francisco and Oakland, you will find that there is a complete impasse, which was the only logical way that we could reach agreement at the time the matter was being discussed. We have 4 years for something to give. But certainly you will also see here that each team is guaranteed that the road games will come back, I believe.

Mr. HARKINS. You have that in paragraph 8.

Mr. ROZELLE. In other words, they are in conflict. We realized that we had an impasse and something will have to be worked out, perhaps in the manner we discussed in New York, to have the San Francisco team that is at home, attempt to have the Oakland team play in the East, so that its telecast will come into the area prior to the playing of the San Francisco game, and vice versa.

Mr. HARKINS. From the document submitted it appears that the agreement presently reached is that there can be no television of an away game of one of the San Francisco-Oakland teams when the other team is playing at home without the consent of the team playing at home.

Mr. ROZELLE. Also, if you read paragraph 8, you will reach the conclusion I just gave you, an impasse. Paragraph 8 states contrary to paragraph 6, "following unification after 1969, the San Francisco 49ers and Oakland Raiders will be guaranteed that all of the road games will be televised back to their home city."

Mr. HARKINS. That is an inconsistency.

Mr. ROZELLE. It could not be more so.

Mr. HARKINS. Why is there a difference in the special terms for New York City from special terms for the San Francisco-Oakland area?

Mr. ROZELLE. Because in discussions with representatives of those four teams, there was different thinking.

Mr. HARKINS. I see. But this is something to be worked out, you are going to work it out, but until you do, you do not have a consolidated agreement, do you?

Mr. ROZELLE. We have a number of things that must be resolved by 1970. If we go ahead with the plan, we will have 4 years to achieve this, and I am sure we will need every minute of it.

Mr. HARKINS. At the present time, the people of San Francisco have an opportunity to watch on television away games of the 49ers on days that the Raiders are playing at home?

Mr. ROZELLE. That is correct.

Mr. HARKINS. What do you think the situation is going to be after 1969?

Mr. ROZELLE. My feeling is that this will continue. If it does not, we will be in difficulty with the people of the Bay area, just as we will be with the people in the New York area.

Mr. HARKINS. Do you think it is likely that the 49ers are going to give their consent?

Mr. ROZELLE. I merely say that, in my opinion, the Oakland Raiders and San Francisco 49ers both will come back to the Bay area when the team is playing away.

The CHAIRMAN. So it is inconsistent.

Mr. ROZELLE. It is in conflict. We realized it was an impasse and realized it is something that has to be worked out in the next few years.

Mr. HARKINS. So this agreement that is the subject of this legislation has things to be worked out?

Mr. ROZELLE. Yes, sir; prior to 1970.

Mr. HARKINS. If we give you approval of this agreement at this time, why is not the Congress giving you a blank check?

MR. ROZELLE. Because we feel that we are not asking for a blank check. We feel that the Senate report makes it very clear on page 3 that it would not extend to the combined league any greater antitrust immunity than that now existing for the existing professional football leagues. We feel that in the committee report, and if necessary adding language to the bill itself, the same clarification can be made in the House side.

MR. RODINO. Mr. Chairman, just to make this point more clear, because I want to understand this. Our counsel did put this question which bothers him, which is of concern to all of us. You talk of not having any more antitrust immunity than you have now, if you do have any antitrust immunity in any area. Therefore, what you are seeking from this so-called merger, as I see it, is merely an exemption from what could be antitrust litigation as to just the act of bringing the two leagues together into one single league. However, should there arise as a consequence any antitrust implications, you are not seeking at this time through this agreement immunity from such antitrust problems; is that right?

MR. ROZELLE. That is absolutely correct.

THE CHAIRMAN. I think you ought to be very careful in that answer, and your counsel had better answer that rather than you, because you might get yourself into a lot of difficulty.

MR. RODINO. I would like to have that answered, because as I see this, and I do not know whether I look at all the things involved, but this is the way I read the language of the bill. The report that the Senate has written properly interprets the legislative proposal before us, and I agree with it. It seems to be merely a joining of the two leagues which are presently separate leagues, because of—and using the words of the counsel—because of the all-out war which could exist, which in my opinion could destroy the very competition we are seeking to preserve. We want to see football expand. Because of all these things you come to us now and say, there is some apprehension among the leagues into entering into this agreement, because of prospective litigation that could arise merely from the getting together or the combining of these two leagues.

MR. ROZELLE. That is what we are seeking. Today the National Football League could be challenged by the Government or private individuals on the basis of its draft, on the basis of its television practices, or at least those practices not exempt through the 1961 act. It could be challenged on the 75-mile territorial limits in our constitution; it could be challenged on the right of the commissioner to take steps to preserve public confidence in professional football. It could be challenged today on all of those matters either by the Government or by private individual.

Further, if this bill passed, we could still be challenged. We simply ask exemption so that we would not be challenged for the act of becoming a single league, not for the specific practices as such a single league.

Baseball, basketball, hockey could be challenged today on their practices just as we could, and if this bill were passed, all of us could still be challenged on certain things we were not exempt from.

THE CHAIRMAN. All I would say, Mr. Rozelle, if you will forgive me, is that you are just getting an empty right, if that is all you are

seeking. It would not be worth a tinker's dam, with all respect to the Senate.

Mr. RODINO. Mr. Chairman, is it not, however, the reason you are seeking this and promptly, although hopefully we can deliberate on it long enough to be able to justify whatever action we take, is it not because there is presently this apprehension among the two leagues and the clubs that you could be sued? There could be this litigation and, therefore, even though this may be the empty right that the chairman is thinking about or describing, that this is what you seek?

Mr. ROZELLE. That is what we seek. I feel that the position taken and made very clear by the Department of Justice, the fact that one \$12 million suit has already been filed, based strictly upon our announcement of June 8. Others are being contemplated, strictly on the basis of our announcement of June 8, which lends some weight to our concern and has caused me to state unequivocally here today that unless legislation is passed, it will be my recommendation and the only responsible one I could make, although I would make it most reluctantly to the 24 clubs, that they not proceed.

Mr. CRAMER. Will the gentleman yield?

The CHAIRMAN. Go ahead.

Mr. CRAMER. I was interested in the chairman's observation that the bill as drafted, if it means what you suggested it means, is not worth a tinker's dam.

There are some litigants up in Chicago who think it is worth \$12 million.

Mr. ROZELLE. Yes, sir.

Mr. CRAMER. There are some suggested other litigants who think it is worth quite a bit of money.

Mr. ROZELLE. I saw a figure of \$25 million here.

Mr. CRAMER. You are declaring immune the merger itself; is that correct?

Mr. ROZELLE. Yes, sir.

Mr. CRAMER. So as I understand it, what you are after is to, in effect, put into law what the chairman says he thinks the law is anyway—

The CHAIRMAN. Will the gentleman—

Mr. CRAMER (continuing). And that is to exclude from the anti-trust laws the merger itself to prevent treble damages relating to the merger itself. Now, if it is not illegal to merge, the chairman himself, as I understand, feels it is not illegal to merge, then why legislate so that there would not be the risk of additional treble damage, millions of dollars worth of suits.

So far more than a tinker's dam is worth \$12 million a litigant.

The CHAIRMAN. The Chairman's point of view is as follows: You say that you want this bill passed so that you will not be troubled with suits like the one you mentioned involving treble damages equaling \$12 million. That is the result of operations that would exist after the merger has been approved and adopted, and therefore you want immunization from the antitrust laws for your operations of the league after the merger has been approved. That is one of the results that you say you want this bill to do. You want to avoid these treble damage suits, among other reasons that you offer.

Now, those treble damage suits flow from players' objections, players' reluctance to do what you want them to do under your arrange-

ments after the merger goes through. Therefore you want to get immunization from actions after the merger. That is what you seek. Otherwise, to my mind this thing is of no value or use to you.

Mr. ROZELLE. I would like to have our counsel speak to that, if I may, Mr. Chairman.

Mr. CAROTHERS. We are willing to assume the burden of defending any practice in which we engage as a practice engaged in by a single league.

In the present context, we would for the indefinite future be bearing the burden of not only defending our practices as a single league under the antitrust laws, but the fact that the single league was created by this transaction. We would carry a double burden. We would be defending ourselves not in the sense that basketball may have to defend itself or hockey may have to defend itself. We would carry for the indefinite future the burden of defending, not a draft as a proper practice for a single league, but suits based on the fact that draft would never have existed were it not for the fact that two leagues were put together by agreement in 1966.

The CHAIRMAN. Mr. Carothers, one of the objectives of the antitrust law is to have a free flow of competition. That is the real objective of the antitrust laws.

Now, if you have these two leagues merged, you could not have competition for the acquisition of players. That is what you are trying to prevent, prevent these players asking what in your estimation are exorbitant salaries or wages and you want to be sure that you can cut them down.

You do not want a situation if a player asks an amount from a team of the National League and that team refuses, he goes to the American League and he gets it. You do not want that cutthroat competition to exist. But that is the lack of competition that would flow after the approval of the merger by Congress, you want immunization from that.

Mr. CAROTHERS. Yes, but we do not want immunization from challenge of any of our practices as the practice of a single league. That is a problem that the sports bill would have dealt with and that is not before us today.

May I say that among the purposes of the antitrust laws, I would include an ultimate interest in consumers and in this instance, the ultimate consumer favors this transaction. Another purpose of the antitrust law is to prevent very large businesses and dominant businesses from driving smaller businesses out of existence and that is precisely the results which will be achieved if this transaction does not go through.

The CHAIRMAN. There are many reasons for the antitrust laws. You have just itemized a few of them. However, counsel may continue.

Mr. HARKINS. Mr. Chairman—

Mr. DONOHUE. May I interrupt at this point?

What is the basis of this \$12 million suit that someone has brought, and who has it been brought against?

Mr. ROZELLE. It is an illustration of the type of problems—

Mr. DONOHUE. What is the basis of the suit?

Mr. ROZELLE. The suit is based on the fact that by the agreement of June 8—

Mr. DONOHUE. What are the terms of that agreement? I understand there was no legal agreement.

Mr. ROZELLE. No agreement has been executed, but the agreement which Mr. Harkins has discussed sets forth the terms of the understanding between the two leagues.

Mr. DONOHUE. My understanding of Mr. Harkins' questions is that there was no legal agreement drawn; is that so, Mr. Harkins?

Mr. HARKINS. That is my understanding.

Mr. CAROTHERS. That suit is based on the fact that there is less likelihood of the—

Mr. DONOHUE. As a lawyer, you know that you must have some basis of an action that you seek to bring against someone else. Now tell me what does the plaintiff in this suit allege in the action that he has brought against the Denver Broncos.

Mr. ROZELLE. Yes, it is against the Denver Broncos.

Mr. ROGERS. They got served with a summons.

Mr. DONOHUE. Yes, but I was wondering what does their bill of complaint allege?

Mr. ROZELLE. The complaint alleges that they would have gotten a franchise in Chicago in the American Football League in the absence of the agreement between these two leagues.

Mr. DONOHUE. Well, would you not say if you were a judge and you were asked to pass upon the issue, that this action is prematurely brought because there is no legal or binding agreement? Would you not as a judge be inclined to rule that way on the issue?

Mr. CAROTHERS. Yes, I would. But to the extent we go ahead with this program, we may solve that deficiency in his case.

Now, may I point out also that expansion by the terms of this agreement is to be a joint activity of the two present leagues. They are to agree on the cities in which to go in. Any determination they may make as to a particular city gives someone else the same opportunity to claim that they would have gone into their city in the absence of this understanding between the two leagues.

Those suits arise from our inactivity, not from any actions taken which may be vulnerable under the antitrust laws, but from the prospect that some action will not be taken.

Mr. ROGERS. This suit did not involve them all, he did not file a suit against the league, did he?

Mr. ROZELLE. Yes.

The CHAIRMAN. This results as a division of territory; is that correct?

Mr. CAROTHERS. No, sir.

The CHAIRMAN. From division of the franchise cities?

Mr. CAROTHERS. No, sir.

The CHAIRMAN. What is the basis for the suit?

Mr. CAROTHERS. The basis of the suit is that they were about to get a franchise in the American Football League in the city of Chicago. Now the merits or demerits of that claim, I am not in a position to comment on at the present time.

As a result of this agreement, they will not get a franchise in Chicago, in their opinion.

The CHAIRMAN. Who gives the franchise?

Mr. CAROTHERS. They were dealing with an American Football League franchise.

The CHAIRMAN. So the members of the American Football League in some way got together and said that this applicant should not get a franchise in Chicago, is that it?

Mr. CAROTHERS. No. Today, my knowledge of this case is limited to the complaint itself. Essentially the National Football League has not been involved in this matter whatsoever, and yet it is brought into it now by reason of the fact that we entered into an agreement which they make the basis of their antitrust claim.

Mr. CRAMER. Mr. Chairman, I think it is an interesting question to evaluate whether or not the merger itself, the prospects of it, and this legislation dealing with that subject in any way triggered the suit.

Now, I have before me the article in the Washington Post reporting the suit on September 9, and Nussbaum, who I understood brought the suit, formerly operated a Chicago semipro team, said:

"Our suit frankly was prompted by the stand taken yesterday by the Government." Meaning contemplated no action on this legislation. Is that not correct?

Mr. SCHRAMM. That is correct.

Mr. CRAMER. So I think the time sequence speaks for itself. It was announced no action would be taken on this legislation, a suit was filed, and the complainant bringing the suit brought it because it was announced that there would be no action on this bill.

Mr. CAROTHERS. And I may point out that the suit itself alleges that there is carrying out this plan will be no action by the AFL.

Mr. CRAMER. This legislation would prevent suits to be brought contesting the merger as such?

Mr. CAROTHERS. Yes.

Mr. CRAMER. So it just seems to me that if it is agreed generally that the merger itself is not or should not be subject to an antitrust suit and there has been an antitrust suit brought and here are others possible that you testified, then the only way to clear the air is the pass the legislation. Is that your basic point?

Mr. CAROTHERS. Yes, sir.

The CHAIRMAN. Provided it is in the public interest to pass the law.

Mr. CRAMER. Obviously, I did not think that was contested, that it would be in the public interest to permit the merger itself.

Now, may I ask one more question? We have had a lot of letters from high school football coaches. I think the record should be clear. As I understand today, there is no protection relating to television professional games when high school games are played on Friday night; is that correct?

Mr. ROZELLE. That is correct.

Mr. CRAMER. So as of today high school teams have no protection whatsoever against television competition in the area where the high school game is played; is that correct?

Mr. ROZELLE. That is correct.

Mr. CRAMER. This bill would give them such protection, would it not?

Mr. ROZELLE. Yes.

Mr. CRAMER. So I fail to see, except for some argument about the dates that should be included, I fail to see why any high school coach would not be wholeheartedly in support of the legislation as it relates to completion, television professional play when their games are going

on, because this for the first time gives the high schools protection against it.

Mr. ROZELLE. Yes, sir.

Mr. CRAMER. And I understand that the leagues themselves are proponents of this proposal, are they not?

Mr. ROZELLE. Yes.

The CHAIRMAN. The high schools would be represented. They have asked to be heard on this.

Mr. CRAMER. I understand that, but I do not think that the record should be distorted, as apparently it has in some quarters by the mail and telephone calls I am getting relating to the facts that this bill provides for high schools for the first time some protection. If they want to argue about the dates, that is all right. Maybe they should be adjusted. I introduced a bill but I am not wedded to the specific dates included of the second Friday in September and ending the second Saturday in December. I think it should be clearly understood that the high schools for the first time are getting protection.

Mr. ROZELLE. Yes, sir.

The CHAIRMAN. The high schools seem to accept the Senate version, but now they are objecting because of the dates.

Mr. CRAMER. I understand.

The CHAIRMAN. We will hear them and see what they have to say.

Mr. DONOHUE. Will the gentleman yield?

Mr. CRAMER. Yes, I will yield.

Mr. DONOHUE. At the present time does the American League have control over its individual teams? The individual teams within the league?

Mr. ROZELLE. Yes.

Mr. DONOHUE. And I do understand that it is the understanding that the teams, the professional teams, shall not engage in playing their games while there is a college or high school game going on?

Mr. ROZELLE. There was a provision in the 1961 statute that no professional telecast as part of a single network plan would be carried in an area within 75 miles of where a college game is being played from the second Friday in September to the second in December.

Mr. DONOHUE. Have all of your individual teams lived up to that?

Mr. ROZELLE. They have, and more importantly the network, because this is law, takes special care to black out such areas, they have taken it as their responsibility.

Mr. DONOHUE. Correct me if I am wrong. Did not the Washington Redskins attempt to play games on the same day that a college or high school game was being played?

Mr. ROZELLE. Two or three years ago I was forced to schedule the New York Giants to play a home game on a Friday night, because they share occupancy of their stadium with the New York Yankees. The only home game they could have during the first 5 weeks of our season because of baseball was a Friday night.

The Redskins were scheduled into New York that night. That was not broadcast around the country, but it was brought back to Washington.

Mr. DONOHUE. Why was it scheduled? Because of the present law?

Mr. ROZELLE. It conflicted with some high school games, as I under-

stand it, being played in the Washington area that night. The high schools have no protection under law as it is now, but this bill would give it to them.

Mr. DONOHUE. What happened as a result of that incident? Was the game played?

Mr. ROZELLE. The game was played and televised in Washington—only Washington, and I assume it is the only Friday night telecast of a Redskin game that has been seen in Washington since the inception of the club and perhaps the only one that would be here for another 10 or 15 years.

Mr. DONOHUE. But it did happen?

Mr. ROZELLE. Yes.

Mr. DONOHUE. And it could happen again?

Mr. ROZELLE. It could happen again, yes, because of the problem of scheduling during the overlapping period of football and baseball.

Mr. MACGREGOR. It could not happen if we had passed this legislation?

Mr. ROZELLE. As part of the package telecast, it could not, but the club would have the right, as an individual organization, to bring it back to its season ticketholders in Washington.

Mr. MACGREGOR. Unless we amended the legislation?

Mr. ROZELLE. Unless it were amended.

The CHAIRMAN. Mr. Harkins?

Mr. HARKINS. Mr. Rozelle, before we return to the television provisions, let us explore exactly what S. 3817 purports to afford in the way of antitrust immunity, because it might be possible that you do not want as much as this bill seemingly offers to you.

The bill says that the antitrust laws as defined shall not apply to a joint agreement by which the member clubs of two or more professional football leagues combine their operations in an expanded single league if such agreement increases rather than decreases the number of professional clubs so operating and the provisions of which are directly relevant thereto.

You have submitted this document called "Recapitulation of Basic Terms," also containing "Recapitulation of Special Terms." This document is an agreement as far as you have an agreement. It embodies an understanding that is sort of nebulous in some respects, but this is the agreement that is the subject of the legislation; is that not right?

Mr. CAROTHERS. Yes.

Mr. HARKINS. Now, these basic terms, when it talks about the joint committee, says in section 4(c), "A joint committee will be established and the members thereof will be appointed by each league with Commissioner Rozelle as Chairman. The purpose of the committee will be:

"(1) to develop the mechanics and establish the principles under which the plan will be implemented;

"(2) to resolve inconsistencies between the present NFL and AFL constitutions and bylaws with the objective of achieving a common Constitution and Bylaws at the earliest possible date."

Now, this is a part of the agreement, is it not?

Mr. ROZELLE. Yes.

Mr. HARKINS. And this is part of the agreement that is going to be exempted from the antitrust laws, is it not?

Mr. CAROTHERS. Yes.

Mr. HARKINS. The constitution and bylaws have been examined by the joint committee and they have been compared, and you have submitted a copy of the comparison of the NFL and AFL constitutions and bylaws, and in the process of doing this, you are writing a new constitution and bylaws, are you not?

Mr. ROZELLE. Yes.

Mr. HARKINS. And this new constitution and bylaws are stemming from this agreement, are they not?

Mr. ROZELLE. Yes.

Mr. HARKINS. And this agreement will be exempt from the antitrust laws? You just said so.

Mr. CAROTHERS. Yes; it will be, Mr. Harkins.

Mr. HARKINS. Once you have adopted the new constitution and bylaws, you will have exempted from the antitrust laws the player selection system, is that not right?

Mr. CAROTHERS. No, sir.

Mr. HARKINS. And you will have exempted from the antitrust laws your provisions for the reserve clause, is that not right?

Mr. CAROTHERS. No, sir.

Mr. HARKINS. And you will have exempted from the antitrust laws your player contract form, is that not right?

Mr. CAROTHERS. No, sir.

Mr. HARKINS. And you will have the duties of the commissioner, or the president as he is going to be named, and the power to determine conduct that is detrimental to football, exempted from the antitrust laws; is that right, or wrong?

Mr. CAROTHERS. No, sir.

Mr. HARKINS. It is not right, in your opinion?

Mr. CAROTHERS. That's right.

Mr. HARKINS. You are not asking for that at this point, is that your testimony?

Mr. CAROTHERS. No, sir.

Mr. HARKINS. All the rest of the terms, the waiver rules, territorial rights, removal of teams, entry of new clubs, television, all the provisions of your constitution and bylaws, as I read the bill and this agreement, would be exempted from the antitrust laws.

As I understand your testimony, this is not what you want. Will you explain to the committee why you believe that the bill does not as presently drafted exempt the constitution and bylaws as amended from the antitrust laws?

Mr. CAROTHERS. Let me review a bit.

We began discussions with you as counsel for this committee last June, and throughout the discussions that have taken place we have uniformly adhered to the limited nature of our objective. On occasion we have, in fact, invited you to come up with language which we thought would best meet this limited objective.

When those invitations were not accepted, we deferred the problem in the same terms to the Senate committee staff. The committee itself, wishing to insure that only our limited objective was achieved, added "and the provisions of which are directly relevant there."

That is relevant to the combining of the operations. And in explaining the intent of that language, they used the following in the committee report:

It is the intent of the committee that the new league will commence operations. . . .

The CHAIRMAN. Will you yield on that point?

Mr. CAROTHERS. Yes, sir.

The CHAIRMAN. Please read, page 2, line 14 of the bill. You will notice in the Senate they struck out the word "any," meaning any agreement, and they added the word "a." This refers to a joint agreement. They apparently specify the agreement that Mr. Harkins, counsel, has adverted to. That limits it to an agreement. It does not refer to any agreement which was in the bill originally. That makes a big difference.

Mr. CAROTHERS. Well, that same committee added "and the provisions of which are directly relevant to the combination."

And in describing why they did that, they say it is the intent of the committee that the new league will commence operations with no greater antitrust immunity than the existing individual leagues now enjoy.

The CHAIRMAN. That is why—I think we are at variance here as to what these words all mean. I think you want to study this most carefully, Mr. Carothers, because you may be getting far less than you think you are getting.

Mr. CAROTHERS. We have agreed to accept far less than we would like to have, and I would have thought that—

The CHAIRMAN. But the bill is giving you far more than what you are asking for now.

Mr. CAROTHERS. May I read the next sentence in the committee report?

The sole effect of this legislation is to permit the combination of the two leagues to go forward without fear of antitrust challenge based upon a joint agreement between the member clubs of the two leagues to combine in a single league and to conduct their affairs as members of a single league.

Now, I do not know how that could be stated with more positiveness.

Mr. RODINO. Mr. Chairman?

The CHAIRMAN. I do not think the bill can be interpreted that way, Mr. Carothers. However, you and I may differ.

Mr. CAROTHERS. Let me also add the difficulties in trying to deal with a legislative matter like this on an itemization of what is exempt and what is not. Let us take an ordinary business merger.

You combine the assets of two business organizations. You do not have to exempt the fact that the combined operation is selling goods or anything else—everyone understands what is contemplated.

Now, when you combine two sports leagues, the only technique for combining them is to institute within that league structure the rules that one of the leagues as a single league had. To try to itemize exemptions for this single league establishing new franchises and for this single league making its television arrangements and for this single league establishing a draft system as a single league, such as basketball has, or as either league has individually, would require a statute in which you spelled out item by item 100 details which are for no other purpose than to create a single league conducting its affairs as a single league with no greater antitrust immunities than any single professional sports league now has.

The CHAIRMAN. Mr. Carothers, I admit that when the matter is placed before the Antitrust Division of the Department of Justice

whether two entities should merge, they do not always anticipate everything that could happen under the merger, but the Department of Justice usually envisions what could happen under the merger and they might restrict the merger because of what could possibly happen, what is possible under the merger.

That is how they figure it down there. In order to resolve this controversy, we will have the head of the Antitrust Division here and he will let us have his version of exactly what these words mean. That will settle any controversy between you and any member of the committee.

Mr. RODINO. Mr. Chairman?

The CHAIRMAN. Mr. Rodino.

Mr. RODINO. Mr. Rozelle, there is this question that lies in the mind of the chairman and between you and others as to what this language really means. My understanding is that this language came about as a result of discussions you had with the Senate committee.

Mr. CAROTHERS. Yes.

Mr. RODINO. And that you requested assistance in drafting of the language and then the committee assisted you in drafting this kind of language?

Mr. CAROTHERS. In connection with our dealings with the chairman and his counsel in the past, we have expressed precisely our objective in a letter to the chairman in order to indicate the very limited purposes we were seeking to achieve.

Mr. RODINO. Well, if that is then the substance of the difficulty, would you object to the writing of that kind of specific language that in our minds would then leave no room for doubt and give you that which you say you are seeking, and that is simply an exemption from the putting together of these two leagues into a single league.

Mr. ROZELLE. For most of the last 4 months we have sought such assistance from staff counsel and we would be very happy to have it now.

Mr. CAROTHERS. But let me make it clear that what we are seeking is the beginning of this league with a clean slate as of the date it becomes a single league. We ask no immunities for anything that the league does as a single league.

Mr. RODINO. Why you made that abundantly clear in my mind and assert that this is what you are seeking and this was the reason why I was interested, too, in seeing that these hearings were held, so that we might get to the core of this question, because you spelled out the problems that would arise should not this occur and should not this take place within an immediate, reasonable time.

Mr. ROZELLE. We would be pleased to accept any clarification of wording that would meet our very restricted aim in this legislation.

Mr. CRAMER. Would the gentleman yield on that point?

Mr. RODINO. I yield?

Mr. CRAMER. As I understand it then, you are willing to accept the Senate language?

Mr. ROZELLE. Yes, sir.

Mr. CRAMER. Striking "any" and putting in "a" and adding the words "which are directly relevant thereto," meaning relevant to the combination of their operations.

Mr. CAROTHERS. Which may include innumerable implementing steps.

Mr. CRAMER. But not in your operations after the combination is formed?

Mr. CAROTHERS. That is correct, sir.

Mr. CRAMER. I think that—what the misunderstanding is, you are not asking for exemption after the combination is formed. You are asking for exemption solely for the combination itself.

Mr. CAROTHERS. That is correct, sir.

Mr. CRAMER. And you think this language accomplishes that?

Mr. CAROTHERS. And I think the Senate report makes it absolutely clear how limited it is.

Mr. CRAMER. I don't think it could be much clearer:

It is intended that the new league will commence operation with no greater antitrust immunity than the existing individual leagues now enjoy. The sole effect of this legislation is to permit the combination of the two leagues to go forward without fear of an antitrust challenge based upon a joint agreement between the clubs to combine in a single league and to conduct their affairs as members of a single league.

As I understand your testimony further, you think the Senate language accomplishes it. It appears there is pretty much agreement that if it accomplishes this and nothing else, there is not much reason to object to it. So, I would assume that if additional language could be considered, that would accomplish this beyond a doubt, you would not object to that, would you?

Mr. CAROTHERS. No, sir; although I think the statements we have made here this morning clarify any questions of what the intent of this bill is and forever foreclose us from claiming in any proceeding that the immunities are broader than that which we have announced we are seeking.

Mr. HARKINS. Mr. Chairman, do I understand your testimony to be that if a bill would come out from which is specifically excluded any antitrust immunity or antitrust exemptions to the constitution and bylaws and to the operations under it, that you would be satisfied?

Mr. CAROTHERS. Yes, although I think that is already achieved. The difficulty is in attempting to itemize what involves the interest of 28 franchises in entering into 28 stadium contracts, making television arrangements, and so forth. You cannot itemize—

The CHAIRMAN. Leave out television. Let television out. Would you be willing to have itemized this not being within the immunization, player selections, reserve—

Mr. HARKINS. All the provisions of the constitution and bylaws?

Mr. CAROTHERS. We would accept the principle that our draft system is not immunized from antitrust challenge to the extent it is the practice of a single league.

The CHAIRMAN. Now you are hedging.

Mr. CAROTHERS. No, sir. We cannot put two leagues into one league without applying to them the practices of the single league.

The CHAIRMAN. How about territorial rights? How about removal of teams? Formation of new clubs? Player contract forms? Would you say those items should not have immunity from the antitrust laws?

Mr. CAROTHERS. That is the problem of attempting itemization.

The CHAIRMAN. That is what we are getting at, this whole business is itemization.

Mr. CAROTHERS. The objective here is to give us the privilege of being a single league.

The CHAIRMAN. You say all—the nub of this whole discussion is that all you want is approval of a merger, ipso facto, a merger. You do not want any approval as to what may happen after the merger is consummated with reference to these actions that have been set forth by counsel, like the territory restrictions, reserve clause, player drafts, boycotts, and what-have-you?

Mr. CAROTHERS. Except to the extent that they can not be challenged as resulting from the merger. That is the key.

Mr. ROGERS. Mr. Chairman, that is the key to the thing and the only one, as I understand. At the present time the question of franchises and things of that nature is something limited to each respective league. The fact is that you may have a merger here, and they want to make sure that the league's operation shall continue and not in any violation of any antitrust law, nor do they ask for any exemption, other than the fact that they may combine themselves together is not to constitute a violation.

Mr. CRAMER. Will the gentleman yield?

In other words, anything that has been suggested here for itemization not to be excluded from the antitrust laws can be raised in the future; the only thing this bill does would be to prevent the merger itself from being an actionable event in determining whether antitrust has been violated.

Mr. CAROTHERS. To put us in the same posture we would have been in if we had expanded by 10 teams instead of merging 2 leagues.

Mr. CRAMER. So you take a single league, you expand it by 10 teams, you would be subject to antitrust as it relates to that expanded league itself.

Mr. CAROTHERS. That is correct, sir.

Mr. CRAMER. So what you are saying is if you combine the two leagues, that merger itself is not an actionable event in questions of determining these questions of player drafts and everything else?

Mr. CAROTHERS. Yes, sir.

Mr. CRAMER. That is what the Senate report says clearly.

The CHAIRMAN. You have the language, the conditions which are relevant. That language is as broad as the barn door.

Mr. CRAMER. It is directly relevant to the combination, to the merger itself, not necessarily to all the contract teams.

The CHAIRMAN. The House has gone in session. We have no permission to sit.

Mr. Rozelle, we will resume these hearings Thursday morning at 10 o'clock.

Mr. CRAMER. Mr. Chairman, may I ask a question?

The CHAIRMAN. The question is?

Mr. CRAMER. No point of order has been raised relating to sitting. I would like to ask whether we could go into executive session on the antitrust bill at this time, due to the lateness of the session and necessity for action.

The CHAIRMAN. We will not go into executive session. I have said to the gentleman from Florida, we will have an executive meeting in which we will take that up.

Mr. CRAMER. This is the next to the last week of the session, as I understood yesterday.

The CHAIRMAN. We will hold a meeting so that the gentleman will be satisfied.

Mr. CRAMER. If we do not act sometime, Mr. Chairman, say tomorrow for instance, we do not have these meetings set tomorrow.

The CHAIRMAN. We have a holiday called Columbus Day. Some of the members must go back to their homes.

Mr. CRAMER. I would hope, Mr. Chairman, you would set an executive session following Thursday's hearing, sometime. You cannot say, yes, we are going to do it and then not do it. It looks like what are you doing is you are saying—

The CHAIRMAN. If two men ride a horse, one man must ride behind. I am riding this horse.

Mr. CRAMER. I am just trying to help you get the horse moving.

The CHAIRMAN. The committee stands adjourned until Thursday at 10 o'clock.

(Whereupon, at 12:10 p.m., the subcommittee recessed, to reconvene at 10 a.m., Thursday, October 13, 1966.)

(The Recapitulation of Basic Terms Agreed to by the Member Clubs of the NFL and the AFL; Recapitulation of Terms Agreed to by the Member Clubs of the NFL and the AFL Having Particular Relation to Two-Team Operations in New York City and the San Francisco-Oakland Area; letter dated October 4, 1966, from Hamilton Carothers, to the Antitrust Division of the Department of Justice; Joint Committee Agenda; Joint Committee Meeting Minutes July 20, and July 21, 1966; Comparison of NFL-AFL Constitution and By-laws; Minutes of the Annual Meeting, June 30, 1966; Resolution adopted July 1, 1966; Memorandum re NFL-Atlanta Transaction; and several related letters referred to are as follows:)

Accompanying is a statement of the terms of the agreement between the member clubs of the two leagues. These are the terms which were negotiated on behalf of the two leagues this spring and summer and basically accepted by the clubs of the two leagues in principle if not in final statement. Agreements embodying these terms have not yet been formally executed.

The basic agreement is set forth in the first document. The second document sets forth additional terms relating to single league operations in the two-team cities. The additional items state understandings between the teams in the same metropolitan areas which are of minor consequence and have no basic bearing on the inter-league agreement.

A number of additional understandings will be put in writing when time permits. For example, there will have to be formal agreements with respect to the monetary payments. The Joint Committee will also have certain responsibilities in developing additional understandings to be effective during the interim period, some of which will have to be cleared with the league membership. None of these will have any antitrust significance independent of the combination itself and, in most cases, no antitrust significance whatever.

HAMILTON CAROTHERS.

RECAPITULATION OF BASIC TERMS AGREED TO BY THE MEMBER CLUBS OF THE NATIONAL FOOTBALL LEAGUE AND THE AMERICAN FOOTBALL LEAGUE

(1) Pete Rozelle will be Commissioner of the expanded league. Until June 1, 1976, any successor to Pete Rozelle as Commissioner must be approved by the affirmative vote of at least 12 of the 15 present member clubs of the NFL. All other vote requirements and procedures for the selection of a successor to Commissioner Rozelle will be determined by mutual agreement of the two leagues.

(2) It is contemplated that all present member clubs of both leagues will remain in their present locations, including the New York Giants and New York Jets in New York City, the San Francisco 49'ers in San Francisco and the Oakland Raiders in Oakland.

(3) Because of individual league contract commitments, full unification of all phases of the expanded league's operations cannot be achieved before 1970. Beginning in 1970, there will be:

- (a) A unified league schedule providing for mixed regular season games between clubs of the two present leagues (in connection with any such future realignment of the league, factors of geography, natural rivalries, stadium size, gate attendance, weather circumstances, team strength, and conflicts with baseball in the use of league stadiums shall all be taken into consideration in such fashion as not to unfairly prejudice any franchise of the realigned league);
- (b) Full integration of the player pension plans of the two leagues to provide for a common plan applicable to all players of the expanded league;
- (c) Equal division of all regular season and preseason network television income among all clubs of the expanded league; and
- (d) Studies of the feasibility of adding at an early date two additional franchises (in addition to the two franchises referred to in Paragraph (4) (m) to be added in 1967-68) for a combined league total of 28 franchises in 27 cities.
- (4) During the interim period prior to 1970:
- (a) Pete Rozelle will be Commissioner over both leagues.
- (b) The two leagues will remain as separate entities for general administration purposes except in areas where unification of their operations has been achieved during this period.
- (c) A joint committee will be established and the members thereof will be appointed by each league with Commissioner Rozelle as Chairman. The purpose of this committee will be—
- (1) to develop the mechanics and establish the principles under which the plan will be implemented;
 - (2) to resolve inconsistencies between the present NFL and AFL constitutions and bylaws with the objective of achieving a common Constitution and Bylaws at the earliest possible date.
- (d) Until 1970, each league will have independent responsibility for its own television arrangements, including independent determination of its own patterns of telecast.
- (e) Regular season games between teams of the two leagues will not be played before 1970 because of existing television contract commitments.
- (f) Pre-season games between teams of the two leagues will be played beginning in 1967. For 1967, 1968, and 1969, respectively, each AFL club will play at least one pre-season game per year with an NFL team. To the extent that telecasts of such games are determined to be feasible, pre-season games between teams of the two leagues may be telecast to the visiting team's home city only.
- (g) Player trades between clubs of the two leagues will not be permitted before 1970.
- (h) A championship playoff game between the champions of the two leagues will be played each year beginning in January 1967. Site and date of this game shall be selected by the two leagues. Television arrangements for this game will be the responsibility of Commissioner Rozelle. A formula (to be mutually agreed upon) shall determine the allocation of the income to player shares, the pension funds of the two leagues, the participating clubs, etc. Remaining income resulting from this game will be divided equally between the two leagues.
- (i) A common draft will be held beginning in January of 1967. Priority of selection will be determined by each club's loss-won record during the 1966 season without regard to present league affiliations.
- (j) Individual clubs of the respective leagues will retain their negotiation rights with respect to all previously drafted but unsigned college players, *i.e.*, "redshirts".
- (k) Through additional funding by the AFL, it will bring its player pension plan into conformity with the NFL's pension plan as in effect on June 1, 1966. This is to be fully accomplished by September 1, 1970.
- (l) By September 1, 1970, the AFL will have in effect pension plans for its front office employees and coaches comparable to those now in effect for the NFL.
- (m) Of the two new franchises to be added by the expanded league for operation no later than 1968, one will be stocked with players furnished by the present AFL clubs and will play its regular season games within the present AFL league structure during the period prior to 1970. The other will be stocked with players furnished by the present NFL clubs and will play its regular season games within the present NFL league structure during

the period prior to 1970. The two leagues will mutually agree on a plan that will stock these two new franchises with players in a manner that will bring the respective teams in on a par as relates to player strength and financial considerations. The two leagues will also mutually agree on the two cities to be selected for these additional franchises and then mutually agree which cities are to go into each league. It is understood that the AFL clubs reserve a veto right with respect to the selection of the franchise which will field a team within the present AFL league structure during the interim period.

(n) Both new franchises and all changes to AFL club ownership after February 1, 1967 will be made subject to present NFL policies with respect to member club ownership, *i.e.*, no corporate ownership, no public stock ownership, and at least 51% ownership by a single individual.

(o) Any change of ownership of an AFL club must have the approval of Commissioner Rozelle.

(p) No franchise of either league may be transferred from its present location without approval of the other league.

(q) The two leagues will promptly agree on squad limits to become applicable to all clubs in the expanded league for the 1966 and subsequent seasons, it being mutually understood that in the absence of agreement between the two leagues a 40-man squad limit will be acceptable to the present member clubs of the AFL.

(5) The present AFL clubs will pay a total of \$— million principal and interest.

(6) All clubs of both leagues will contribute equally to all costs and expenses incurred or resulting, directly or indirectly, from this plan, or any measures taken in implementation thereof, from June 8, 1966 on.

(7) Wherever applicable, the foregoing provisions shall be subject to the terms of the common Constitution and Bylaws to be adopted.

RECAPITULATION OF TERMS AGREED TO BY THE MEMBER CLUBS OF THE NATIONAL FOOTBALL LEAGUE AND THE AMERICAN FOOTBALL LEAGUE HAVING PARTICULAR RELATION TO TWO-TEAM OPERATIONS IN NEW YORK CITY AND THE SAN FRANCISCO-OAKLAND AREA

NEW YORK GIANTS—NEW YORK JETS

(1) In any realignment of the league taking place after 1969, the New York Giants and the New York Jets will not be assigned to the same conference without mutual consent.

(2) Following unification of the league schedule after 1969, neither the New York Giants nor the New York Jets may be required to play any regular season home games on days other than Sunday without their consent, nor will either team be required to play more games on the road than at home.

(3) In the scheduling of regular season games of the New York Giants and the New York Jets after 1969, every effort will be made to avoid direct conflicts between the away game of either team on television and the home game of the other.

(4) Following unification of the two leagues, the New York Giants and the New York Jets, respectively, will be guaranteed that all of their regular season road games will be televised live back to New York City.

SAN FRANCISCO FORTY-NINERS—OAKLAND RAIDERS

(1) In any realignment of the league taking place after 1969, the San Francisco 49'ers and the Oakland Raiders will not be assigned to the same conference, unless the conferences are divided into smaller numerical groupings, *e.g.*, divisions, in which case the San Francisco 49'ers and the Oakland Raiders may be in the same conference but not in the same division, *i.e.*, the smallest numerical grouping.

(2) The San Francisco 49'ers will have the right of first refusal on which California team (Oakland Raiders excepted) is to be included in their own smallest numerical grouping. In the event of a waiver by the San Francisco 49'ers of its right to have the Los Angeles Rams included within its division, then the Oakland Raiders may be assigned to the same division as the Los Angeles Rams.

(3) Following unification of the league schedule after 1969, the Oakland Raiders and the Los Angeles Rams will not play more than one regular season game with each other during any five-year period unless they are in the same smallest numerical grouping for standing purposes.

(4) Following unification of the league schedule after 1969, neither the San Francisco 49'ers nor the Oakland Raiders may be required to play any regular season home games on days other than Sunday without its consent.

(5) Following unification of the league schedule after 1969, the San Francisco 49'ers and the Oakland Raiders will not be required to play at home on the same day without their mutual consent.

(6) Following unification of the league schedule after 1969, no road games of either the San Francisco 49'ers or the Oakland Raiders, respectively, may be televised back to either home city on any day when the other team is playing a game at home, without the consent of the team playing the home game.

(7) Following unification of the league schedule after 1969, neither the San Francisco 49'ers nor the Oakland Raiders will be required to play more games on the road than at home.

(8) Following unification of the league schedule after 1969, the San Francisco 49'ers and the Oakland Raiders, respectively, will be guaranteed that all of their regular season road games will be televised live back to their home cities.

(9) Following unification of the league schedule after 1969, the San Francisco 49'ers and the Oakland Raiders will not be required to play the same opponent at home on successive weekends without the consent of both the San Francisco 49'ers and the Oakland Raiders.

ADDITIONAL UNDERSTANDINGS BETWEEN PARTICULAR MEMBER CLUBS

Following unification of the league schedule after 1969, whenever either the San Francisco 49'ers team or the Oakland Raiders team is playing at home on a day when the other team is not playing at home, the home team may, where such practice is otherwise authorized, utilize pay television or closed circuit television in the blacked out area only without any requirement of consent by the other. At all other times, including specifically days when both teams are playing at home, the use of pay television or closed circuit television by either will require the consent of the other.

The San Francisco 49'ers and the Oakland Raiders will, during 1967 and each year thereafter (unless this arrangement is terminated by mutual agreement), play one preseason game with each other, the site of each such game to be determined by mutual agreement and the proceeds of the game to be divided equally.

Within the restrictions of their existing stadium contracts, for the years 1967 through 1969, the San Francisco 49'ers and the Oakland Raiders, respectively, will have equal rights to play in Kezar Stadium and in Oakland Stadium, respectively, on the same terms and conditions. During all years thereafter, neither team may play in the home stadium of the other without the consent of the other.

Neither the San Francisco 49'ers nor the Oakland Raiders, respectively, may change its team colors nor the official name of its team without the consent of the other.

Neither the San Francisco 49'ers nor the Oakland Raiders will schedule preseason games at home with the same opponent on successive week-ends without the consent of the other.

Following unification of the league schedule after 1969, whenever either the New York Giants team or the New York Jets team is playing at home on a day when the other team is not playing at home, the home team may, where such practice is otherwise authorized, utilize pay television or closed circuit television in the blacked out area only without any requirement of consent by the other. At all other times, including specifically days when both teams are playing at home, the use of pay television or closed circuit television by either will require the consent of the other.

After 1969, and within the restrictions of their stadium contracts, the New York Giants team and the New York Jets team, respectively, will have equal rights to play in Yankee Stadium and Shea Stadium, respectively, on the same terms and conditions.

COVINGTON & BURLING,
Washington, D.C., October 4, 1966.

ROBERT K. JOHNSON, Esq.,
Evaluation Section, Antitrust Division,
Department of Justice,
Washington, D.C.

DEAR MR. JOHNSON: I have reviewed with Commissioner Rozelle the question of additional understandings between the two leagues or member clubs of the two leagues which are elements of the current program for a single expanded league or which have developed since the original agreement.

In addition to those already furnished to you, he refers to the following:

(1) There is a not entirely developed understanding as to preference rights in the next draft to be accorded the New York Giants. The Giants will have certain preferences with respect to quarterbackbacks in the first round of the draft, the exact conditions of which have not yet been agreed upon.

(2) In implementation of the provision of the basic agreement with respect to sharing of the costs of matters developing from the agreement of June 8, 1966, there is a general understanding as to league responsibility for certain portions of the cost of signing John Brodie to a 1966-1967 contract. The 49'ers will be responsible for the salary terms of his contract for the next four years (\$75,000 per year for 1966, 1967 and 1968 and \$90,000 for 1969—the contract offer from the 49'ers which the player had earlier rejected) but the member club of the combined league will jointly contribute to the payment of his attorneys' fees and the \$512,000 additional payments to Mr. Brodie during the ten years following his retirement from football.

(3) There are also enclosed minutes of the meetings of the Joint Committee of the two present leagues and minutes of the NFL league meeting which took place following the announcement of the agreement. The deleted portions refer to comments by either Mr. Gesell or myself on the legal and political aspects of the situation.

Commissioner Rozelle will promptly communicate with me should any further understandings still to be formulated occur to him.

Very truly yours,

HAMILTON CAROTHERS.

JOINT COMMITTEE AGENDA, JULY 20-21, 1966

1. Review announced NFL-AFL plan.
2. Common Constitution and By-Laws and playing rules.
3. Expansion.
4. Washington legislation.
5. Championship Playoff.
6. Draft.
7. Miscellaneous.
8. Reports: Covington & Burling (Hamilton Carothers and John Jones).

JOINT COMMITTEE MEETING, THE PLAZA HOTEL, NEW YORK CITY, JULY 20, 1966

Commissioner Rozelle called the meeting to order at 10:00 A.M. The following persons were in attendance: Lamar Hunt, Daniel Reeves, Carroll Rosenbloom, Texas E. Schramm, William H. Sullivan, Jr., Ralph C. Wilson, Jr., Robert Shulman, Hamilton Carothers, and John Jones.

The meeting opened with a report on the status of Washington legislative matters by Mr. Carothers of Covington and Burling.

Mr. Carothers reported * * *.

[Material excised.]

At 2:30 P.M., Mr. J. S. Seidman joined the group for a discussion of those points dealing with tax problems.

In discussion of Paragraph 5 it was agreed that Mr. Jones and Mr. Shulman would discuss the problem of imputed income and report back to the Joint Committee.

In discussion of the designated level of interest payment, it was agreed to discuss the matter further with the New York Giants and the San Francisco 49'ers and discuss again at the next joint committee meeting.

The document "Special Terms Relating to San Francisco 49'ers Franchise and Oakland Raiders Franchise" was then discussed.

Paragraph 4 was to be held for further review.

It was pointed out that Paragraph 7 was in conflict with Paragraph 9.

Paragraph 8 was changed to include the Oakland Raiders.

Commissioner Rozelle was to check with Mr. Spadia of the San Francisco 49'ers regarding the TV cable priority (Paragraph 9).

The document "Special Terms Agreed to by San Francisco 49'ers Franchise and Oakland Raiders Franchise" was then reviewed.

Mr. Hunt was to check the matter of CATV with Mr. Valley of the Oakland Raiders. The phrase "in blacked out area only" was to be added at the end of line 5 of Paragraph (1) following "pay television or closed circuit television * * *"

The document "Special Terms Relating to New York Giants Franchise and New York Jets Franchise" was then reviewed.

Commissioner Rozelle next discussed the mechanics of holding the annual league meetings. He recommended separate meetings for each league, followed by a joint Executive Session with one representative from each club attending.

It was agreed that the Commissioner was to preside over both league meetings and at the joint executive session.

It was further agreed that the Executive Session would be held in late March or early April.

It was agreed that the National Football League would pay all joint costs in connection with the expansion plan announcement, such as Washington counsel, public relations, lobbying, et cetera, and would then bill the American Football League for its proportionate share.

Following general discussion of the 2-point rule, coordinating the game officials staffs of both leagues, and establishing a joint security program as soon as possible, the meeting adjourned at 7:00 p.m. to reconvene again on Thursday, July 21st, at 9:00 a.m.

JOINT COMMITTEE MEETING, THE PLAZA HOTEL, NEW YORK CITY, JULY 21, 1966

Commissioner Rozelle called the meeting to order at 9:20 A.M. with the following persons present: Lamar Hunt, Daniel Reeves, Carroll Rosenbloom, Texas E. Schramm, William H. Sullivan, Jr., Ralph C. Wilson, Jr.

Meeting opened with a discussion of the championship game.

Mr. Wilson pointed out that carrying the game only on closed circuit television could mean 25-30 million dollars in revenue.

An informal poll indicated that four of the members present were, in favor of the Rose Bowl as a site for the game; one preferred Miami and one was open on the matter.

Mr. Sullivan suggested that the formula used for the Army-Navy game which made tickets available to Congressional people could be considered for this game.

Commissioner Rozelle suggested that it might be possible to try closed circuit television on an experimental basis in Los Angeles if the game were held in the Rose Bowl.

He also pointed out that the blackout policy would create pressure from the Los Angeles press. It was agreed to sound out newspapers there in advance for reaction to the Rose Bowl as a site for the game.

Commissioner Rozelle agreed to check with the Rose Bowl people on its availability and report back to the committee. He recommended doing nothing regarding television arrangements at this time.

Following a general discussion on division of this game's receipts, the matter was tabled for further discussion at the next meeting.

Procedures for the common draft were then discussed.

It was agreed that consideration should be given to eliminating a "redshirt" draft if concessions could be obtained from colleges:

1. Pro scout access to practice sessions.
2. Permit college assistant coaches to do scouting work for pro teams.
3. Set up through league office a procedure for securing accurate information on players.

In addition to the possible elimination of the redshirt draft, the committee also recommended that the draft be limited to fifteen (15) rounds.

A draft sub-committee composed of Mr. Hunt, Mr. Reeves and Mr. Schramm was appointed to report back to the committee on further recommendations for draft procedure.

The memorandum regarding playing rules was distributed and discussed. It was agreed that the Supervisor of Officials of each league would check the footballs used by the other league to determine which ball should be used.

The electronic device being investigated and tested by the National Football League for game timing was to be reported on in detail at the next committee meeting.

It was agreed that Mr. Duncan and Mr. Hein should confer on the shift rule, offensive pass interference and the fair catch rules.

Commissioner Rozelle was to send out statistics on the 2-point rule. The American Football League is in favor of having it remain.

It was recommended that rules be agreed upon in time for use during the regular season games.

Messrs. Duncan and Hein were to confer also on the matter of the offset goal posts which were adopted by the National Football League this year.

It was agreed that the American Football League teams would continue to wear jerseys with the player names on the back.

The matter of expansion was then discussed.

It was agreed that a committee composed of American Football League and National Football League representatives would visit each of those cities being considered for a football franchise.

At 2:25 p.m. comparison began on the Constitution and By-Laws of the two leagues. Please see attached report for details on this comparison.

Meeting adjourned at 5:20 p.m. to reconvene again at a time and place to be designated by Commissioner Rozelle.

COMPARISON OF NFL-AFL CONSTITUTIONS AND BY-LAWS

NFL

MEMBERSHIP

AFL

Number of members may be changed by 13 affirmative votes.

Disposition: Hold

Application must be accompanied by \$25,000 check. If approved, an additional \$25,000 is due.

Application accompanied by \$25,000 fee or such amount as voted unanimously by Executive Committee.

Disposition: Agreed to adopt NFL provision

Commissioner investigates application and submits to members with recommendation; 13 affirmative votes required.

Executive Committee makes recommendation, $\frac{3}{4}$ vote for approval.

Disposition: Agreed to adopt NFL procedure; hold on voting requirement

Each home club pays league 2% of gross receipts of each league game. Additional assessments when funds needed.

Each club pays \$1,000 annual fee plus 3% gross receipts of each league game or minimum of \$2,000. Additional assessments when funds needed.

Disposition: Use NFL provision; consider dropping gate assessment. Check legal counsel for tax aspects of so doing.

Requests for franchise transfer go to Commissioner, who makes recommendation; 13 votes.

$\frac{3}{4}$ th vote of Executive Committee required;

Disposition: Hold for vote

MEMBERSHIP

Specifies primary purpose of club ownership is operation of pro football teams.

Disposition: Hold

NFL

AFL

TERRITORIAL RIGHTS

75 miles from corporate limits, except half distance where cities are within 100 miles. 100 miles from limits except half distance where cities are within 200 miles.

Disposition: AFL to adopt 75 miles

MEETINGS

Annual Meeting second Monday in February, notice 30 days in advance (7 days for special meeting, all notification waived by unanimous consent). Annual meeting in January, 20 days notice (10 days special, all notification waived by unanimous consent).

Disposition: Refer to counsel for proper language

Quorum 10.

Quorum 5.

Disposition: Hold

EXECUTIVE COMMITTEE

13 votes to remove officer.

$\frac{3}{4}$ th vote.

Disposition: Hold

No limit on amount of fine.

\$2,000 to \$25,000 on $\frac{3}{4}$ th vote.

Disposition: Agreed to adopt NFL provision

EXECUTIVE COMMITTEE

Membership 1 each club.

Same.

OFFICERS

Commissioner, Secretary, Treasurer.

Commissioner, President, Secretary, Treasurer.

Disposition: "Commissioner" to be changed to "President". Add new section re succession of Commissioner: to be league presidents on alternating annual basis.

10 votes to elect.

$\frac{3}{4}$ th vote to elect.

Disposition: Hold.

Treasurer posts \$250,000 bond.

Treasurer posts \$500,000 bond.

Disposition: Adopt NFL bond figure

Treasurer succeeds Commissioner in emergency.

Treasurer succeeds Commissioner in emergency, may conduct meeting in Commissioner's absence by written consent of majority of Executive Committee.

Disposition: Refer to counsel for proper language.

PLAYING RULES

13 votes to amend or change on 30 days notice prior to Rules Meeting (otherwise unanimous necessary). $\frac{3}{4}$ th vote to amend or change on 10 days notice. (unanimous otherwise).

Disposition: Hold

SELECTION MEETING

Commissioner names date and site.

Executive Committee names date and site.

Disposition: Agreed to adopt NFL provision

Draft in reverse order of standings.

Draft in reverse order of standings except that if draft is after title game, champion picks last regardless of percentage.

Disposition: Agreed to draft in reverse order; champion picks last regardless of won-lost record and runner-up next to last

NFL

AFL

20 rounds, including redshirts.

20 rounds, plus separate redshirt draft for minimum of seven rounds.

Disposition: Referred to draft committee

Ties in standing determined by lot.

Same.

SCHEDULE

Disposition: Same in both leagues

COMMISSIONER

10 votes to elect.

3/4th vote to elect.

Disposition: Hold

Commissioner selects office location.

Executive Committee selects office location by simple majority.

Disposition: Agreed to NFL provision

COMMISSIONER

Exclusive authority to arrange for and sell all broadcast and television rights to championship game.

Sole power to contract for televising league games.

Disposition: Agreed to NFL provision

Authority to suspend or fine up to \$5,000. May recommend more drastic punishment or discipline to Executive Committee, 13 votes.

Executive Committee ratifies by 3/4ths vote action involving cancellation of franchise, assignment of players and leases on stadia, and working agreements negotiated with other leagues. Commissioner has authority to suspend or fine up to \$2,000.

Disposition: Agreed to \$5,000 fine limit. Check NFL language on this point. Hold voting portion

GAMBLING

Commissioner has full authority to act in case of gambling or attempt to control outcome of league game.

Any person connected with league or team in any capacity will be expelled and his contract cancelled by the Commissioner if he bets money or other valuable thing on outcome or score of any league game.

Disposition: Refer to league attorneys for language suggestions

BROADCASTING AND TELEVISION

Disposition: All broadcasting and television provisions to be reviewed by league attorneys and new language to be drawn up by them

PROHIBITIONS

Permits active member of Armed Forces to play or practice if club continues to carry such member on active list and if Commanding Officer approves. Servicemen may participate in All-Star Game and pre-season games, and in all games if he is on terminal leave or has conditional release from Service.

Permits active Armed Forces member to play in league, playoff or championship game with permission from C.O. (no active list proviso) . . . Wording page 18 Section 3 might suggest that player is not permitted to play in pre-season game or while on terminal leave or conditional release.

Disposition: Agreed to adopt NFL provision

NFL

AFL

Prohibits comments on officiating by coaches or other personnel while narrating game films.

Disposition: Agreed to adopt NFL provision

Prohibits champagne or other alcoholic beverages in dressing rooms or in or around field of play.

Disposition: Agreed to adopt AFL provision. Phrase "champagne or other" to be eliminated

Players not required to report more than nine weeks in advance of opening league game. Players not required to report more than eight weeks in advance of opening league game.

Disposition: AFL agreed to the nine-week provision

PLAYER CONTRACTS

Commissioner has 10 days from receipt to disapprove. No time limit specified.

Disposition: Agreed to NFL provision; to be referred to counsel and contracts to be checked

PLAYER CONTRACTS

Minimum salary of \$5,000. Non specified.

Disposition: Suggested minimum of \$10,000 to be discussed with all member clubs (for drafted players only)

Training camp allowance specified. None specified.

Disposition: Training camp allowance to be standardized for both leagues for 1967 season

ROSTER LIMITS

Maximum 60 players under contract. Maximum 65 players under contract.

Disposition: Attempt to eliminate this point

40 player active limit.

34 player active limit (since raised to 40).

Disposition: Active Player limit now the same in both leagues

TRADES AND SALES

No sale or trade after fifth week of season without waivers. No sale or trade after Sunday midnight of sixth week without waivers.

Disposition: NFL agreed to adopt the sixth week provision

No "if" deals after start of season.

No "if" deals after start of season.

Disposition: Same in both leagues

WAIVERS

4:00 p.m. proviso

Time of receipt.

Disposition: Agreed to adopt NFL provision

NFL

AFL

WAIVERS

If injured player so designated clears on waivers, he remains under contract to club and may be restored after 4 weeks.

If player is waived out during pre-season or regular season, he may play again for the waiving club after four weeks if he has not signed in the interim with another club.

Disposition: AFL no longer has an injured deferred list; Mr. Rozelle and Mr. Woodard to confer on waiver procedures and policy

In multiple claim, position in race after third regular season game determines disposition. If three games have not been played, goes to club with lowest percentage previous season. If teams tied, decision is by lot.

Disposition: NFL agreed to adopt AFL procedure; check on language

Each club may place two players on injured deferred list without waivers. If he is deferred, he may not participate with the club until 16 days has elapsed.

Same on multiple claim except tie in standings treated same way as if three games had not been played, i.e., reverts to previous season.

If Club wants to release player or sell him outside of league, it must give written notice to Commissioner, who in turn notifies each club and reveals player's salary.

Disposition: AFL now does this as policy; not in book

CONDUCT OF GAMES

Home club has choice of uniform. Visitor wears white.

Disposition: Each league to follow its present policy on this

Name of players on back of uniforms.

Disposition: AFL to continue this policy

Visiting roster, names and number, to home club six days in advance.

Roster, names and numbers, plus photos of players and coaches to home club two weeks in advance.

Disposition: AFL to adopt six-day provision

2% to league treasury

3% or minimum of \$2,000 to league

Disposition: The \$2,000 minimum to be eliminated. Consideration to be given to the elimination of gate percentage to league office

CONFERENCE/DIVISION PLAYOFFS

Travel expenses for 55.

Travel expenses for 40.

Disposition: Both leagues to adopt provision for 60. All other points in this category were the same in both leagues

PRE-SEASON GAMES

Requires each team to schedule four non-conference games with four different teams from opposite conference. No team may schedule a fifth game with a team in its own conference until both have four games scheduled in opposite conference.

No requirement specified.

Disposition: Similar language to be worked out for both leagues

NFL

AFL

PRE-SEASON GAMES

2% to league office.

3% to league office, either from sponsor or participating teams.

Disposition: AFL to adopt 2% provision. To be considered: Eliminating gate percentage to league office—divided for inter-league games

Participating clubs share equally in net receipts.

Disposition: To be eliminated

No game except those sponsored by a league member may be played for less than a \$10,000 minimum guarantee for each team.

Disposition: To be eliminated

Home club pays officials' travel expenses plus \$100 each.

Disposition: Both leagues to adopt provision requiring that sponsors be billed game officials salaries and expenses

TITLE GAME

Officials selected by Commissioner, who entertains no club recommendations.

Officials selected by Commissioner from list of 12 submitted by each of competing teams.

Disposition: Agreed to adopt NFL provision

TITLE GAME

Players eligible for last two regular season games may participate.

Players eligible for last three regular season games may participate (two others may be added from reserve list).

Disposition: Agreed to adopt NFL provision

Travel expenses for 55.

Travel expenses for visiting player roster plus seven.

Disposition: Both leagues agreed to travel expenses for 60 persons. Counsel for both leagues to confer on drawing up language on commitment of receipts for players, benefit plan, et cetera

AMENDING CONSTITUTION

Requires affirmative vote of 13 members provided in writing to league 30 days prior to annual meeting by a member club or 20 days prior by Commissioner.

Requires $\frac{3}{4}$ vote on minimum of 20 days notice.

Disposition: Agreed to adopt NFL provision

SPECIAL

AFL shall have perpetual existence Member club attempting to transfer franchise to another pro football league shall indemnify AFL \$1,400,000 as liquidated damages.

Disposition: Eliminated

THE NATIONAL FOOTBALL LEAGUE

MINUTES OF THE ANNUAL MEETING (RECESSED SESSION), THE PLAZA HOTEL, NEW YORK, N.Y. (THE BAROQUE FOYER)

Thursday morning, June 30, 1966

Commissioner Rozelle called the meeting to order at 10:00 a.m. The roll was called and the following persons were shown to be present:

Atlanta Falcons: Rankin Smith.
 Baltimore Colts: Donald Kellett.
 Chicago Bears: George S. Halas, Sr., George S. Halas, Jr.
 Cleveland Browns: Arthur B. Modell.
 Dallas Cowboys: Clint Murchison, Jr., Texas E. Schramm.
 Detroit Lions: William Clay Ford, Edwin J. Anderson.
 Green Bay Packers: Fred Trowbridge, Sr., Vincent Lombardi.
 Los Angeles Rams: Daniel F. Reeves, William Bullis.
 Minnesota Vikings: Max Winter, James Finks.
 New York Giants: Wellington Mara, Timothy Mara.
 Philadelphia Eagles: Jerry Wolman, Edward Snider.
 Pittsburgh Steelers: Art Rooney, Sr., Daniel F. Rooney.
 St. Louis Cardinals: Charles W. Bidwill, Jr., William V. Bidwill.
 San Francisco 49'ers: Louis G. Spadia.
 Washington Redskins: Milton King, Edward Bennett Williams.

The following persons were also present:

Commissioner Pete Rozelle.
 Mr. Joseph Donoghue.
 Mr. Marshall Leahy.
 James L. Kensil.
 Austin Gunsel.
 Gerhard Gesell.
 Hamilton Carothers.

Commissioner Rozelle reviewed with the member clubs the recapitulation of the terms of the NFL-AFL plan.

Following this review Mr. Gerhard Gesell discussed * * *.

[Material excised.]

Mr. Rozelle stated that he has also discussed the plan with Charles Bradshaw, the president of the Players Association.

Meeting recessed at 12:55 p.m. to reconvene again at 2:15 p.m.

Thursday Afternoon, June 30, 1966

Meeting called to order at 2:15 p.m. Roll call indicated the same persons present as at the morning session.

Detailed discussion continued on the various points contained in the recapitulation of terms. Also reviewed were the special terms relating to the Giants and the Jets franchises and also the San Francisco and the Oakland franchises.

Consideration was then given to setting up a joint committee: the number, naming the members, and outlining the authority involved.

First point discussed was the authority to be granted to this committee. It was agreed that the basis of the committee's actions would be that of exploring and reporting back, with final authority granted to them in certain areas, after the initial meeting, following which the committee would be better able to recommend those areas in which they should have authority to act. It was agreed that the committee should consist of three persons. Nominations for the committee would be made and voted on in the Friday morning session.

Discussion followed on the championship play-off game. No date or site has been set.

Discussion of the 1967 pre-season games then followed. Commissioner Rozelle advised against making any final commitments until the pre-season schedule has been reviewed.

Commissioner Rozelle then discussed the proposed sixteenth franchise. Recommended that a committee be appointed to visit these cities.

Next Commissioner Rozelle discussed the need for some ground rules on the problem of ownership in more than one sports enterprise. He pointed out multiple ownership often meant not enough time for all activities; that issues could arise on which owner would vote with his other interests in mind; tele-

vision and pay television could be a problem, as could the Sports Bill. He stated that established policy should be adhered to—the policy of minority ownership only in other sports interests.

Next discussed was the matter of CATV ownership. Mr. Carothers reviewed CATV activities to date. He stated that the copyright approach is being tried; that the Committee is interested in protecting football interests and the question is still under consideration at a Commission hearing.

Commissioner Rozelle then reported that he had had several meetings with CBS since the plan for an expanded league was announced. He stated that they would like the NFL-AFL playoff game on a negotiated basis; they feel that after 1966 they should have an option rather than a firm agreement for 1967, with options also for 1968 and 1969; that the rights fees should fluctuate based on the previous year's gross revenue from the games themselves. They feel that the championship game should be reduced in rights fees. Want first refusal rights for television rights for 1970 also. Commissioner Rozelle stated that it would be necessary to determine a general course of action and then meet to decide how the matter is to be handled with CBS.

Commissioner Rozelle recommended that a small committee meet with CBS and Edward Bennett Williams, Arthur Modell and George Halas, Jr. were selected as members of this committee.

Meeting recessed at 6:20 P.M. to reconvene again Friday morning at 10:00 a.m.

Friday morning, July 1, 1966

Commissioner Rozelle called the meeting to order in the State Suite of the Plaza Hotel at 10:00 A.M. Roll was called and the following persons were shown to be present:

Atlanta Falcons: Rankin Smith.
 Baltimore Colts: Donald S. Kellett.
 Chicago Bears: George S. Halas, Sr., George S. Halas, Jr.
 Cleveland Browns: Arthur B. Modell.
 Dallas Cowboys: Texas E. Schramm.
 Detroit Lions: Edwin J. Anderson.
 Green Bay Packers: Fred Trowbridge, Sr., Vincent Lombardi.
 Los Angeles Rams: Daniel F. Reeves, William Bullis.
 Minnesota Vikings: Max Winter, James Finks.
 New York Giants: Wellington Mara, Timothy Mara.
 Philadelphia Eagles: Jerry Wolman, Edward Snider.
 Pittsburgh Steelers: Art Rooney, Sr., Daniel Rooney.
 St. Louis Cardinals: Charles W. Bidwill, Jr., William V. Bidwill.
 San Francisco 49'ers: Louis G. Spadia.
 Washington Redskins: Milton King; Edward Bennett Williams.

The following persons were also present:

Commissioner Pete Rozelle.
 Mr. Joseph Donoghue.
 Mr. Marshall Leahy.
 Mr. James L. Kensil.
 Mr. Austin Gunsel.

Commissioner Rozelle announced that the Giants and the 49'ers had agreed to waive television indemnification, a point in the recapitulation of terms discussed in yesterday's meeting.

Mr. Leahy discussed the division of regular season television income (Point 3(c) of terms) explaining that this meant that everyone would be committing to a single network with equal division of income; that everyone would be committing to an arrangement whereby any club organizing its own network would pool and divide its income; this excludes pay and closed circuit television—every club would be free to arrange pay television on its own, subject to whatever rules are adopted by the league on this matter.

Mr. Modell suggested and it was agreed that this should include network pre-season game income also. Mr. Modell also suggested that pay and closed circuit television income be pooled also.

Following discussion it was agreed that this point does not include pay television. Mr. Schramm stated that this was the understanding by all parties concerned.

Following further discussion, it was agreed that 3(c) would be construed to mean the inclusion of all regular season free television income from any source, either local or package network; it was to mean the inclusion of any pre-season income from regional television networks but excludes any pre-season games carried into the home city; that it also excludes pay theatre and closed circuit television income.

An informal poll regarding the pooling of pay television income showed that thirteen clubs were in favor of this and two passed on the matter at this time.

Commissioner Rozelle recommended that the Joint Committee check this with the AFL Joint Committee.

Following discussion, the following resolution by Mr. Donald Kellett, seconded by George Halas, Sr., was unanimously approved: That a TWX draft be conducted for the 32 "redshirt" players drafted by the AFL which were not also drafted by the NFL in last season's draft.

Meeting then recessed at 11:20 a.m. to reconvene again at 12:15. Purpose of recess was to permit the television committee appointed at yesterday's session to meet with CBS personnel at their headquarters offices.

Meeting reconvened again at 12:20 with the same persons present at the opening of the meeting with the exception of the Detroit Lions. Mr. Modell was asked to report on the committee's meeting with CBS.

Mr. Modell reported that the following points would have to be resolved: (1) the championship game; (2) reduction on basic package rights; (3) television of pre-season intra-league games; (4) would like a formula for rights fees based on revenue or ability to sell. Mr. Modell stated that it was important that some method be devised for the championship game to be presented on that network.

Commissioner Rozelle stated that it was necessary to decide on what the next step should be: (1) either continue to negotiate with CBS (without authority) and then clear with each of the member clubs; (2) or if accord is reached, give authority to the television committee to try to effect an understanding with NBC on the championship game and make the best possible settlement with CBS.

On a motion by Mr. Donald Kellett, seconded by Mr. Rankin Smith, the following resolution was adopted unanimously by voice vote (Note: The Detroit Lions were not present at this time):

"That the Commissioner with the assistance of counsel and the television committee, consisting of Mr. Arthur Modell, Mr. Edward Bennett Williams and George Halas, Jr., be authorized to resolve any television problems that might exist."

Mr. George Halas, Sr., presented the matter of coaching contracts for discussion. He stated that any legally signed contract should be upheld in the National Football League.

Commissioner Rozelle pointed out that the use of clauses in contracts regarding injunctive relief was contrary to the provisions of the Constitution and By-Laws of the National Football League.

Mr. Lombardi recommended a cut-off date be established for contacting assistant coachings of other clubs.

Following discussion, all members were in accord with the following:

"That all coaches must first obtain the consent of the club to which he is under contract and such consent must be received in writing, with a copy to the Commissioner's office before he may discuss employment with another club; otherwise such actions will be construed as tampering. Any discussions may not be held after March 1st of each year."

Commissioner Rozelle stated that no public announcement was to be made on the plans that have been made for the February meeting.

Following discussion on membership of the Joint Committee, it was agreed that Mr. Tex Schramm would be one member, and all clubs submitted by written ballot two other names for membership on this committee.

Commissioner Rozelle then took up the matter of early retirement of Mr. Austin Gunsel, as treasurer of the league. The matter of a pension for him was discussed, and upon motion of George Halas, Sr., seconded by Mr. Edward Bennett Williams, the following resolution was adopted: (see attached.)

Commissioner Rozelle reported on the progress being made by Mr. Jim Hamilton, director of security for the National Football League. He announced his intention of hiring someone to work actively on the league security program while Mr. Hamilton is recuperating from his illness, and making a different financial arrangement later this summer during the time Mr. Hamilton is not working actively.

On motion by Mr. Arthur Modell, seconded by Mr. Lombardi, the following resolution was adopted unanimously: (Detroit absent.)

"RESOLVED, that the Finance Committee be empowered to counsel with Commissioner Rozelle, negotiate a new contract with him, and report back to the membership."

At 2:00 p.m. it was necessary for the Chicago Bears to leave the meeting.

Commissioner Rozelle stated that some formula should be set up for establishing a successor to the Commissioner.

Mr. Williams suggested that a treasurer be elected for an interim period.

On motion by Mr. Modell, seconded by Charles Bidwill, Mr. Marshall Leahy was elected to serve as Treasurer of the National Football League until the February 1967 annual meeting. Motion unanimously adopted (Detroit and Chicago absent).

Discussion on the problem of pay television was then resumed. No specific recommendations were made at this time.

Mr. Leahy then discussed a modification being considered for the agreement between the National Football League and the Atlanta Falcons Football Club to include the following two points:

(1)----- (2)----- (see attached)

On motion by Mr. Edward Bennett Williams, seconded by Mr. Trowbridge, these changes in the agreement were adopted unanimously (Chicago and Detroit absent).

On motion by Mr. Rankin Smith, seconded by Mr. Williams, and approved unanimously, the adjourned session of the 1966 annual meeting of the National Football League was declared finally adjourned at 2:20 p.m. on Friday, 1 July 1966.

On motion of George Halas, Sr., seconded by Ed Williams, the following resolution was adopted:

Whereas, Austin H. Gunsel, Treasurer of the National Football League, has rendered long and valued service to the League, and

Whereas, circumstances have arisen which both Gunsel and the League believe suggest an early retirement by Gunsel from active service to the League, and

Whereas, the League wishes to make suitable provision for such retirement by Gunsel: Be it

Resolved as follows: Effective immediately, Austin H. Gunsel's employment as Treasurer of the League is terminated upon the following understanding:

(a) The League obligates itself to pay Gunsel the sum of \$12,000 a year for a period of five years or until his death, whichever event occurs first; said payments shall commence August 1, 1966 and shall thereafter be paid in equal monthly installments; one-half of said sum, to-wit, the sum of \$6,000 a year shall be allocated as consideration for the agreement by Gunsel to perform services for the League pursuant to the terms of sub-paragraph (d) of this resolution.

(b) After the foregoing period of five years shall have elapsed and so long as said Gunsel is living, the League shall pay Gunsel the sum of \$10,000 per year, payable in equal monthly installments until his death.

(c) The League does not obligate itself to pay Gunsel any money hereunder after Gunsel's death, except sums that shall have accrued and are unpaid at or prior to his death.

(d) Gunsel must agree to make himself available to the League at all reasonable times for consultation and advice as demanded from time to time by the League; such obligation of Gunsel shall continue for a period of five years: commencing August 1, 1966, and for a period of five years thereafter, Gunsel shall not accept employment with any club, team or league, engaged in professional football except for the services to be rendered to the National Football League pursuant to this resolution; the sole right to the services of Gunsel in the field of professional football belongs exclusively to the National Football League during the five year period above referred to.

(e) Gunsel is presently a beneficiary under the NFL Office Pension Plan. To the extent that any monies are available for payment to Gunsel by reason of his retirement prior to the normal retirement date under the NFL Office Pension Plan, then the obligations of the League to Gunsel under this resolution shall be reduced by any payments received by Gunsel by reason of benefit units accumulated and paid to him for his benefit under said Plan. The obligations hereunder shall be integrated with the provisions of the aforementioned Office Plan so that the amount Gunsel shall receive under this resolution, together

with any amounts he shall receive under said Plan, shall not exceed the sum of \$1,000 per month for the first five years commencing August 1, 1966 and \$10,000 per year thereafter for life in equal monthly installments as aforesaid.

(f) Gunsel must further agree that while the League is making any payments hereunder, he shall not engage in any activity, or be guilty of any conduct detrimental to the best interests of professional football or to the National Football League, or any of its member clubs; neither shall Gunsel, without the prior consent of the Commissioner of this League, publish any newspaper or magazine article, book or publication, nor submit to any newspaper, radio or television or other interview or program which discusses, involves or refers to the affairs or activities of the National Football League, its officers or employees, or to any of the member clubs thereof, or their owners, officers, employees or others holding any interest therein.

(g) The member clubs of the League reserve the right to terminate this arrangement at any time if, in their sole and exclusive discretion, Gunsel either neglects, fails or refuses to perform hereunder, or violates any of the provisions of subparagraph (f) above.

Adopted July 1, 1966 by the member clubs of the National Football League at the final session of the Annual Meeting thereof at the Plaza Hotel, New York, New York.

MEMORANDUM

To : Member Clubs of the National Football League.
 From : M. E. Leahy, General Counsel.
 Re : NFL-Atlanta Transaction.
 Date : August 12, 1966.

A modification of the Agreement between Pete Rozelle as Commissioner of the League on behalf of the member clubs, and The Five Smiths, Inc. is necessary in order to accomplish two points:

(1) The inclusion of an interest factor of 4% in the price paid by Atlanta to avoid the imputation of an interest factor by the Federal Government of 5%. Atlanta has agreed to accept a 4% interest factor and the note has been revised to reflect it. 4% is the minimum that is acceptable to the Government in a transaction of this kind. In the absence of this modification the Government would impute a 5% interest factor which would result in a greater amount of the payments to each club being considered ordinary income.

(2) Provisions have been made in the note from Atlanta to the League to provide for a deferment of any future payment by Atlanta other than the payment due in September of 1966 whenever Atlanta is prohibited from playing football by reason of Federal statutes or Governmental orders, et cetera.

Both of these points should require no further explanation since they have been the subject of discussion at League meetings.

AMERICAN FOOTBALL LEAGUE,
 New York, N.Y., August 19, 1966.

Mr. PETE ROZELLE,
 Commissioner, National Football League,
 1 Rockefeller Plaza,
 New York, N.Y.

DEAR PETE: Enclosed please find a copy of a memo prepared for our attorney, Daniel L. Martin, to be used in discussing the amalgamation of our by-laws when he meets with your counsel next week. On the more important items, you will note I have made some recommendations which I feel would be mutually beneficial to both leagues now and to the expanded league later.

You will recall, I am sure, my explanation at our luncheon meeting of the procedure we will follow in having the clubs, rather than the league office, pay those who participate in the final championship game's player pool and thus escape payment of a second employer's FICA payment and enhance the non-profit status of the league office. I have taken the privilege of outlining it more fully on page five of the memo.

Mr. Martin will be available virtually all of next week to meet with Mr. Leahy and anyone else involved.

Sincere regards,

MILT WOODARD,
 President.

AUGUST 19, 1966.

To: Daniel L. Martin.

From: Milt Woodard.

Re: Amendments of the AFL By-Laws Since the Last Printing in February, 1964.

Inasmuch as we will probably not issue a revised copy of our By-Laws because of the wholesale revision expected in making them conform to the NFL Constitution and By-Laws, I will only record the more significant changes fully and will merely note the minor ones which will not affect the combined By-Laws. I am also taking the liberty of commenting on the advisability of encouraging the NFL to consider any changes we have made.

Article VII, Section 8, (Page 14): After "at such place" insert "and in such manner". *Comment*: Not significant.

Article VIII, Section 6, (Page 18): The player limit here has been increased to 40 instead of the recorded 34. *Comment*: Same as NFL.

Article VIII, Section 9, (Page 19): The following has been added: "Exception: Rookies assigned to play in the Chicago Tribune All-Star Game are allowed to report for training three weeks in advance of the recognized starting date." *Comment*: Not too significant.

Article XI, Section 5, (Page 21): Here the regulations agreed upon with the NCAA in respects to signing players after post-season bowl games are inserted. This is identical to the NFL's, so no problem.

Article XIII, Section 3, (Page 23): In order to more fully clarify the reserve list, we led off with the following and then picked up the rest of Section 3: "During practice and the regular season the reserve list of a member club consists of all players under contract or option with such club, other than players on the active or deferred lists of said club. Without limitation of the generality of the foregoing, the reserve list of a member club shall include any player under contract or option with such club who (1) fails or refuses to report promptly as instructed for the club's training season or who voluntarily leaves the squad or otherwise retires from professional football; (2) fails or refuses to so report by reason of illness or injury of any kind or (3) fails to so report by reason of his becoming a member of the Armed Forces of the United States or any other country. Between the end of one football season and his reporting for the training season of the next football season, a player under contract or option with a member club shall be deemed to be on the reserve list of such club."

In addition, in the first sentence of the old Section 3 which was picked up we inserted after "preliminary or regular season" the following: "unless he returns to the squad and is officially activated prior to the first cut-down date." *Comment*: This seems very equitable and Mr. Rozelle, during one of our discussions, indicated it had merit.

Article XIV, Section 6, (Page 25): In order to make the wording more clear, we substituted the following: "Section 6. A club placing a player on waivers may recall such a player only once per season and a subsequent placement of said player on waivers shall be without right of recall."

Article XV, Section 1, (Page 27): At the end of Section 1 we made a change which revised the section as follows: "such guarantee to be mailed by the home club on Tuesday prior to the game." *Comment*: Has worked for us and seems like a good idea if NFL likes it.

Article XV, Section 1(b), (Page 27): We raised the percentage to Seventeen and One-Half Per Cent (17½%), because several of our clubs were paying this percentage.

Article XV, Section 17, (Page 30): The Miami club should be inserted, along with its colors of aqua, orange and white.

Article XV, (Page 30): At the end of this Article we added two more sections as follows:

"Section 21. Each team must provide a tarpaulin to fully cover its football field.

"Section 22. Teams playing in parks with baseball facilities should sod or seed its infield after the baseball season."

Article XVI, Section 7, (Page 31): At the end of this section the following was added: "A percentage of the receipts from the televising of the final championship game shall be allocated to the Championship game pool exclusively at the discretion of the Executive Committee, and the remaining percentage of such television receipts shall be turned over to the Player Benefit Fund of the American Football League." *Comment*: This conforms closely to what the NFL does.

Article XVI, Section 8, (Page 31) : In the listing of expenses in the second paragraph of Section 8, we added as an expense the following: "including a flat sum of Four Thousand Dollars (\$4,000.00) to the host team for handling intangible office expenses." *Comment*: We feel this is fair although the figure might be revised.

Also in the second paragraph of Section 8, in the last sentence after "League" on top of page 32, we added "for distribution equally to member clubs." *Comment*: This was done as a protection for the league office's tax exempt status.

Article XVI, Section 13, (Page 32) : The second sentence was revised as follows: "All players declared eligible to play in the final league championship game who were with the team the entire season and all regular coaches and the trainer shall receive equal shares and no less than a half ($\frac{1}{2}$) share may be voted to players who have not been with the team the entire season but who are activated for the final championship game." *Comment*: The reason for this change is that we previously revised our By-Laws to allow a player waived by the contending team to be activated in case there were injuries in the last three games of the season, and we felt that a player who did not contribute to the club winning the championship should not receive a full share by just playing in the final championship game.

In this connection, I have discussed with Commissioner Rozelle, Article XVI, Section 11, and he seemed to feel that our arrangement had some merit over the NFL's. As I understand the NFL arrangement, only the player eligible on the third-to-last game of the season will be eligible to play in the championship game and this might lead to real hardship if there are considerable injuries, because there will be no relief. Our arrangement provides the relief of allowing two players to be activated if they have been waived by the contending team, and provides assurance that a team will be up to the player limit for the important final championship game.

Article XXI, Section 1, (Page 38) is amended to allow an amendment to the By-Laws at any Executive Committee or annual meeting by a three-quarters ($\frac{3}{4}$) vote if amendment is submitted twenty (20) days prior to meeting.

Article XXII, Section 1, (Page 38) : We have altered the distribution arrangements as outlined in the second sentence to read as follows: "All income from championship, pre-season, and other televised games, derived by the League and any and all individual clubs, shall be paid directly to the American Football League, as an agent, for distribution to all participating clubs equally or shall be distributed directly to member clubs in accordance with instructions from the Commissioner, but other television income from local highlight shows, pre- and post-game shows, etc., shall accrue to and be paid directly to the local clubs. Income paid directly to the American Football League, as an agent for the member clubs therein, shall be held on deposit by the League's treasurer and distributed at a time and in amounts designated by the Commission." *Comment*: This was done again as a means to protect our tax exempt status.

In Article XXII, (Page 39) we added a Section 2 and made the previous Section 2 as Section 3. The new Section 2 follows: "Section 2. Net income from theater and pay television shall be divided sixty per cent (60%) to the home team and 40 per cent (40%) to the visiting team, after the three per cent (3%) deduction allocated to the league office." *Comment*: This was added on the premise that theater television and closed circuit television within the area controlled by the home club should be regarded as admission income.

In addition to the amendments outlined above, I feel there are several other aspects of the two By-Laws which should be discussed which were not pointed out in the NFL's summary of major points between the two Constitution and By-Laws. They are:

Gambling.—I feel that each By-Laws should restrict and prohibit betting on any game in professional football rather than just in the league itself. Our By-Laws restrict it to the league and the NFL By-Laws also restrict it to its league, except it does generalize on professional football games when it discusses receiving an offer, etc.

Entering dressing room of game official.—The restriction, contained in both By-Laws, of not allowing any employee of the league to enter the dressing room

of a game official possibly should be clarified. This might be interpreted to include the Supervisor of Officials and the Commissioner, which seems unduly restrictive.

Regarding the paying of players for our final Championship game, we differ from the NFL in that we have respective clubs pay the players while this is done by the Commissioner's Office in the NFL. I have explained our reasoning to Commissioner Rozelle—that we could save in excess of \$25,000.00 by not duplicating the employer's social security payment which the club would pay in the normal course of business; e.g., a secondary employer must pay \$277.00 each for those earning \$6,600.00 or more. Assuming 100 shares are distributed between the two teams, and also assuming that the loser's share is in the area of \$6,600.00, this would mean a savings in the neighborhood of \$25,000.00, because either previously or subsequently the club itself pays this amount as the primary employer. It would also be a savings on the employer's FICA charge if the clubs distribute the second place money.

In addition, but I think very important, the handling of the salaries by the clubs would enhance the league's status as a non-profit organization.

Conceivably we could have three separate entities pay the players' salaries direct (The NFL, the AFL offices for the respective final championship games and the Commissioner's office for the inter-league game), and a savings in the neighborhood of \$75,000 could be realized by following our format, which could also help substantiate the non-profit status of all three offices.

Although it doesn't involve the By-Laws, perhaps it would be feasible also to discuss and reach a mutual agreement on the withholding of 25% of a player's salary, as provided in both the NFL and AFL contracts. At our last meeting we left it to the discretion of the individual clubs as to whether or not it would withhold any part of said salary up to 25%.

AMERICAN FOOTBALL LEAGUE

Boston: William H. Sullivan, Jr.; Daniel Marr; Forrester Clark; David H. McConnell; Edward McMann; Francis Sargent; Paul Sonnabend; Joseph E. Sullivan; Philip Turner; Robert C. Wetenhall.

Buffalo: Motorecar Transport Co.

Denver: Gerald H. Phipps, Alan R. Phipps, major stockholders; 8 stockholders with less than 2% interest each.

Houston: K. S. Adams, Jr.

Kansas City: Lamar Hunt.

Miami: Joseph Robbie; Danny Thomas Sports, Inc.; General Partners; Four Limited Partners.

New York: David Werblin, Leon Hess, Philip Iselin, Townsend Martin, Donald C. Lillis.

Oakland: Wayne Valley, Edward McGah, Al Davis, General Partners; 25 Limited Partners.

San Diego: Eugene Klein, Samuel Schulman, General Partners; 20 Limited Partners.

THE NATIONAL FOOTBALL LEAGUE,

July 8, 1966.

Memorandum to: Club Presidents and General Managers.

Subject: Appointment of Committee.

In accordance with discussion conducted at the recent New York meeting and written suggestions offered by club presidents, this is to advise you of the appointment of the three-man committee to meet jointly with American Football League representatives.

The committee will include Daniel Reeves, Carroll Rosenbloom and Texas E. Schramm.

PETE ROZELLE, *Commissioner.*

THE FOOTBALL NEWS,
 Detroit, Mich., October 4, 1966.

Hon. EMANUEL CELLER,
 Congressman, New York,
 House Office Building,
 Washington, D.C.

DEAR CONGRESSMAN CELLER: In reply to your recent letter I am pleased to submit the following statement for the record in connection with the Hearings on S. 3817—Pro Football Anti-Trust Exemption.

"Pro football is America's number one spectator sport and it deserves special consideration. The proposed merger between the National Football League and the American Football League is vital to the sport and in the best interests of the American people. Without the passage of the legislation necessary to make pro football immune from anti-trust action, the merger and the entire sport would be in jeopardy."

I am pleased to enclose a copy of this week's issue of the FOOTBALL NEWS which features an open letter to you on page 2. I would like this to also be made part of the record.

Sincerely,

ROGER STANTON, *Publisher.*

PROFESSIONAL FOOTBALL LEAGUE MERGER

THURSDAY, OCTOBER 13, 1966

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE NO. 5 OF THE
COMMITTEE ON THE JUDICIARY,
Washington, D.C.

The subcommittee met at 10 a.m., pursuant to recess, in room 2141, Rayburn House Office Building, Hon. Emanuel Celler (chairman of the committee) presiding.

Present: Representatives Celler, Rodino, Rogers, Donohue, Kastemeier, McCulloch, Cramer, Mathias, and MacGregor.

Also present: Representative Boggs.

Also present: Kenneth R. Harkins, chief counsel, Antitrust Subcommittee, and Martin Hoffmann, associate counsel.

The CHAIRMAN. The committee will come to order.

We have with us our distinguished Member from Louisiana, and acting majority leader of the House. We like to roll out the carpet for him first, because he is a very distinguished member, and second, a very, very dear friend of mine.

Representative Boggs, we will be more than pleased to hear you.

STATEMENT OF HON. HALE BOGGS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF LOUISIANA

Mr. Boggs. Thank you very much, Mr. Chairman and members of the committee.

I appreciate your letting me come ahead of these other distinguished witnesses. As you know, we have a very busy program on the floor and the House meets at 11 o'clock this morning, so time is, indeed, of the essence.

I would say also, Mr. Chairman, that time is of the essence insofar as this proposed legislation is concerned.

I am one of those who has introduced this bill, the number of my particular bill is H.R. 17791, designed to authorize the merger of the two professional football leagues and to impose certain restrictions on telecasts by the leagues.

I am most anxious, Mr. Chairman, to see this bill reported favorably by the committee, considered by the House, and passed by the House, prior to the anticipated adjournment of Congress next week.

I say that for a variety of reasons.

This country of ours is growing at a tremendous rate: Professional football has many aspects, some of which are very much associated with the growth of our communities.

Now, I represent a community that has no professional football. We have tremendous interest in it. We have a great many people that would like to sponsor a franchise if one is granted. We have a growing population; our business community, our people who are interested in sports all feel that in a sense this is a gross discrimination against our community in not being able to have a franchise.

There may be some defects about the proposed bill, but, after all, Congress is a continuing body. We will be back here in January, and any difficulties that may be presented could be easily corrected. But, if we relieve the leagues of the burden that they are now confronted with, I think that they could go ahead and do the necessary planning to expand professional football, which is something that all Americans are interested in today.

Now, I have discussed with some of the members of this committee some of the legal aspects of the proposal. I have had some very competent attorneys who are friends of mine to prepare a memorandum with respect thereto, and, Mr. Chairman, if it meets with your approval, I would like to make that a part of my statement and incorporate it in the record.

The CHAIRMAN. You have that privilege.

(Statement and memorandum follow:)

PREPARED STATEMENT BY REPRESENTATIVE HALE BOGGS

Mr. Chairman I come before the subcommittee today to plead a case that is very dear to me. I have introduced a bill, H.R. 17791, that would authorize the merger of the National and American Football Leagues and protect high school and college games from pro telecasts.

Mr. Chairman, New Orleans is the prime candidate for a franchise in the merger plans.

The New Orleans area is ready for a professional football team. It is what New Orleans and Louisiana wants. It is what the South wants. We have a growing industrial area, one of the fastest growing in the United States. We are building from Houston to Atlanta one of the great industrial complexes of this country. Professional sports are an integral part of growth patterns. We have come of age and we deserve a team.

The residents of my great area have proven they will support a team. We have success upon success in staging professional football pre-season games, double headers in our great Sugar Bowl. We have the market for a team and we want the football team to share in our prosperity.

We have the enthusiasm. We have the interest.

Now the legal minds of the professional teams believe it is necessary to have an exemption from the anti-trust law to protect them. I believe they have a sound legal basis for doing so. I have sought help from attorneys to substantiate this contention. I am making it part of the record.

I believe we must also recognize the great mandate from the people who overwhelmingly approve of the merger and an rapid end to the war now going on between the two football leagues.

We are seeking peace with this merger and I believe we should do all we can to accommodate that peace.

We must also consider the other cities that will get teams in the expansion plans. We must spread this game to as many of our citizens as we can.

The second part of my bill would prohibit telecasts of pro games in areas where high schools and colleges are playing. We should do all in our power to help our youngsters maintain the widespread support they now receive. There is enough time in the weekend for all levels of the game and we should work towards an orderly schedule that hurts none of the parties.

I urge you to report this bill favorably.

MEMORANDUM

OCTOBER 6, 1966.

Some objection to the legislation now pending in Congress to exempt organized professional football from the antitrust laws is based on the proposition that the granting of such an exemption would lay the precedent for other industries to seek similar exemptions. It is submitted that such a precedent has already been laid.

In July of 1961, the Federal District Court for the Eastern District of Pennsylvania held that the negotiations jointly by the various teams in a professional sports league for a television contract was an unlawful elimination of competition. In response, H.R. 9096 was introduced, passed and signed into law on September 30, 1961 (Public Law 87-331) to provide that the antitrust laws shall not apply to any such joint agreement by or among persons engaged in organized professional team sports.

It is noted at 5 Toulmin's Antitrust Laws of the United States, § 8.12 (pocket parts) (1966) that:

"The justification of this legislation by its sponsors was to permit joint negotiation of television contracts would serve to strengthen the weakest members of the league."

It would appear that the same argument could be made in justification of the proposed antitrust exemption legislation.

MEMORANDUM

OCTOBER 6, 1966.

We have been asked to give an opinion as to the advisability of a planned purchase by one of our clients of an interest in a professional football club franchise. The purpose of this memorandum is to consider the applicability of the Federal Antitrust Laws, to the proposed merger between the National and American Football Leagues.

Applicable statutes

Section 1 of the Sherman Act declares:

"Every contract, combination in the form of trust or otherwise, or conspiracy, in restraint of trade or commerce among the several States or with foreign nations, is declared to be illegal."

In equally broad language, Section 2 of the Sherman Act provides:

"Every person who shall monopolize, or attempt to monopolize, or combine or conspire with any other person or persons, to monopolize any part of the trade or commerce among the several states, or with foreign nations, shall be deemed guilty of a misdemeanor * * *."

Because the Sherman Act is not considered violated unless actual and substantial adverse competitive effects result from a monopoly, Section 7 of the Clayton Act was enacted to condemn these mergers whose probable effect is either a substantial lessening of competition or a tendency to create a monopoly. Under the Clayton Act, it is sufficient to show that a business combination may produce future non-competitive effects.

Antitrust Litigation Involving Baseball

In 1922, the first serious attack on organized sports under the antitrust laws was considered by the U.S. Supreme Court. In *Federal Baseball Club v. National League*, 259 U.S. 200 (1922), the Court dismissed a treble damage suit in which the plaintiff, the Baltimore Club of the fledgling Federal League, alleged that the American and National Leagues had conspired to monopolize the baseball business in reaching a settlement agreement with the remaining clubs of the Federal League. The settlement agreement terminated the efforts of the Federal League to establish itself as a third major league. Speaking for the Court, Mr. Justice Holmes held that baseball exhibitions were purely state affairs and did not constitute trade or commerce within the meaning of the Sherman Act. In holding that baseball was neither involved in nor affected interstate commerce, Justice Holmes considered the interstate movement of players as being merely incidental.

The exemption from the Federal Antitrust Laws carved out by the *Federal Baseball Club* continued without erosion until 1949 when the prestigious Second Circuit decided *Gardella v. Chandler*, 172 F. 2d 402 (2nd Cir. 1949). Gardella, a New York Giant baseball player, left the Giants to play in the Mexican League. One season later he attempted to return to baseball with the Giants and with various other clubs in the major and minor leagues but found that he had been blacklisted. Gardella alleged damages under the antitrust laws to the extent of \$100,000.00 in a suit brought against the Commissioner of Baseball, the two major leagues and the owner of the New York Giants. His principal attack was on the "reserve clause" in player contracts which, he alleged, constituted a conspiracy by the defendants in restraint of trade. Reversing the lower court which had dismissed the suit, the Second Circuit held, one judge dissenting, that organized baseball was not exempt from the Federal Antitrust Laws. Judge Frank held that Gardella stated a cause of action and distinguished the *Federal Baseball Club* decision on the basis that predicate for that case, namely a narrow view as to what constituted interstate commerce, had changed radically over the two decades since it was rendered. In concurring that the case should be remanded for trial, Judge Leonard Hand thought that the increasing importance to baseball of television and radio might, when combined with the other interstate activities of the leagues, constitute interstate commerce.

The *Gardella* litigation did not reach the Supreme Court for its consideration. Substantially the same contentions were presented to the court, however, some four years later in *Toolson v. New York Yankees, Inc.*, 346 U.S. 356 (1953). In a short per curiam opinion the Court held that it felt constrained not to overrule the *Federal Baseball Club* decision in view of the reliance for 30 years by organized baseball on that case as providing it with an exemption to the Federal Antitrust laws. The Court said:

"In *Federal Baseball Club of Baltimore v. National League of Professional Baseball Clubs, Inc.*, 259 U.S. 200 (1922), this Court held that the business of providing public baseball games for profit between clubs of professional baseball players was not within the scope of the federal antitrust laws. Congress has had the ruling under consideration but has not seen fit to bring such business under these laws by legislation having prospective effect. The business has thus been left for thirty years to develop, on the understanding that it was not subject to existing antitrust legislation. The present cases ask us to overrule the prior decision and, with retrospective effect, hold the legislation applicable. We think that if there are evils in this field which now warrant application to it of the antitrust laws it should be by legislation. Without re-examination of the underlying issues, the judgments below are affirmed on the authority of *Federal Baseball Club of Baltimore v. National League of Professional Baseball Clubs, supra*, so far as that decision determines that Congress had no intention of including the business of baseball within the scope of the federal antitrust laws."

It is thus clear that the Supreme Court will not apply the Federal Antitrust laws to baseball until such time as Congress withdraws the exemption created by the *Federal Baseball Club* decision.

Inapplicability of the baseball decisions to organized football

In *United States v. Shubert*, 348 U.S. 222 (1955), the Court held that the Federal Antitrust Laws were applicable to the legitimate theater. In the course of its opinion, the Court makes it perfectly clear that the antitrust law exemption created in the *Federal Club* decision and followed in the *Toolson* case pertains only to baseball. The Court said:

"In *Toolson*, where the issue was the same as in *Federal Baseball*, the Court was confronted with a unique combination of circumstances. For over 30 years there had stood a decision of this Court specifically fixing the status of the baseball business under the antitrust laws and more particularly the validity of the so-called 'reserve clause.' During this period, in reliance on the *Federal Baseball* precedent, the baseball business had grown and developed. . . . And Congress, although it had actively considered the ruling, had not seen fit to reject it by amendatory legislation. Against this background, the Court in *Toolson* was asked to overrule *Federal Baseball* on the ground that it was out of step with subsequent decisions reflecting present-day concepts of interstate commerce. The Court, in view of the circumstances of the case, declined to do so. But neither did the Court necessarily reaffirm all that was said in *Federal Baseball*. Instead, '[w]ithout reexamination of the underlying issues,' the Court adhered to *Federal Baseball* 'so far as that decision determines that Congress had no

intention of including the business of baseball within the scope of the federal antitrust laws.' 356 U.S. at 357. In short, *Toolson* was a narrow application of the rule of *stare decisis*."¹

In the recent litigation involving the removal of the Braves franchise from Milwaukee to Atlanta, the Wisconsin Supreme Court held:

"Thus it appears that organized baseball enjoys, by reason of long continued reliance on *Federal Baseball* and the policy reasoning of the supreme court that any change should be brought about by legislation, with prospective effect only, an exemption from the federal antitrust laws which no ever organized sport enjoys even where the structure and operation of the organization may be similar." *State of Wisconsin v. Milwaukee Braves, Inc.* CCH Trade Regulation Reporter ¶71,843 at p. 82,906 (Wis. S. Ct. 1966).

The Wisconsin Supreme Court's statement is based largely on the specific and unequivocal ruling of the United States Supreme Court in *Radovich v. National Football League*, 350 U.S. 455 (1957) that the *Toolson* decision was limited to baseball. William Radovich, formerly an all pro guard with the Detroit Lions, sought treble damages on the basis that the defendants conspired to monopolize and control organized professional football in preventing Radovich, formerly a player in the All-American Conference, from participating as a player-coach in the Pacific Coast League. The Supreme Court reversed the holding of the Ninth Circuit Court of Appeals that the *Federal Baseball Club* and *Toolson* decisions should be applied to all "team sports," including professional football. In holding that the volume of interstate business involved in organized professional football places it within the provisions of the Sherman Act, the Court concluded that the orderly way to eliminate error or discrimination in favor of baseball is by "legislation and not by court decision."

Conclusion

The *Radovich* decision leaves no doubt that organized professional football is subject to the Federal Antitrust Laws. Even if the United States Justice Department does not seek to enforce the civil and criminal liabilities under the Acts, it is clear that no exemption defense will be available to professional football clubs in treble damage actions brought by players or others for damages allegedly resulting from the proposed merger of the National Football League and the American Football League. In fact, suit was recently filed in the Federal District Court for Northern Illinois (Chicago) asserting that the June 3rd merger agreement between the leagues violates the restraint of trade and monopolization provisions of Sections 1 and 2 of the Sherman Act and further violates the antimerger prohibition of Section 7 of the Clayton Act. Specifically attacked by the complaint are those parts of the agreement which would provide for joint negotiations of television contracts, a common player draft, restrictions against "raiding" of other clubs, and provisions for exclusive territories.

It must be concluded, then, that any investment in a professional football league franchise at this time will be seriously jeopardized by possible treble-damage losses in antitrust litigation stemming from the merger of the two leagues. The legislation contemplated by the *Radovich* decision, at least to the extent of the mergers, is now pending in the Congress. (S. 3817, H.R. 17448, H.R. 17537). Until such time as this legislation becomes effective, the risks of liability are great.

Mr. BOGGS. I can talk at great length, but this is basically what I want to leave with the committee and I am hopeful, Mr. Chairman, that you in your great wisdom will see the necessity for expeditious action on this legislation.

Mr. ROGERS. Mr. Chairman, I assume from your statement that you foresee no problem, if we get it reported from this committee, to get it passed in the House?

Mr. BOGGS. Well, I never like to speak for the whole leadership, but I think I could give that assurance.

Mr. ROGERS. You can get proper recognition for the chairman or—

¹ Also in 1955, the Supreme Court rejected contentions that the *Federal Baseball Club* and *Toolson* decisions should be applied to the field of boxing. *United States v. International Boxing Club of New York, Inc.*, 348 U.S. 236 (1955).

Mr. BOGGS. Yes, I think if this committee reported this bill, that it could be scheduled.

Mr. ROGERS. Thank you.

Mr. BOGGS. You are quite welcome.

The CHAIRMAN. Thank you very much, Mr. Boggs.

Mr. BOGGS. Thank you very much, Mr. Chairman. I again urge the most expeditious consideration.

The CHAIRMAN. I would like to place in the record statements from our distinguished colleague from Michigan, Mr. John D. Dingell; our distinguished colleague from Ohio, Mr. William E. Minshall, our distinguished colleague from New Mexico, Mr. Thomas G. Morris; our distinguished colleague from California, Mr. Leggett; the honorable Senator from Wyoming, Mr. McGee; and our distinguished colleague from Kansas, Mr. Dole.

(The statements referred to follow:)

TESTIMONY OF HON. JOHN D. DINGELL

Mr. Chairman and Members of the Subcommittee, I am delighted that you have found it possible to give such speedy consideration to this legislation (S. 3817 and H.R. 18124) to authorize the merger of two or more professional football leagues into a single combined league. As you know, the bill has the additional purpose of protecting interscholastic football contests from the competition of telecasts of professional football games at the time when these interscholastic contests are usually played.

While I am generally opposed to the granting of exemptions from the anti-trust laws, I find certain extenuating circumstances in the professional football situation. I have been assured that if the American Football League and the National Football League are allowed to merge into a single league, free of the fear that the merger might violate the antitrust laws, much can be accomplished for the sport.

I am told that the teams which are franchised at present will continue to play in the same cities. I am told that additional teams will be taken into the new league. I am told that there will be no adverse effect upon present professional football players, but that future bonuses to newly-signed players will be reduced. I am told that this savings will enable the professional football teams to raise minimum salaries and adjust certain inequities which have been adversely affecting the morale of established professional football players.

TESTIMONY OF HON. WILLIAM E. MINSHALL

Mr. Chairman, distinguished members of the subcommittee, I am particularly pleased to testify in behalf of this legislation because of the tremendous pride we in Cleveland have in Art Modell and the Cleveland Browns.

Before the final gun goes off in the 89th Congress, I think it is appropriate that we put professional football in a scoring position without fear of penalty by passing this legislation.

The Senate already has given its stamp of approval to S. 3817, to authorize the merger of two or more professional football leagues and to protect football contests between secondary schools from professional football telecasts.

Congress in 1961 provided this last-mentioned protection to college football games and, as a former non-professional player myself, I find it simple equity to extend it to the Friday night games played by junior and senior high schools.

Initial aspects of the merger of the American and National Football Leagues were to have taken place late this year and early next. But, as you know, the National League strongly feels that such plans might have to be re-evaluated if we do not grant the two leagues anti-trust exemptions.

Because I feel that the leagues should have assurance that neither the government nor the Congress will raise any challenge to the merger, I have introduced companion legislation to the Cramer bill. If, indeed, there is no intent to disrupt the merger plans, Congress can well afford to enact such a measure.

The Senate approved S. 3817 on September 26 without debate and by a voice vote. The Senate report which accompanied the bill clearly states the intent of the bill as follows:

"The proposed bill would not extend to the combined league any greater antitrust immunity than that now existing for the existing professional football leagues * * * The sole effect of this legislation is to permit the combination of the two leagues to go forward without fear of antitrust challenge based upon a joint agreement between the member clubs of two leagues to combine in a single league and to conduct their affairs as members of a single league."

I strongly urge swift committee action on the legislation so that it may receive the final House action necessary to assure its enactment before this session ends.

TESTIMONY OF HON. THOMAS G. MORRIS

Mr. Chairman, I appreciate this opportunity to submit a statement in behalf of my bill, H.R. 18060, which is identical to the Senate Bill, S. 3817, you are considering. I would urge this Committee to act promptly to make it possible for the two great football leagues, the National (NFL) and the American (AFL), to merge without the threat of possible antitrust legislation delaying this action. Such a merger would greatly benefit the growing throng of football enthusiasts, the football teams, and the players.

We can make sure this merger can take place by this very simple bill, which passed the Senate without opposition on September 26, and which has bipartisan support in this chamber.

More than a year ago the Senate, on August 31, 1965, passed the Professional Sports Act of 1965, S. 950, which was designed to clarify the antitrust status of professional team sports. This bill involved all organized professional team sports and spelled out specific areas of exemption from the antitrust laws. It is a good bill. But it is rather involved, and time does not permit the full hearings and action that would properly be required for its passage this year. On the other hand, this interim measure, applying only to professional football and the immediate proposed merger, can be acted on immediately without extended debate. This bill, as you know, is necessary to permit the planned merger of the American Football League and the National Football League into a single professional football league, without fear that the antitrust laws would apply to that act. This merger, as formulated, would increase rather than decrease the number of professional football clubs playing in the United States. All 24 existing clubs would retain their present franchises. No franchises would be transferred from their present locations. Two new franchises would be added by 1968 and two more as soon thereafter as practical. A world championship game in January 1967 is to be played between the leaders of the two existing leagues.

The merger will improve the player strength and the financial resources of weaker teams of both leagues. While bonuses to college players will be reduced—this in itself helping the financially weaker teams—such action will permit relatively higher salaries for players generally, eliminate some of the inequities which now exist, and substantially increase salary minimums.

I would stress that this bill would not extend to the newly combined league any more antitrust immunity than now prevails for the existing pro football leagues. It does not seek to resolve any of the other antitrust problems of professional football or of any of the other professional team sports.

There is a second aspect to the bill which is also beneficial, and which likewise should arouse no opposition. It would provide the same protection to high schools which colleges have had since 1961, namely prohibiting the broadcasting or telecasting of professional football games within 75 miles of the gamesite of any inter-school football game on any Friday evening or Saturday. This protection proved beneficial to both the collegiate and professional game in preserving the balance in public participation in these sports. It should prove equally beneficial to high schools and should provide encouragement for greater support of high school athletic programs.

In short, this measure will benefit millions of football fans in every section of the country; it will advance the sport of professional football; it will also encourage greater support to high school football. I therefore urge this Committee, Mr. Chairman, to act promptly to assure passage of this bill before adjournment.

TESTIMONY OF HON. ROBERT L. LEGGETT

Mr. Chairman, I am pleased to have co-authored H.R. 17661 now under consideration, with respect to the merger of the Professional Football Athletic Leagues. This legislation would have the effect of protecting Friday night High School football games.

It is imperative that the High Schools of America be protected on Friday nights against Professional Football. The television of Professional Football games on these nights will have a severe, adverse effect on High School football games.

In order to meet the cost of having a creditable football and athletic program, the high schools have traditionally held their games on Friday evenings. In many of the smaller communities the Friday night football game is the unifying social function of all the residents of the area.

If High School football had to compete against televised Professional Football games, the gate receipts, upon which most schools rely for carrying on their athletic programs would be seriously in danger. Such a practice would, I fear, prove disastrous to High School football in this country.

I am pleased to have co-authored this legislation and sincerely ask the Committee's consideration.

U.S. SENATE,
COMMITTEE ON APPROPRIATIONS,
October 5, 1966.

HON. EMANUEL CELLER,
Chairman, Judiciary Committee,
House of Representatives, Washington, D. C.

DEAR CHAIRMAN CELLER: It is my understanding that S. 3817, a bill which would authorize the merger of the two major professional football leagues, will be considered by your Judiciary Committee this week.

As you know, this bill as approved by the Senate would protect high school football to some degree at least during the period commencing on the second Friday in September and extending to the second Saturday in December. It has been brought to my attention that this period does not adequately protect our high school athletic activities in Wyoming and perhaps other states in which activities are commenced earlier than the second Friday in September. For example, on the evening of Friday, September 2 of this year, several football games were held throughout the State of Wyoming. The attendance at these games was quite noticeable and adversely affected by a professional football telecast which was programmed at the same time.

It is quite apparent that if we are to adequately protect the interests of high school athletics as was intended by Congress, it will be necessary that the restrictive period be extended. I would suggest that your committee amend the Senate-approved legislation so as to commence the restrictive period on the last Friday in August rather than the second Friday in September. I would most certainly appreciate any consideration which could be given to such an amendment during the course of your committee's consideration of this bill. I would also appreciate it if this letter could be made a part of the committee hearings.

Sincerely,

GALE MCGEE, *U.S. Senator.*

TESTIMONY OF HON. BOB DOLE

Mr. Chairman and members of the Antitrust Subcommittee, I appreciate an opportunity to present my views and to urge this Committee to act promptly and favorably on my bill, H. R. 18145, or any similar proposal, which would authorize a merger of two or more professional football leagues and which would protect football contests between secondary schools from professional football telecasts. In my opinion, enactment of this legislation would make possible a plan for major league professional football, which has the support of millions of sports

fans. It would also be beneficial to the colleges and high schools as well. There is strong interest in this legislation throughout Kansas. Pro football fans, particularly in Eastern Kansas, have a great interest in Lamar Hunt's Kansas City Chiefs.

If legislation is not enacted, there will be great reluctance among the presidents of the twenty-four clubs comprising the National Football League and American Football League to proceed with any plan to develop a single league. There are many benefits this single-league plan will bring to the public, fans of professional football clubs, the players and other interested parties.

The basic purpose of this legislation is to clarify the status under the anti-trust laws of the announced plan to bring into existence a single, nationwide professional football league, consisting of all present clubs of both the National Football League and the American Football League. My bill, and other similar ones, would accomplish this objective by declaring that the simple act of all clubs involved in bringing their operations under a single league will not, in itself, be subject to challenge under the anti-trust laws.

The report which accompanies the Senate-passed bill, S. 3817, indicates that no anti-trust immunity would be extended to the proposed single league that does not now apply to the existing professional football leagues. The only item omitted from application of the anti-trust laws would be the agreement among the member clubs of the two leagues to combine into a single league. All other applications of the anti-trust laws to professional sports, which various versions of the "Sports Bill" have attempted to clarify, would remain as they are. Others who have testified are in agreement in this respect.

There is little question that Professional Football has widespread public support. Pro football executives feel their plan meets the basic demands of the fans and the objectives outlined by interested parties in both the American and National Football Leagues. According to their testimony, professional football operations will be preserved in the 23 cities and 25 stadiums where such operations are presently being conducted. Without the plan, it is felt franchise moves and/or franchise failures will occur as a matter of course within the next few years, and a contraction rather than expansion would be the ultimate result.

A significant provision of my bill, and one of particular interest to every high school official, would extend to the high schools of America the same protection against Friday night or Saturday telecasts of professional football games as is presently given college football. The provision is as follows:

"Section 1 of this Act shall not apply to any joint agreement described in section 1(a) of this Act which permits the telecasting of all or a substantial part of any professional football game on any Friday after 6 o'clock postmeridian or on any Saturday during the period beginning on the second Friday in September and ending on the second Saturday in December in any year from any telecasting station located within seventy-five miles of the game site of any intercollegiate or interscholastic football contest scheduled to be played on such date if—

"(1) such intercollegiate football contest is between institutions of higher learning, both of which confer degrees upon students following completion of sufficient credit hours to equal a four-year course, or

"(2) in the case of an interscholastic football contest, such contest is between secondary schools, both of which are accredited or certified under the laws of the State or States in which they are situated and offer courses continuing through the twelfth grade of the standard school curriculum, or the equivalent, or

"(3) such intercollegiate or interscholastic football contest and such game site were announced through publication in a daily newspaper of general circulation prior to March 1 of such year as being regularly scheduled for such day and place."

In view of these and other obvious benefits to be derived, I strongly urge the Committee to act favorably and immediately.

Thank you.

SUPPLEMENTARY STATEMENT OF PETE ROZELLE, COMMISSIONER, NATIONAL FOOTBALL LEAGUE; ACCOMPANIED BY LAMAR HUNT, PRESIDENT, KANSAS CITY CHIEFS, AMERICAN FOOTBALL LEAGUE; TEXAS SCHRAMM, PRESIDENT, DALLAS COWBOYS, NATIONAL FOOTBALL LEAGUE; AND HAMILTON CAROTHERS, COUNSEL

Mr. ROZELLE. Mr. Chairman, I would like to submit a very brief supplementary statement for the record, if I may.

The CHAIRMAN. Do you wish to place it in the record?

Mr. ROZELLE. I would like to read it at this time.

The CHAIRMAN. You have that privilege.

Mr. ROZELLE. Thank you.

During the hearings on Tuesday, October 11, 1966, questions were raised as to the nature of professional football's objectives in seeking action by this committee.

The limited nature of the objectives sought by professional football was confirmed in a letter to Chairman Celler last August. I would like to ask that this letter be made part of the record.

Our objective may be simply stated. We wish to secure legislation which will permit the expanded league to begin operations as a combined league on the same antitrust footing as professional basketball or hockey or any other single-league professional sport which is without basic antitrust immunity.

We specifically accept the proposition that the bill does not seek to deal with any of the long-range antitrust problems, problems which professional football or any other professional sport may encounter when operating as a single league. Such issues may be preserved for further clarification in the courts or in future sessions of Congress.

We acknowledge that the expanded league's antitrust vulnerability is fully preserved to the extent, but only to the extent that any of its practices, such as its player draft, its stadium lease arrangements, its assignment of franchise territories, or any other practice of professional football, may continue to be challenged under the antitrust laws as the practices of a single league. Thus we accept the proposition that the exempting effect of the bill is limited to the actions of the two leagues in combining their member clubs in a single league and in initiating their affairs as members of a single league.

We do not believe any change in the language of the Senate approved bill is necessary to restrict the bill to this limited objective. The additional language added by the Senate Judiciary Committee was designed to accomplish this very result. The report of the Senate Judiciary Committee makes it clear that the scope of the bill is quite limited.

The already established record before this committee confirms the limited nature of the exemption and there is every opportunity for this committee in its own report to restate these limitations in whatever fashion it thinks appropriate. We will fully cooperate in this effort, should the committee so desire.

Mr. HARKINS. Mr. Rozelle, you referred to an August 25, 1966, letter in this statement you just read.

Mr. ROZELLE. Yes, Mr. Harkins.

Mr. HARKINS. This is a letter to the chairman, that you requested be placed in the record?

Mr. ROZELLE. Yes, sir.

Mr. HARKINS. Now, this letter was written in connection with an attempt to get action on S. 950, was it not?

Mr. CAROTHERS. I do not believe S. 950—no, sir.

Mr. HARKINS. What date was the bill, S. 3817, introduced in the Senate?

Mr. CAROTHERS. S. 3817 was introduced after this date, but we had already laid on your desk for approximately 2 months versions of this limited bill that we hoped to have hearings on by this committee.

Mr. HARKINS. But they were all variations of the provisions in S. 950 as it applied to football, is that not right?

Mr. CAROTHERS. They were not, sir. They were specifically limited to the specific proposal that we are seeking to have achieved today.

Mr. HARKINS. Mr. Chairman, I would offer for the record all the proposals that the National Football League has submitted in this matter.

The CHAIRMAN. It will be accepted.
(Documents follow:)

AUGUST 25, 1966.

HON. EMANUEL CELLER,
*Chairman, Committee on the Judiciary,
House of Representatives, Washington, D.C.*

DEAR MR. CHAIRMAN: The purpose of this letter is to provide you with certain assurances relative to the political objectives of the 24 member clubs of the new expanded major professional football league.

As Commissioner of the new league, I am authorized to inform you that should the Judiciary Committee of the House of Representatives hold hearings and report favorably a bill having the limited effect of permitting professional football to go forward with the plan for bringing all of the member clubs of the National Football League and of the American Football League into a single league, without fear of antitrust challenge by the Government or third parties based on the agreement to form such a single league, no effort will be made by any franchise owner or other representative of the league to in any way expand the scope of such bill except with your specific approval as Committee Chairman. We will also undertake actively to oppose any effort of this nature by any other interests.

The member clubs of the new league seek simply the privilege of beginning joint operations as a single league in 1967 with a clean slate, *i.e.*, to begin operations as a combined league on the same antitrust footing as professional basketball or hockey or any other professional sport without basic antitrust immunity. It is specifically understood that such a bill will not seek to deal with any of the long range antitrust problems of professional football or any other professional sport and that such issues may be reserved for future sessions of Congress. It is further understood that the exempting effect of the bill will be limited to the action of the two leagues in combining their member clubs in a single league, provided, however, that the bill would immunize the new league from antitrust challenge based on the agreement of affiliation and that the expanded league's antitrust vulnerability would be preserved only to the extent that its practices may be challenged as the practices of a single league.

Respectfully,

PETE ROZELLE, *Commissioner.*

(Submitted July 18, 1966.)

[Amendments to S. 950]

AN ACT To make the antitrust laws and the Federal Trade Commission Act applicable to the organized professional team sports of baseball, football, basketball, and hockey and to limit the applicability of such laws so as to exempt certain aspects of the organized professional team sports of baseball, football, basketball, and hockey, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of July 2, 1890, as amended (26 Stat. 209); the Act of October 15, 1914, amended (38 Stat. 730); and the Federal Trade Commission Act, as amended (38 Stat. 717), shall be applicable according to their terms to the organized professional team sports of baseball, football, basketball, and hockey, except that neither such Act shall apply to any contract, agreement, rule, course of conduct, or other activity by, between or among persons conducting, engaging, or participating in any one of the organized professional team sports of baseball, football, basketball, or hockey to the extent to which such contract, agreement, rule, course of conduct, or activity relates to—

- (1) the equalization of competitive playing strengths;
- (2) the employment, selection, or eligibility of players, or the reservation, selection, or assignment of player contracts;
- (3) the right to operate within specific geographic areas;
- (4) the preservation of public confidence in the honesty in sports contests;

or

- (5) the effectuation of the plan for an enlarged major professional football league as announced by the National Football League and the American Football League on June 8, 1966.

SEC. 2. Definition same as S. 950.

SEC. 3. Savings clause same as S. 950.

SEC. 4. Collective bargaining same as S. 950.

SEC. 5. Applicability of other antitrust laws same as S. 950.

SEC. 6. Friday night television same as S. 950.

AN ACT To make the antitrust laws and the Federal Trade Commission Act applicable to the organized professional team sports of baseball, football, basketball, and hockey and to limit the applicability of such laws so as to exempt certain aspects of the organized professional team sports of baseball, football, basketball, and hockey, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of July 2, 1890, as amended (26 Stat. 209); the Act of October 15, 1914, as amended (38 Stat. 730); and the Federal Trade Commission Act, as amended (38 Stat. 717), shall be applicable according to their terms to the organized professional team sports of baseball, football, basketball, and hockey, except that neither such Act shall apply to any contract, agreement, rule, course of conduct, or other activity by, between, or among persons conducting, engaging, or participating in any one of the organized professional team sports of baseball, football, basketball, or hockey which is reasonably necessary to—

- (1) maintain and promote the quality of sports competition, including practices relating to—

- (a) the equalization of competitive playing strengths;
- (b) the employment, selection, or eligibility of players, or the reservation, selection, or assignment of player contracts;
- (c) the right to operate within specific geographic areas;
- (d) the preservation of public confidence in the honesty in sports contests; or

- (2) the effectuation of the plan for an enlarged major professional football league as announced by the National Football League and the American Football League on June 8, 1966.

SEC. 2. As used in this Act, "persons" means any individual, partnership, corporation, league, or unincorporated association or any combination or association thereof.

SEC. 3. Nothing in this Act shall affect any cause of action commenced prior to the effective date hereof in respect to the organized professional team sports of baseball, football, basketball, or hockey.

SEC. 4. Nothing in this Act shall be construed to deprive any players in the organized professional team sports of baseball, football, basketball, or hockey of any right to bargain collectively, or to engage in other associated activities for their mutual aid or protection.

SEC. 5. Except as provided in section 1 of this Act, nothing contained in this Act shall be deemed to change, determine, or otherwise affect the applicability or nonapplicability of the antitrust laws to the organized professional team sports of baseball, football, basketball, or hockey.

SEC. 6. Section 3 of the Act of September 30, 1961 (75 Stat. 732), is amended to read as follows:

"SEC. 3. Section 1 of this Act shall not apply to any joint agreement described in section 1 of this Act which permits the telecasting of all or a substantial part of any professional football game on any Friday after 6 o'clock post meridian or on any Saturday during the period beginning on the second Friday in September and ending on the second Saturday in December in any year from any telecasting station located within seventy-five miles of the game site of any intercollegiate or interscholastic football contest scheduled to be played on such a date if—

"(1) such intercollegiate football contest is between institutions of higher learning, both of which confer degrees upon students following completion of sufficient credit hours to equal a four-year course, or

"(2) in the case of an interscholastic football contest, such contest is between secondary schools, both of which are accredited or certified under the laws of the State or States in which they are situated and offer courses continuing through the twelfth grade of the standard school curriculum, or the equivalent, and

"(3) such intercollegiate or interscholastic football contest and such game site were announced through publication in a daily newspaper of general circulation prior to March 1 of such year as being regularly scheduled for such day and place."

JOINT RESOLUTION To clarify the application of Federal and State antitrust laws to the plan for a single major professional football league as agreed upon by the National Football League and the American Football League

Whereas the member clubs of the National Football League and of the American Football League have agreed on a plan for bringing all clubs of both leagues within a single nationwide major professional football league; and

Whereas the plan as agreed upon continues in operation all present major league professional football franchises, provides for the bringing of professional football operations to additional American cities, contributes to the preservation of the integrity of college athletics and offers additional employment opportunities for professional athletes, places major league professional football on the same footing as other major league professional sports in America, brings order and stability to a form of entertainment in which there is widespread public interest, and will make possible a determination of the true world champion of professional football; and

Whereas it is the sense of Congress that there is a substantial national interest in assuring that the plan becomes effective: Therefore be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the antitrust laws, as defined in section 1 of the Act of October 15, 1914, as amended (38 Stat. 730), or in the Federal Trade Commission Act, as amended (38 Stat. 717), or any state law in *para materia*, shall not apply to the agreement dated _____ between the clubs of the National Football League and the clubs of the American Football League providing for a single unified major professional football league, or to any acts reasonably taken in implementation thereof.

(Submitted July 19, 1966.)

AN ACT

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the antitrust laws, as defined in section 1 of the Act of October 15, 1914, as amended (38 Stat. 730), or in the Federal Trade Commission Act, as amended (38 Stat. 717), or any State law in *para materia*, shall not apply—

(a) to any joint agreement by or among persons engaging in or conducting the organized professional team sports of football, baseball, basketball, or hockey, by which any league of clubs participating in professional football, baseball, basketball, or hockey contests sells or otherwise transfers all or any part of the rights of such league's member clubs in the sponsored telecasting of the games of football, baseball, basketball, or hockey, as the case may be, engaged in or conducted by such clubs.

(b) *to the plan for a unified major professional football league as announced by the National Football League and the American Football League on June 8, 1966, or to any acts reasonably taken in implementation thereof.*

SEC. 2. Section 1 of this Act shall not apply to any joint agreement described in section 1 of this Act which prohibits any person to whom such rights are sold or transferred from televising any games within any area, except within the home territory of a member club of the league on a day when such club is playing a game at home.

SEC. 3. Section 1 of this Act shall not apply to any joint agreement described in section 1 of this Act which permits the telecasting of all or a substantial part of any professional football game on any Friday after 6 o'clock postmeridian or on any Saturday during the period beginning on the second Friday in September and ending on the second Saturday in December in any year from any telecasting station located within seventy-five miles of the game site of any intercollegiate or interscholastic football contest scheduled to be played on such a date if—

(1) such intercollegiate football contest is between institutions of higher learning, both of which confer degrees upon students following completion of sufficient credit hours to equal a four-year course, or

(2) *such interscholastic football contest is between secondary schools, both of which are accredited or certified under the laws of the State or States in which they are situated and offer courses continuing through the twelfth grade of the standard school curriculum, or the equivalent,¹ and*

(3) such intercollegiate or interscholastic football contest and such game site were announced through publication in a daily newspaper of general circulation prior to March 1 of such year as being regularly scheduled for such day and place.

SEC. 4. Nothing contained in this Act shall be deemed to change, determine, or otherwise affect the applicability or nonapplicability of the antitrust laws to any act, contract, agreement, rule, course of conduct, or other activity by, between or among persons engaging in, conducting, or participating in the organized professional team sports of football, baseball, basketball, or hockey, except the agreements to which section 1 of this Act shall apply.

SEC. 5. As used in this Act "persons" means any individual, partnership, corporation, or unincorporated association or any combination or association thereof.

SEC. 6. *Nothing in this Act shall affect any cause of action commenced prior to the effective date hereof in respect to the organized professional team sports of baseball, football, basketball or hockey.²*

NOTE.—Italicized material not included in 1961 act.

MEMORANDUM

(Submitted July 19, 1966.)

The member clubs of the National Football League and the American Football League have agreed on a plan for a single enlarged league. This memorandum discusses the reasons for the plan and the reasons why antitrust action is neither required nor indicated.

Professional sports are subject to very unusual economic factors. Few aspects of their operation resemble ordinary business operations. Ownership interests, community relationships, and the interests of consumers are all entirely different from those found in ordinary business operations.

These circumstances, and their special application to professional football operations, are discussed at some length below. Preliminary to their consideration, however, it is important to note what the proposed single league plan will accomplish.

¹ From S. 950 as passed by Senate.

THE PUBLIC INTEREST

The plan will be of significant national and public benefit in a number of respects:

(1) The plan contemplates continued professional football operations in the 23 cities and 24 stadiums where such operations are presently being conducted. This alone is a matter of considerable public interest—to local economies, stadium authorities, and consumers. Without the plan, franchise moves and/or franchise failure will occur as a matter of course within the next few years.

(2) The plan will guarantee additional professional football franchises for a number of new cities. Two new cities are being added this year, two more will be added for operation in 1968, and two more are contemplated shortly after full unification of the league is achieved in 1970. Professional football will then be more nation-wide in scope than any other professional sport. Without the plan, contraction rather than expansion will be the ultimate consequence of developing conditions, as the economic factors discussed later in this memorandum force abandonment of the weaker franchises. This is borne out by past experience in football and other professional sports.

(3) By placing all existing major league professional football franchises under one league structure, under a common set of rules, and on substantially the same economic footing, there will be a return to the primary objective of professional football—the offering of football competition at its best, with close contests between well balanced and evenly matched teams. With all existing football franchises operating under the same player squad limits, the same pension plan, with equal access to player trades, with equal television income, participation in a player draft, and equally attractive visiting teams, football competition rather than ability to withstand losses can be the dominant element of the game. Conditions can be created where all clubs, including those in less favorably situated cities, such as Denver or Pittsburgh, can have an equal run at the league championship in competition with such cities as New York, Los Angeles and Chicago.

(4) The plan calls for a substantial increase in the player salary minimum now in effect in the NFL, the creation of a player salary minimum for AFL players at the same level, and increased pension plan benefits to all present AFL players. Moreover, the more equal economic opportunities for all existing franchises will give more balanced employment opportunities throughout the league and enable each franchise to direct a greater proportion of its payroll to the class of player who has earned it—the veteran player of proven merit. Expansion will, moreover, provide additional player and coaching jobs.

(5) The plan will give the consumer, in this case the football fan of America, what he wants—balanced football competition, play between the clubs of the two present leagues, and a world's championship game. There is no practicable method for meeting these consumer interests short of full unification of the league by a common league schedule, common league rules, and a common draft.

(6) If the plan is put into effect now, adjustments can be made in a manner adhering to the broadest possible local and national interests. If it is not, the ultimate pattern of professional football operations will be determined by franchise failures and piecemeal adjustments which give little attention to these interests—interests which should be paramount. There has already begun in both leagues the pattern of deterioration which destroyed the old All America Conference in football, the Federal Baseball League, and the Basketball Association of America.¹

(7) The plan will put professional football on the same footing as all other American professional sports. As a consequence, there will be less friction with the colleges and less opportunity for interference with the integrity of college athletics.

These benefits are of unquestioned local and national interest. They all spring from certain peculiar economic factors operating in all professional sports but which are particularly felt in professional football operations.

¹ The mere announcement of the plan has already had a stabilizing effect on a number of the weaker AFL clubs. Overall season ticket sales for the AFL are up _____ since the announcement.

THE "NATURAL MONOPOLY" ASPECTS OF PROFESSIONAL FOOTBALL

The competitive conditions now developing in this sport will inevitably result, within a few years, in either (a) the complete failure of one league, or (b) the failure of the weaker franchises in both leagues and the consequent combination of the more successful franchises into a single league. This has proven itself before in professional football and other professional sports and will happen again.

Professional football operations are today not being conducted by either league on any rational plane of competition. Pride, tax privileges, civic allegiances, and the capacity to withstand losses are being substituted for business initiative, enterprise, and ordinary business and profit motives. The market for professional football cannot be shared; it can only be won. It is inherently a "natural monopoly" market—a market in which there is room for only one league seeking to operate at major league levels of competition. The circumstances which produce this are peculiar to professional sports and to professional football in particular.

In the first place, competition in professional sports is not naturally derived. A sports league itself is an artificial conception kept alive by elaborate rules designed to develop an economic potential and provide stable employment opportunities. Without such rules, any professional sport would rapidly deteriorate into mere casual exhibitions of athletic prowess without an economic base and without widespread employment potential.

In the second place, the relationship which exists between member clubs of a single football league is wholly unique. If a league is to be successful, it must take steps to insure substantial equalization of opportunity among all clubs of its league. Failure to do so jeopardizes the league itself. This follows because the economic relationship between member clubs of a league is like no other relationship found on the American scene.

Every club plays one-half of its games on the road. Thus almost half of each club's gate income is directly dependent on the successful operation of every other franchise of the league. Because of the limited number of games possible in professional football, near capacity crowds are important to all clubs. A "sick" franchise is almost as much a problem for the other clubs of its league as it is for the club itself. Indeed, it has on occasion been necessary for the remaining clubs of a league to contribute financially to one club simply to insure the league's continued operation.

This partnership-joint venture aspect of a league's operations is recognized in all professional sports operations. It is given primary play in professional football operations where game opportunities are necessarily limited in number, economic success requires near capacity crowds, and inequalities in team play and franchise strength have an immediate and pronounced effect on the gate receipts of all clubs in the league. By its nature, football is a game of climax where close contests and league balance are essential to the maintenance of fan interest.

In the NFL, for example, the partnership or joint venture principles of club operations is given the most thorough application in professional sports. All clubs are required to operate with the same squad limitations, regardless of their individual economic resources. All operate under the same player pension plan. Television income is equally divided among all member clubs of the League, regardless of the relative size of their individual television audiences. Game receipts are divided 60%-40% to the home and visiting team, a more equal division than any other professional sport. The player selection system is designed to give each club an equal opportunity to field a winning team and to insure regular rotation of the League championship. Even the NFL ownership policy is directed at preserving a balanced league—no corporate ownership, no public ownership, and majority ownership by one individual who is not primarily motivated by tax loss objectives.² All of these rules are directed at maintaining fan interest and insuring the league's survival.

Both the courts and Congress have considered these rules for equalization on various occasions. In 1953, for example, the NFL obtained court approval of its program for restricting outside television conflicts with home game attendance as

² The AFL, for the same reasons, has in effect nearly identical rules for franchise equalization, essentially differing only in its somewhat more relaxed ownership policy.

a device for protecting its weaker franchises. In approving this practice, the Court, *United States v. National Football League*, 116 F. Supp. 319 (E.D. Pa. 1953), said:

"Professional football is a unique type of business. Like other professional sports which are organized on a league basis it has problems which no other business has. The ordinary business makes every effort to sell as much of its product or services as it can. In the course of doing this it may and often does put many of its competitors out of business.

"Professional teams in a league, however, must not compete too well with each other in a business way. On the playing field, of course, they must compete as hard as they can all the time. But it is not necessary and indeed it is unwise for all the teams to compete as hard as they can against each other in a business way. If all the teams should compete as hard as they can in a business way, the stronger teams would be likely to drive the weaker ones into financial failure. If this should happen not only would the weaker teams fail, but eventually the whole league, both the weaker and the stronger teams, would fail, because without a league no team can operate profitably.

* * * * *

"The winning teams usually are the wealthier ones and unless restricted by artificial rules the rich get richer and the poor get poorer (as Commissioner Bell put it). Winning teams draw larger numbers of spectators to their games than do losing teams and from the larger gate receipts they make greater profits than do losing teams. With this greater wealth they can spend more money to obtain new players, they can pay higher salaries, and they can have better spirit among their players than can the weaker teams. With these better and happier players they will continue to win most of their games while the weaker teams will continue to lose most of their games. The weaker teams share in the prosperity of the stronger teams to a certain extent, since as visiting teams they share in the gate receipts of the stronger teams. But in time even the most enthusiastic fans of strong home teams will cease to be attracted to home games with increasingly weaker visiting teams. Thus, the net effects of allowing unrestricted business competition among the clubs are likely to be, first, the creation of greater and greater inequalities in the strength of the teams; second, the weaker teams being driven out of business; and, third, the destruction of the entire League." 116 F. Supp. at 323-24.

Similarly, in 1961, Congress endorsed the NFL's use of a league-wide program for insuring equal television income to all clubs. Public Law 87-331, 75 Stat. 732. On various occasions, both Houses of Congress have, through approval of the Sports Bill, broadly endorsed current professional football practices with respect to player drafts and player contracts.³

These rules for equalization, however, become wholly ineffective when two competing leagues attempt to operate at the same level in the same professional sport. The internal rules of each league become largely meaningless. The wealthier and more successful franchises in one league dominate the less successful franchises in the other. As they rise in strength, they acquire additional competitive advantages in the bidding for players. The margin between the least successful and the most successful clubs in each league becomes progressively wider. As this process continues, both leagues experience an accelerating deterioration in their own internal operations. The less successful franchises become less successful on the playing field, which reduces fan interest, which further reduces their income and ability to compete. Ultimately the survival of one league or the other depends on its ability to carry its less successful franchises and to withstand over-all deterioration of league play.

This process has already begun in professional football. In an ever increasing degree, the playing talent of both leagues is going to an ever decreasing number of clubs with the wealth and willingness to continue to acquire players

³ These bills, while phrased in terms of exemptions from the antitrust laws, are really Congressional findings on what is necessary and essential in professional sports, i.e., a statement of *how* the antitrust laws are to be applied to professional sports. See, e.g., Senate Report No. 462, 89th Cong., 1st Session:

"An insistence that professional team sports meet the same competitive standards as other business would, in fact, mean the end of professional team sports as they are known today."

Indeed, those professional sports which have operated with less attention to these rules of equalization have frequently been subjected to criticism by both members of Congress and the general public.

at prices which bear little relation to individual clubs or over-all league operations. Some clubs are beginning a downward spiral of playing field ability. A number have for all practical purposes withdrawn from the player market. Both leagues will shortly encounter the problem of franchises which have to be supported by the league if they are to continue in their present locations or continue at all. The history of the post-war years is beginning to repeat itself.⁴

The National Football League is undoubtedly better equipped for this war than the AFL. But competition is not presently being conducted on any rational plane and there are a number of owners in the AFL with considerable personal resources who are determined that their franchises will be included among those which survive. Through this process, both leagues will suffer increasing deterioration, increasing playing field imbalance, and the prospect of failing franchises.⁵

The conditions under which professional football is currently operating are thus quite similar to the conditions which prevail in a "single newspaper" town where competition for survival is the only form of competition possible. As the Court stated in one of these cases (where "there was the severest competition between these two papers for a term of years"):

"There must be space and room and subject matter involved to afford a competition such as the law requires and where these things do not exist then discontinuance of competition it has been held is not a violation of the antitrust laws." *United States v. Harte-Hanks Newspapers, Inc.*, 170 F. Supp. 227 (N.D. Tex. 1959) at 229.

Similarly, in *Union Leader Corp. v. Newspapers of New England, Inc.*, 180 F. Supp. 125 (D. Mass. 1960), modified on other grounds, 284 F. 2d 582 (1st Cir. 1960), cert. denied, 365 U.S. 833 (1961), where the court had before it "a situation where one of the only two competing newspapers in a city offers to buy out the stock of the other", Judge Wyzanski said:

"If this were a city in which at least two newspapers could economically survive, the offer to purchase would be an attempt to monopolize. Cf. *United States v. Aluminum Corp. of America*. It would not be a victory won by skill, foresight, and industry. But the situation is different where a city can accommodate only one successful newspaper, and two roughly equally able companies are competing for the single prize that is available. Skill, foresight, and industry by themselves will not give either company the victory. In addition what is required is the capacity to withstand losses. There is nothing more noble, nor more reflective of superior ability, in winning the victory by paying a large price in installments of monthly losses than by paying a large price in one lump sum payment to take over the competitor. Under the very extraordinary circumstances of this case it would have been permissible for [one newspaper] * * * to pay a reasonable price for the stock of [the other paper] * * * because though it would have appeared to lessen competition it would not have done so substantially; it merely would have somewhat shortened the time within which competition could continue." 180 F. Supp. at 142.

⁴ In 1946, the All America Football Conference undertook competition with the already established National Football League. The AAC began with franchises in Brooklyn, Buffalo, Chicago, Cleveland, Los Angeles, Miami, New York, and San Francisco. It survived for four years, during which there was suicidal competition for players and coaches with the NFL. This competition produced numerous changes of franchise ownership in both leagues, the financial collapse of a number of franchises, and ultimately a reduction of the number of operating franchises from the 17 operating in 1948 to the 12 operating in 1952. Both leagues lost fan support because of the growing inequality of team play within each league. The Cleveland Browns dominated one league. One NFL franchise had to be taken over and operated by the League. The war for survival ended in 1950 when the AAC disbanded and three of its franchises joined a reduced NFL.

Similar results have been produced when competing leagues have been attempted in basketball and baseball. Either one league collapses or the surviving franchises of both leagues join in a single league.

⁵ The economics of professional football are widely misunderstood. This is largely attributable to the fact that both leagues and the clubs of both leagues have, for obvious reasons publicly enlarged on the success of their own operations—gate attendance, television contracts, financial capabilities, etc. The realities are quite distinct. In no year, have more than ——— American Football League franchises shown an operating profit. Two AFL franchises have already been transferred, two others have required refinancing, and at least one is imminently confronted with either collapse or transfer to another city. A number are Subchapter S corporations controlled by owners in the maximum personal tax brackets, making the Federal Government the principal sponsor of their losses. A number of NFL clubs also are presently marginal and others are dependent more on depreciation tax effects made possible by recent franchise purchases than on operating earnings.

A reasonable estimate of 1964 aggregate income as reported to IRS by all 24 presently operating football franchises (with losses and gains offset) is about ———. This combined profit total is less than that of ———.

The recently announced plan for a single league is not a merger or stock acquisition in any traditional business sense. But the plan for bringing all the present AFL clubs within an expanded league more nearly preserves football competition, in the sense that consumers and local interests desire it, than impedes it. The plan has merely "shortened the time within which competition could continue" between the two present leagues, *Union Leader, supra*. The essential issue is whether the plan is to be made effective now, when continued football operations by 24 franchises in 23 separate cities is possible and plans can be made for additional football franchises, or postponed for a date not far removed when little attention will be paid to the very considerable local and national interest in preserving these franchises and making professional football truly nationwide in scope.

Apart from these considerations, the plan as proposed entails only limited restraints reasonably ancillary to desirable objectives. Side effects of the plan are limited in importance and economic impact.

There is no realistic television competition between the two leagues. Each of the three networks is tied to a specific television contract with one of the three football organizations; the colleges have a contract with ABC, the AFL has a contract with NBC, and the NFL has a contract with CBS. These contracts have no organized pattern of termination dates and rarely afford the opportunity for competition in rights placement. Indeed, the NFL has recently been required to undertake a program for a self-created network simply to re-establish competition in the market for its rights. To be sure, professional football games as presently televised by the two networks are competitive with one another as well as with other forms of television entertainment. But this will continue to be the case. Because a single network cannot practically establish as many as twenty-eight regional networks and because the expanded league desires to maintain its present level of club television income, the plan contemplates the continued use of two networks by the expanded league, e.g., on a conference or other divisional basis. Thus, both during the period prior to the expiration of the existing television contracts and afterwards, it is contemplated that there will be continued home viewer access to duplicate broadcasts, including telecasts of other league games into home cities on days when the home team is playing at home.

Competition for players will continue, but on a plane having a more realistic relation to club earning abilities. At present, a limited number of graduating collegians without professional football experience have been in a position to bargain for extraordinary bonuses and special concessions. This will no longer be possible. But graduating collegians can continue to bargain for their employment terms and seek bonuses based on contracts extending beyond the standard two-year period; veterans will have the continued privilege of playing out their options and negotiating as free agents for their services with other clubs; and established players will continue, as in baseball and basketball (which operate with lifetime reserve clauses covering the players' services) to bargain for and receive top salaries.⁶

Similarly, the proposed plan will have no material effect on competition for franchise cities. Sports page items to the effect that one league or the other is presently intending to invade the franchise cities of the other is little more than a war of nerves, the testing for fan allegiance, and the public relations hoopla which helps to give football its color. The fact is, however, as a Federal court has noted, that American cities, with the exception of New York and possibly one or two others, are natural monopoly markets for professional football purposes. *American Football League v. National Football League*, 323 F.2d 124, 131 (4th Cir. 1963). There is no economic gain from wasteful competition of this character and neither league has had any realistic interest in accentuating the already suicidal levels of present competition.

To repeat, the essential issue is whether competition is to be re-established in professional football on a plane which can accommodate broad local and national interests or whether professional football is once again to be required to destroy itself in the interests of a form of competition which can have only one result and which can contribute nothing to the interests of the fans, stadium authorities, franchise cities, and ultimately the players.

⁶ What is often forgotten is that a football club has a very considerable investment in a present or potential player—in the club's application of a draft choice, development and training expenses, in the player's ability to contribute on the playing field, and in the trading opportunity which a contract offers. These and other elements of the situation give a professional football player, like all professional athletes, very considerable leverage in negotiating contract renewals—a leverage which in professional sports generally has produced a growing body of professional athletes with salaries in the six-figure bracket.

(Submitted September 6, 1966.)

[Telegram]

NEW YORK, N.Y.

PAUL PORTER,
Arnold & Porter,
Washington, D.C.:

This will acknowledge your letter of August 26 with respect to football's proposal for legislative relief concerning their consolidation plans. Certainly we desire to take a constructive attitude with respect to the problems of our friends in professional football. I therefore authorize you to represent to Chairman Celler and his colleagues that organized baseball will make no attempt to alter or modify any legislative proposal which is strictly limited to congressional sanction for football's consolidation plans. However, it must be made clear that the proposed legislation or any related hearings, reports, and statements on the floor by its proponents, Chairman Celler, or his colleagues should not alter, affect, or seek to alter or affect baseball's existing legal status under judicial decisions. I should point out that I have not seen or approved any definitive legislative proposal and must reserve a right to withdraw from this understanding should a proposal be presented which in my judgment may adversely affect baseball.

Sincerely,

W. D. ECKERT,
Commissioner of Baseball.

(Submitted September 6, 1966.)

AN ACT

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the antitrust laws, as defined in section 1 of the Act of October 15, 1914, as amended (38 Stat. 730), or in the Federal Trade Commission Act, as amended (38 Stat. 717), shall not apply—

(a) to any joint agreement by or among persons engaging in or conducting the organized professional team sports of football, baseball, basketball, or hockey, by which any league of clubs participating in professional football, baseball, basketball, or hockey contests sells or otherwise transfers all or any part of the rights of such league's member clubs in the sponsored telecasting of the games of football, baseball, basketball, or hockey, as the case may be, engaged in or conducted by such clubs.

(b) to any joint agreement by which the member clubs of two or more professional football leagues combine their operations in an expanded single league, where such agreement increases rather than decreases the number of professional football clubs so operating.

SEC. 2. Section 1 of this Act shall not apply to any joint agreement described in section 1 (a) of this Act which prohibits any person to whom such rights are sold or transferred from televising any games within any area, except within the home territory of a member club of the league on a day when such club is playing a game at home.

SEC. 3. Section 1 of this Act shall not apply to any joint agreement described in section 1 (a) of this Act which permits the telecasting of all or a substantial part of any professional football game on any Friday after 6 o'clock postmeridian or on any Saturday during the period beginning on the second Friday in September and ending on the second Saturday in December in any year from any telecasting station located within seventy-five miles of the game site of any intercollegiate or interscholastic football contest scheduled to be played on such a date if—

(1) such intercollegiate football contest is between institutions of higher learning, both of which confer degrees upon students following completion of sufficient credit hours to equal a four-year course, or

(2) such interscholastic football contest is between secondary schools, both of which are accredited or certified under the laws of the State or States in which they are situated and offer courses continuing through the twelfth grade of the standard school curriculum, or the equivalent, and

(3) such intercollegiate or interscholastic football contest and such game site were announced through publication in a daily newspaper of general circulation prior to March 1 of such year as being regularly scheduled for such day and place.

ALTERNATIVE

SEPTEMBER 6, 1966.

The antitrust laws shall not apply to—

“* * * the joining of the member clubs of the National Football League and of the American Football League in a single professional football league, and to acts reasonably incident thereto.”

Mr. ROGERS. Mr. Chairman, as I understand, since our hearing here on Tuesday there has been an attempt to see if counsel and the representatives of the leagues can get together on the language that would accomplish the purpose that the gentleman has just testified on. So far no agreement has been reached in connection therewith, and I am wondering how it is that we as lawyers cannot arrive at some conclusion of what the language may mean in proposed legislation, and I want to direct a question either at Mr. Rozelle or his attorney.

Again, you are only wanting the two leagues to act as a single league. Is there any language that is acceptable to you that would accomplish that purpose?

Mr. ROZELLE. We would accept any language that would accomplish that purpose.

The CHAIRMAN. May I ask, will the gentleman yield?

Mr. ROGERS. Yes.

The CHAIRMAN. Mr. Rozelle authored certain language, and Mr. Harkins has countered with different language, and they are at that point.

Mr. ROGERS. That is why I am bringing up the question to see how far apart they are.

Mr. CAROTHERS. May I speak to that, sir?

Mr. ROGERS. Yes.

Mr. CAROTHERS. I would like, if I may, to refer closely to my notes, because I want to make sure that my own impressions of the disagreements between us and counsel are correctly stated.

Based on our conversations with counsel, I believe we had three basic areas of disagreement.

The first is that committee counsel would limit the antitrust exemption to an exemption from section 7 of the Clayton Act.

Now, it seems to us clear if there is an antitrust problem in connection with this plan, it is considerably broader than section 7 of the Clayton Act alone. It would require equally an exemption from sections 1 and 2 of the Sherman Act and possibly the Federal Trade Commission Act. Indeed, I think because of the unusual character of this transaction, there is a very considerable question whether section 7 has any application in any event.

Our second area of disagreement results from the committee counsel's desire to provide a limited itemization of the exempted actions in the statute itself and to limit the exemption provided to those enumerated acts.

Now, the difficulty here is in trying to enumerate in the statute the precise acts which are exempted. The league is not seeking exemptions solely for the act of consolidating the two leagues, whatever that term means. We are not seeking solely an exemption for the putting on the backs of every AFL player an NFL jersey. We must have an exemption for all the actions required by all 24 member clubs of both

leagues to put this league on a single-league basis and launch its operations as a single league.

Now, for example, we do not seek to immunize our player draft from antitrust challenge; we will accept the burden of having to defend that as a justifiable practice under the rule of reason as the practice of a single league. But we do not wish to assume the burden of having to justify that draft, not only as a practice of a single league, but also as resulting from an agreement to put the two leagues together.

In other words, the necessary step in creating a single league is to reduce the number of drafts currently being held from two to one. We wish only to insulate the steps necessary to put into effect a draft which formerly was two drafts and now has become one.

The same problem arises in terms of innumerable other actions by the member clubs of the two leagues. We have to give Mr. Rozelle the authority as commissioner and all 24 clubs must agree that he will be the joint commissioner. We must have a common set of constitution and bylaws, and we will accept the burden of defending that set of constitution and bylaws under the antitrust laws. We do not intend to accept the burden of defending the agreement between the 24 clubs to establish that single constitution and bylaws.

Our third area of disagreement is found in the desire by committee counsel to include in the bill a savings clause preserving any clause of action in existence on or before the effective date of this bill.

I think you will find the reasons for our objections to that language in whatever answers you as committee members choose to give to the following questions:

If this committee believes that it is in the public interest to permit this plan to go forward and wishes to give us the statutory protections to enable us to do so, what is the purpose of preserving antitrust challenges in the future?

For example, the antitrust complaint already on file seeks to enjoin this merger.

The CHAIRMAN. Mr. Carothers, pardon the interruption, but we never wipe out causes of action in existence at the time of the passage of the act.

For instance, I have before me the Television Act that was passed in 1961 and section 6 provides as follows:

Nothing in this Act shall affect any cause of action existing on the effective date hereof in respect to the organized professional team sports of baseball, football, basketball or hockey.

Mr. CAROTHERS. I have two points on that, Mr. Chairman, and I want these very clearly understood.

At the very least, the savings clause should be expressed as it is in the sports bill, that is, S. 950 as it came over to the House in terms of causes of action commenced.

This agreement was reached on June 8; it is now 4 months. If you preserve every cause of action which may have vested as distinct from having been filed during this lengthy 4-month period, you preserve the very hunting license that we are seeking to avoid.

You would be leaving wide open the question of what causes of action become vested by reason of the agreement itself.

The CHAIRMAN. Regardless of the merits or demerits, I am simply pointing out that we usually preserve causes of action. We usually don't interfere with causes of action that exist at the time of the passage of the act.

Mr. CAROTHERS. Then that savings clause should be expressed in terms of causes of action commenced.

(The proposed amendments of counsel referred to are as follows:)

OCTOBER 12, 1966.

CAROTHERS AMENDMENT

P. 2, line 19, change the period to a comma and add the following:

"Provided, however, That any practices of the expanded league will continue to remain subject to the antitrust laws, and available defenses thereto, as the practices of a single league."

OCTOBER 12, 1966.

AMENDMENTS TO S. 3817

SUBCOMMITTEE COUNSEL

1. P. 2, line 12, change the period to a comma and add the word "and".

2. P. 2, lines 13-17, delete subsection (b) and insert in lieu thereof:

"(b) Consolidation of the member professional football clubs of the American Football League and the National Football League into a single league of professional football clubs, the inclusion of professional football clubs additional to the member clubs of said leagues on June 8, 1966, and the division of said consolidated and additional clubs into two or more divisions, shall not in and of itself constitute an independent violation of Section 7 of the Clayton Act, as amended by the Celler-Kefauver Act, provided, however, no immunity from any of the antitrust laws is granted herein to the provisions of the Constitution and By-laws of the expanded league, including but not limited to the player selection system, the reserve clause, territories, franchises and waiver rules, powers of the commissioner, or acts pursuant thereto."

3. P. 3, add the following new section:

"Section 4. Nothing in this Act shall affect any cause of action in existence on or before the effective date hereof."

Mr. CRAMER. Mr. Chairman?

The CHAIRMAN. Mr. Cramer.

Mr. CRAMER. As a member of the committee, I am at a loss to be able to follow the discussion without having available, first, the language submitted by the league and, secondly, the counterproposal submitted by counsel. I don't know how we can be expected to be operating in the dark. I have not seen the language of either one, and therefore cannot in any way judge the differences between the two.

Do you have that language made available?

The CHAIRMAN. The whole thing is in the embryo stage; they are trying to work something out, if possible.

Mr. CRAMER. Well, that is what the testimony is about. I don't know how we can participate in or understand the testimony unless we have the two respective proposals before us.

The CHAIRMAN. Everything requires study, you just can't—

Mr. CRAMER. I would like to be a party to join in the study. I don't know how we can follow the testimony without knowing what the respective proposals are.

I have before me the language of one that is designated as the Harkins amendment.

The CHAIRMAN. That is Mr. Harkins' proposal and suggestion. This is to see whether we can work something out, and the idea was to have Mr. Carothers and Mr. Harkins got together and discuss this matter before the committee considered it.

Mr. Rozelle has spoken of it and sort of jumped the gun on us, so to speak.

Mr. CRAMER. I join with the gentleman from Colorado. I read in the paper that these negotiations are going on and there is a possibility of a settlement. And if there is a possibility of a settlement, I would like to know what is being considered and the only way I can follow it is the amendment.

I understand the Harkins amendment is the one that is being considered as a proposal by the committee to the league?

The CHAIRMAN. It is not. I have not seen this myself. I only got this this morning.

Mr. CRAMER. That is the only one.

The CHAIRMAN. I have not seen either amendment; nobody has seen them. We have not studied it. I don't know what the import is. I have not even read it yet, so I am in the same position as the gentleman from Florida.

Mr. RODINO. Mr. Chairman, may I inquire, since Mr. Carothers states that there are certain areas of disagreement, whether there are any areas of agreement? Whether we have any basic premise here that perhaps we ought to start at this beginning point that this limited approval should be given for this so-called merger that merely seeks to bring together, as I understand it, the two leagues into one single league without immunizing them from any antitrust aspects that they might be responsible for now.

Now, I don't know. I see it again as in the simple manner and again I say that I hope I do not seem foolish when I say that I look at things probably a little simplistically, but if that is the understanding, then I don't know why there should be this big divergence here.

And if there is an area of agreement, well, then, I think we ought to begin there, and I am asking is there an area of agreement?

The CHAIRMAN. That is what we are trying to find out, and let counsel try to work something out and come up to us with it. It would be very helpful.

Mr. ROGERS. Mr. Chairman, I do not want to belabor the problem that I presented, but it is very apparent that the witness, Mr. Rozelle, and his attorney have said that they only have one objective—that is to say, that you could consider the AFL and the NFL as one league, and if they were considered as such and bring it about as one league, then the fact that they brought it about as a single league, we should grant to them immunity from antitrust violation.

To me it is that simple.

The CHAIRMAN. I don't think it is quite that simple, Mr. Rogers. There are a lot of intricacies and nuances, and I want to plumb the depth of them. I want to be sure I know what this all means. I don't at this stage.

Mr. CRAMER. Would the gentleman from Colorado yield?

Mr. ROGERS. Yes.

Mr. CRAMER. As I understand it, when the meeting recessed at the last hearing, the discussion was around the Senate bill, subsection

(b), which was changed from the bill introduced, changing on line 11, page 2, the word "any" to "a." So, it would read "to a joint agreement," limiting it to this one agreement.

The second change made, trying to conform to what was requested without having broader brush was adding the words on lines 15 and 16: "and the provisions of which are directly relevant thereto," so that the clause would read, the existing clause: "To a joint agreement by which the member clubs of two or more professional football leagues combine their operation in an expanded single league, if such agreement increases rather than decreases the number of professional football clubs so operated, and the provisions of which"—meaning the combination agreement—"the provisions of which are directly relevant thereto."

Now, could I ask counsel what his objection is to that language and how he thinks it should be modified?

Mr. HARKINS. Are you asking that of me?

Mr. CRAMER. Yes.

The CHAIRMAN. We had unfolded some of the terms of this agreement, and they were rather startling.

Mr. ROGERS. I did not hear that, Mr. Chairman.

The CHAIRMAN. We had unfolded at the last meeting, due to the questions directed to Mr. Rozelle, some of the terms of that agreement and they were rather startling.

Mr. ROZELLE. Mr. Chairman, pardon me. Would you mind citing for me the areas that were unfolded that you considered startling?

Mr. ROGERS. What is startling about the cause—

The CHAIRMAN. In other words, there are quite a number of phrases in this so-called—I don't know what you call it—joint agreement. You speak, for example, of a number of additional understandings in this very agreement.

Now, I don't know what those additional understandings are, for example, and then reference is made to it and we would be approving that which we know nothing of. That is what concerns me considerably. That is only one of the difficulties presented here.

Mr. CAROTHERS. Mr. Chairman, but any additional understandings—

The CHAIRMAN. Let us go on with the examination of Mr. Rozelle as we intended.

Mr. Harkins?

Mr. CRAMER. Well, Mr. Chairman, before—

The CHAIRMAN. Let us go on with the examination. We will never make any progress this way.

Mr. CRAMER. Mr. Chairman—

The CHAIRMAN. Let's go on with the examination of Mr. Rozelle.

Mr. HARKINS. Mr. Rozelle, before we departed into the scope of the antitrust exemptions which were granted in S. 3817, you were talking about the provisions of the "Basic Terms" document that you submitted and the provisions of the Special Terms document that you submitted as they related to television and we had ascertained at that time that as far as pay TV is concerned, the member clubs had reserved the right to use pay TV for their own games and not part of the league negotiations.

Do you wish to go over that testimony, or is that a fair statement of the testimony so far?

Mr. ROZELLE. They reserved such rights in the area of pay TV as they have had reserved in the past, Mr. Harkins. In other words, there was no change in that. It would take an agreement of the teams to have pay television of the type I mentioned to you—in the home area when the home team was playing there and no local live telecast was being carried because the area was blacked out to protect the game.

Mr. HARKINS. In the special additional understanding between particular member clubs which was part of the special terms that you submitted in your "Recapitulation of Terms," is it not true that both New York City and San Francisco/Oakland areas have special arrangements for pay television for their games after 1969?

Mr. ROZELLE. They state that when either team in New York or either team in the San Francisco/Oakland Bay area is playing at home, that contingent upon approval of other clubs in the league upon such a program, would have the right to contract for local pay television of its home game in the home area alone.

Mr. HARKINS. In order that the record may be clear as to this provision, I will read it:

Following unification of the league schedule after 1969, whenever either the San Francisco 49'ers team or the Oakland Raiders team is playing at home on a day when the other team is not playing at home, the home team may, where such practice is otherwise authorized, utilize pay television or closed circuit television in the blacked out area only without requirement of consent by the other. At all other times, including specifically days when both teams are playing at home, the use of pay television or closed circuit television by either will require the consent of the other.

This is what has been agreed upon?

Mr. ROZELLE. Yes.

The CHAIRMAN. How is that affected by your pledge the last time you were here that you would see to it that there would be no pay television?

Mr. ROZELLE. I don't believe I said that specifically, Mr. Chairman. I said this: "We were discussing the championship game." I said that I had the right to make television arrangements for the championship game and that I had no interest in having pay television for the championship game. I felt it had to be on network television for the public.

I said the only thing that I had considered in the past, and we have done in the past on one occasion in the city of Chicago, is to expand the stadium in the home area where the championship game is played by having theater or local pay television where the telecast is blacked out.

I believe that was our discussion.

Mr. HARKINS. In other words, is it not a fact that the professional football business, the National Football League, is taking positive steps to assure that the member clubs can go into pay television or closed-circuit television for professional games? Is that not the import of this provision I just read?

Mr. ROZELLE. I feel that it was an understanding that the clubs wanted to reach before we went into this. It merely makes it permissive, subject as you will note in the language to practices approved by the league. This was an agreement hopefully that will hold into per-

petuity when we become a single league, and this was simply to spell out the conditions between the two teams in those two specific markets, New York City and San Francisco/Oakland.

Again, I would like to stress, however, that any pay television would have to be approved by others in the league rather than just those two.

The CHAIRMAN. From what you have said and what has been read, we now get to a point that I think we can conclude that if we approve the merger in the form that you indicate, and we therefore put the approval on the contents of this so-called joint agreement, we could be saying that an agreement among the clubs for pay television would be exempt from antitrust laws.

Mr. ROZELLE. No, Mr. Chairman, we specifically exclude that in our request for this legislation. Any practice of a single league as we have stressed, including pay television, could be challenged if this legislation were passed.

We do not seek immunity for the right to have pay television.

Mr. HARKINS. S. 3817, though, gives an exemption to a joint agreement, and the other agreements where provisions are directly relevant thereto. The provisions I just read are part of the basic terms of the agreement.

Mr. MACGREGOR. Mr. Chairman, the language is a joint agreement by which the member clubs of two or more professional leagues combine into a single expanded league. It does not refer—the language of the bill does not refer to any understanding that may be reached by the San Francisco team and the Oakland team.

Mr. HARKINS. Are not the basic terms and the special terms that you submitted the joint agreement that is referred to on page 2, line 14, of S. 3817?

Mr. ROZELLE. Mr. Harkins, I think it is a matter of wording. We would accept any change, again, that would accomplish the sole objective we have been discussing for some months.

We are not seeking immunity from our practices as a single league, including pay television. We are not seeking that. If you interpret the Senate bill as giving that to us, we would be very happy to discuss language that would clarify it.

We feel that any practice, including pay television, could be challenged; we are not seeking immunity for our league practices. We are merely seeking immunity from the act of forming a single league and legal challenges that might be directed at us on that basis.

Mr. HARKINS. Is this agreement provision of which I just read for the San Francisco/Oakland part of the agreement, a putting together of the clubs into a single league?

Mr. ROZELLE. Yes, it is part of the agreement, Mr. Harkins, and we state that any practice of that agreement as part of a single league can be challenged—as a single league.

Mr. CRAMER. Mr. Chairman, I think we are getting at the nub of what the misunderstanding is and I don't see any purpose to be served by going through every phase of the agreement that is not directly related to solely establishing one league.

Now, as I understand it, you are not asking for exemptions on all items flowing from the agreement that are not related solely to making one league out of two, and any single act between the clubs in the

league or between the league and other parties would be subject to challenge, but the only issue that would not be raised by such a challenge would be the combination of the two leagues into one.

Is that not basically what you are saying, so anything that has been read here, including pay television in particular, would be subject to challenge as an act of a single league?

Mr. ROZELLE. That very clearly defines our position.

Mr. CRAMER. I don't see what all the misunderstanding and argument is about.

The CHAIRMAN. I am afraid I must emphatically disagree with what the gentleman says. It is a bit of obfuscation and just muddies the water—

Mr. CRAMER. I suggest reading the agreement is what muddies the water.

The CHAIRMAN. The agreement read from, by Mr. Harkins, is referred to in the very bill, S. 3817, and we practically had the admission from Mr. Rozelle on that score.

Go ahead, Mr. Harkins.

Mr. HARKINS. I will now refer to the contracts between the networks and the league.

CBS has a contract for the National Football League's television broadcasts?

Mr. ROZELLE. The agreement was reached, the formal contract has not yet been signed, although it is operative this season; yes, sir.

Mr. HARKINS. You supplied to the committee at the committee's request the contract between the National Football League and CBS covering the years 1964 and 1965, which is an executed document. You have also supplied to the committee at its request the contract which is not executed yet for the years 1966 through 1968.

In the executed document CBS has agreed to pay \$14.1 million per year to the National Football League, is that not right?

Mr. ROZELLE. Yes.

Mr. HARKINS. And the contract, the paragraphs I want you to look at as part of this hearing, on pages 4 and 5, reserved rights for special games on Friday and Saturday.

I will read the provision to refresh your memory about it.

The League shall have the right, notwithstanding anything to the contrary contained in subparagraph (c) * * * and without any reduction in the Annual Fee, to schedule (in addition to December Games—

And I will skip something here—

not more than five (5) regular season games in each Contract Year to be played on either Friday or Saturday (such games being herein called "Special Games") during each Contract Year. The broadcasting rights to each such Special Game shall not be included in the rights granted to CBS hereunder, unless such game is scheduled to be played prior to the second Friday in September * * *

Therefore, you reserved the right through 1964 and 1965 to play games on either Friday and Saturday?

Mr. ROZELLE. Yes, this is necessary during the early part of the football season when the football teams in those cases are sharing stadiums with baseball teams, and it is occasionally necessary to schedule a game on a date other than Sunday, because of the baseball priority, as an example, in a given stadium.

We have played, as an example, in the National Football League five Friday night games in the last 11 years.

Mr. HARKINS. I didn't get your answer.

Mr. ROZELLE. Five Friday night games in the last 11 years, and as I say, ordinarily these would be scheduled because of the problem which baseball presents of not being able to get into the park on Sunday.

Mr. HARKINS. The new contract also reserves the rights for special games?

Mr. ROZELLE. Yes.

Mr. HARKINS. After the leagues are combined, do you anticipate that there will be a greater number of Friday night and Saturday afternoon special games for that professional league?

Mr. ROZELLE. I would not think there would be any more than are now being carried in the two leagues. I would see no reason for it because the clubs themselves prefer Sunday and their fans do.

Mr. HARKINS. But the National Football League has had five games in 11 years.

Mr. ROZELLE. On Friday night.

Mr. HARKINS. How many has the American Football League had?

Mr. ROZELLE. I would not be aware of that. Perhaps Mr. Hunt would.

Mr. HUNT. I cannot tell you the exact figure. It is quite a few more in the early years of the American Football League, 1960, 1961, and 1962 particularly. Our teams played a number of Friday and Saturday night games in order to not have to fight television competition of a live game on Sunday, and in the last few years this number has been considerably reduced and I think it is something on the order this year of maybe two Friday nights and five Saturdays. I am not sure of the exact number, but that is approximately right for the season.

Mr. HARKINS. To turn to another provision of the executed CBS contract, the contract specifically provides, does it not, that CBS will not obtain any rights for pay TV broadcast?

Mr. ROZELLE. Such rights are excluded from the agreements, is that it?

Mr. HARKINS. Yes.

Mr. ROZELLE. Yes.

Mr. HARKINS. The agreement is not to authorize any broadcast of games by subscription or pay TV. These rights were all reserved by the clubs, is that right?

Mr. ROZELLE. Television of that form is specifically excluded through the 1961 statute, in any event, Mr. Harkins.

Mr. HARKINS. The statute does not give an exemption for pay TV.

Mr. ROZELLE. That is correct.

Mr. HARKINS. But it is only excluded from the exemption?

Mr. ROZELLE. Yes.

Mr. HARKINS. On page 34 you have what is called a "home pay broadcast." Will you describe a home pay broadcast?

Mr. ROZELLE. I believe that that clause refers to the clubs' right, which they do not now have under the new contract with CBS, to go into theater television of their home games in the home area, gain an extension of the stadium.

Clubs experimented with this 2 years ago and it was not successful, but they did reserve that right in the CBS contract. They do not have that right in the new contract.

Mr. HARKINS. The provision in the executed contract is that as used here in the term "home pay broadcast" means a broadcast made by any means or manner of pay, subscription or theater television which is and can be received only within the home territory of any team. All rights with respect to the home pay broadcast of any game are specifically reserved to the teams, but no such broadcasts shall be made or authorized to be made within the home territory of any team other than on a day when such team is playing a home game.

Under this language, would the home team be allowed to transport outside the territory a pay TV broadcast?

Mr. ROZELLE. No, they would not, nor, as I indicated to you, would they be able to have any form of home pay TV under the new CBS contract under which we are operating this season.

Mr. HARKINS. Mr. Chairman, I offer for the record the CBS and NBC contracts.

The CHAIRMAN. They are accepted.

(The contracts referred to are as follows:)

CBS TELEVISION NETWORK

A division of Columbia Broadcasting System, Inc.

AGREEMENT

AGREEMENT made as of the 24th day of January, 1964, by and between CBS TELEVISION NETWORK, a division of Columbia Broadcasting System, Inc. 485 Madison Avenue, New York 22, New York (herein called "CBS") and the NATIONAL FOOTBALL LEAGUE, 1 Rockefeller Plaza, New York 20, New York (herein called the "League").

In consideration of the mutual covenants herein contained, the parties hereto have agreed and do agree as follows:

1. (a) The League hereby grants to CBS the sole and exclusive television broadcasting rights in and to each and every professional football "Game" (as hereinafter defined) played by all of the member clubs (herein collectively called the "Teams" and individually called a "Team") of the League during the years 1964 and 1965 (each said year being herein called a "Contract Year") throughout the United States, its territories and possessions, Canada, Mexico and Bermuda (herein called the "Broadcast Area").

(b) The rights granted to CBS herein include the right to broadcast, describe and summarize each "Game" and all of the events and activities occurring at the stadium in which each "Game" is played during the period commencing fifteen (15) minutes prior to the scheduled starting time and ending fifteen (15) minutes after the conclusion of each "Game", or on the hour or

half-hour following the conclusion of each "Game", whichever is later. There shall be no broadcasts from the dressing room of any Team without the consent of such Team in each instance.

(c) As of the date of this Agreement, the following Teams constitute the membership of the League:

Eastern Conference

New York Football Giants, Inc.
Philadelphia Eagles, Inc.
Pittsburgh Steelers, Inc.
Cleveland Browns, Inc.
Chicago Cardinals Football Club,
Inc. (St. Louis Cardinals)
Pro Football, Inc. (Washington
Redskins)
Dallas Cowboys

Western Conference

Chicago Bears Football Club, Inc.
Baltimore Football, Inc.
Detroit Football Company
Green Bay Packers
The San Francisco Forty-Niners
Los Angeles Rams Football Club
Minnesota Vikings

2. (a) The "Games" shall consist of the following:

(i) all regular season championship games played by each Team during each Contract Year

- A. on Sundays; and
- B. on any Thanksgiving Day;

(ii) the "December Games" (as herein-after defined);

(iii) all pre-season games played by each of the Teams during each Contract Year with respect to which CBS exercises its option set forth in subparagraph (b) of paragraph 3 hereof, said games being herein specifically called "Pre-Season Games". The League warrants and represents that at least one (1) Pre-Season

Game shall be scheduled to be played during each of the five (5) weeks immediately preceding the commencement of the regular season schedule for each Contract Year hereunder;

(iv) all conference playoff games played by the Teams during each Contract Year, said games being herein called "Conference Playoff Games".

All of the games referred to in subdivisions (i) and (ii) of this subparagraph (a) are herein sometimes called "Regular Season Games."

(b) The "Final Regular Season Schedule" (as hereinafter defined) submitted to CBS by the League in each Contract Year shall provide for the following:

(i) one (1) Thanksgiving Day Game (such Games to be selected by the League); and

(ii) two (2) Saturday afternoon Games in December (herein sometimes separately referred to as the "December Games") such Games to be selected by the League. The broadcasting rights granted to CBS with respect to the December Games shall be subject to the provisions of subparagraph (e) of this paragraph 2.

(c) Except as otherwise provided in subparagraphs (b) and (d) of this paragraph 2, all Regular Season Games played by each Team shall be played on Sunday afternoon, it being understood that

(i) one half of each Team's Games shall be Regular Season Home Games (as hereinafter defined) and one half of each Team's Games shall be Regular Season Away Games (as hereinafter defined); and

(ii) each Team shall play not less than fourteen (14) Regular Season Games during each Contract Year of this Agreement and during each Contract Year hereunder there shall be at least one (1) Regular Season Game on each of fourteen (14) Sunday afternoons.

(d) The League shall have the right, notwithstanding anything to the contrary contained in subparagraph (c) of this paragraph 2 and without any reduction in the Annual Fee, to schedule (in addition to the December Games referred to in subparagraph (ii) of subparagraph (b) of this paragraph 2) not more than five (5) regular season games in each Contract Year to be played on either Friday or Saturday (such games being herein called "Special Games") during each Contract Year. The broadcasting rights to each such Special Game shall not be included in the rights granted to CBS hereunder, unless such game is scheduled to be played prior to the second Friday in September or subsequent to the second Saturday in December in which case such game shall be a "Game" hereunder if CBS elects to broadcast such game by giving notice to the League to such effect prior to the April 1 of the applicable Contract Year or within 30 days after receipt of the "Final Regular Season Schedule" whichever is later. The

League will not schedule any Special Games in excess of five (5) without CBS's prior written consent in each instance, which consent CBS may withhold for any reason.

(e) It is understood that the broadcasting rights granted CBS hereunder with respect to the two (2) December Games shall be subject to all of the applicable provisions of Public Law 87-331, 87th Congress, 75 Stat. 732.

(f) The broadcasting rights to each Special Game with respect to which CBS does not exercise its option as set forth in subparagraph (d) of this paragraph 2 or with respect to which CBS has no rights hereunder, shall be retained by the respective participating Teams (subject to the provisions of Article X of the League Constitution and By-Laws as adopted for 1964 and 1965; provided however, that no such Special Game shall be broadcast or authorized to be broadcast on behalf of any product or service

(i) competitive to any product or service of any national sponsor of the Regular Season Games; or

(ii) competitive to any product or service of any regional sponsor of the Regular Season Games in any television market in which such Games are sponsored by any such regional sponsor.

(g) The starting times for the Sunday afternoon Games for each Team shall be substantially the same as that in 1963 unless a different time shall be mutually agreed upon between CBS and any Team. The starting times of the Thanksgiving Day and

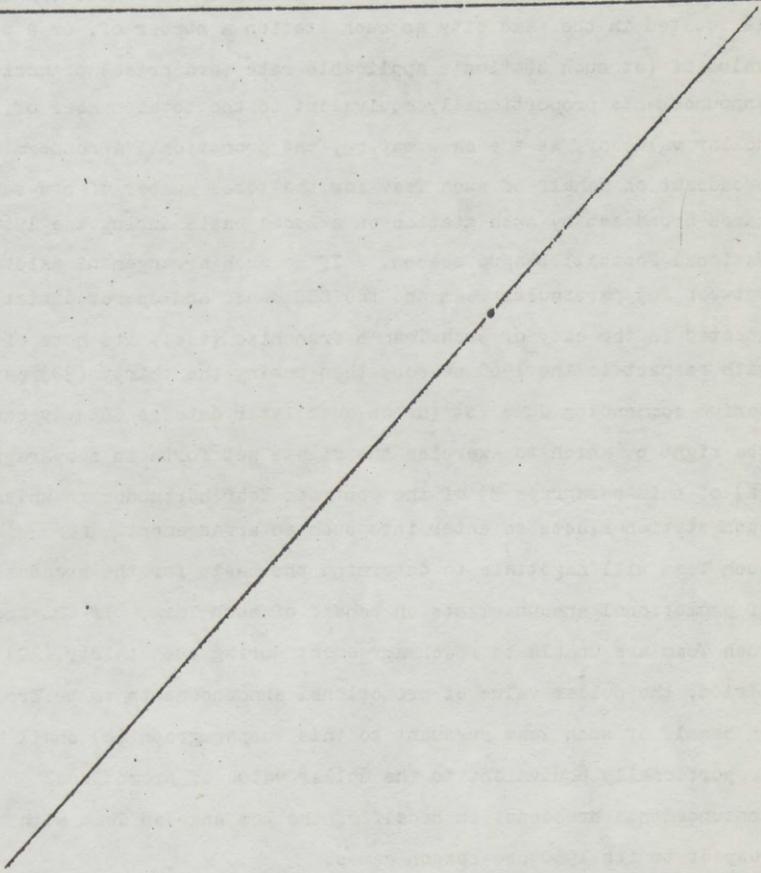
December Games shall be fixed by mutual agreement between the League and CBS; provided, however, that the League shall give due consideration to CBS's other commitments and to any scheduling problems of CBS.

(h) As used in this Agreement a "Regular Season Home Game" is a Game played by a Team in a stadium located in its home territory and a "Regular Season Away Game" is a Game played by a Team in a stadium located in the home territory of any other Team.

3. (a) On or before the April 1st of each Contract Year hereunder, the League will deliver to CBS the final schedule (herein called the "Final Pre-Season Schedule") of the pre-season games to be played in such Contract Year. If such Schedule is not received by such date then the date in subparagraph (b) shall be advanced by one day for each day after April 1 that such Schedule is received. Such Schedule shall indicate the date, time (local time) and place where each such game shall be played and shall designate the Teams which shall participate in each such game. The Final Pre-Season Schedule may not be changed by the League or by any Team at any time without CBS's prior written consent. Any schedule furnished CBS pursuant hereto shall be a Final Schedule unless the same is clearly designated a "preliminary schedule."

(b) On or before the June 1st of each Contract Year or if the Final Pre-Season Schedule is received on or before April 1, within forty-five (45) days from the receipt of the Final Pre-Season Schedule, CBS will notify the League of those pre-season games which CBS elects to broadcast, and each such game shall become a "Game" hereunder. Such notice shall state whether each such pre-season game shall be broadcast on a "network basis" (i.e., simultaneously

over the facilities of two (2) or more stations interconnected at the time of such broadcast) or on a "local basis" (over the facilities of any CBS owned station on a non-interconnected basis) and whether such Game shall be broadcast live or by means of recording.



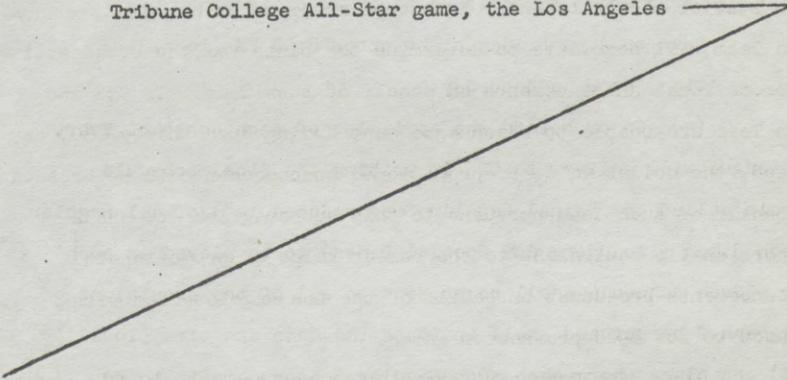
(c) with respect to each Pre-Season Game which pursuant to the provisions of subparagraph (b) of this paragraph 3, CBS has elected to broadcast on a "local basis," the CBS owned and operated station broadcasting such Pre-Season Game shall cause to be broadcast on behalf of the National Football League Team whose franchise is located in the same city as such station a number of, or a dollar value of (at such station's applicable rate card price) promotional announcements proportionally equivalent to the total number of, or dollar value of, as the case may be, the promotional announcements broadcast on behalf of such Team for the total number of pre-season games broadcast by such station on a local basis during the 1960 National Football League season. If no such arrangement existed between any particular Team and the CBS owned and operated station located in the city of such Team's franchise (i.e., its home city) with respect to the 1960 season, then during the thirty (30) day period commencing June 1st (or on such later date as CBS may have the right by which to exercise the rights set forth in subparagraph (a) of this paragraph 3) of the Contract Year hereunder in which such station elects to enter into such an arrangement, CBS and any such Team will negotiate to determine the basis for the broadcasting of promotional announcements on behalf of such Team. If CBS and such Team are unable to reach agreement during such thirty (30) day period, the dollar value of promotional announcements to be broadcast on behalf of such Team pursuant to this subparagraph (c) shall be proportionally equivalent to the dollar value of promotional announcements broadcast on behalf of the Los Angeles Team with respect to its 1960 pre-season games.

(d) Each Team participating in any pre-season game which CBS has not elected to broadcast shall have the right (subject to any applicable provisions of the League constitution and

applicable provisions of the League Constitution and By-Laws) to authorize the broadcast of each such game throughout the Broadcast Area. Each Team participating in any pre-season game which CBS has elected to broadcast on a local basis shall have the right (subject to any applicable provisions of the League Constitution and By-Laws) to authorize the broadcast of such game in any community in the Broadcast Area in which such game is not broadcast by CBS. No broadcast of any pre-season game authorized by any Team shall be made on behalf of any product or service (i) competitive to any product or service of any national sponsor of the Regular Season Games, or (ii) competitive to any product or service of any regional sponsor of the Regular Season Games in any community in which such Games are sponsored by any such regional sponsor.

(e) Notwithstanding anything to the contrary contained herein, CBS's rights with respect to pre-season games shall not include any rights

(i) with respect to the annual Chicago Tribune College All-Star game, the Los Angeles



Times game, the Chicago Bears Armed Forces game and the Canton Hall of Fame game or any pre-season game which is primarily promoted by any newspaper or charitable organization and the television rights to which are owned by such newspaper or organization. During the term of this Agreement the number of pre-season games in any Contract Year controlled by such third parties shall not exceed the number of such games during the 1963 National Football League season;

(ii) with respect to any pre-season game played on any Friday after 6:00 PM (local time) or on any Saturday on or after the second Friday in September in any Contract Year, unless CBS elects to broadcast any such game in accordance with the provisions of subdivision (iv) of paragraph 5 hereof on a recorded basis other than on A. a Friday night after 6:00 PM (local time) or B. a Saturday.

(f) On or before the April 1st of each Contract Year, the League will deliver to CBS in writing the final schedule (herein called the "Final Regular Season Schedule") of all Regular Season Games (including any Special Games) to be played in such year. Such Schedule shall be subject to all of the provisions of paragraph 2 hereof and shall indicate the date and time (local time) and place where each such Regular Season Game is to be

played and shall designate the Teams which shall participate in each such Regular Season Game. The Final Regular Season Schedule may not be changed by the League or by any Team without CBS's prior written consent. Any schedule submitted by the League pursuant hereto shall be deemed to be a final Schedule unless designated a "preliminary schedule".

4. CBS shall furnish the League as soon as possible with a list setting forth the national sponsors of the Games and the communities in which each regional sponsor sponsors the Games.

5. Each Game (subject to the other provisions hereof) shall be broadcast by CBS live in black and white and/or in color. As used herein the term "broadcast" means broadcast, exhibition, and transmission by means of television and television devices, methods and improvements now or hereafter developed. The Games may be broadcast throughout the Broadcast Area over such television facilities as CBS may at any time select or authorize. As used herein the words "recording" and "recordings" shall mean and include any recording or recordings made or authorized to be made by CBS (whether before, during or after a broadcast transmission) by tape, wire, film, disk or any other similar or dissimilar method of recording aural and/or visual portions of television programs, whether now known or hereafter developed, including the photography or such programs on film in a manner similar to that used in the production of motion pictures. All recordings made or authorized to be made by CBS and all rights therein shall be the sole and exclusive property of CBS, and CBS shall have the right to use any recordings pursuant to this Agreement as follows:

(1) to broadcast and authorize the broadcast of recordings of each Game for delayed broadcast purposes within 14 days after the original broadcast thereof once in any community in the United States (excluding Alaska and Hawaii), a station in which

community did not carry such original broadcast and to broadcast and authorize the broadcast of each Game for delayed broadcast purposes within 60 days after the original broadcast thereof once in any community in Canada, Mexico, Bermuda, Alaska, and Hawaii, a station in which community did not carry such original broadcast; provided, however, that no recording shall be deemed to have been broadcast in any community unless broadcast over a station whose transmitter or principal studio is located therein;

(ii) to use such recordings for file and reference purposes in perpetuity and for promotional purposes during the term of this contract;

(iii) to use such recordings for broadcast by and to the Armed Forces of the United States, wherever situated, in perpetuity;

(iv) to use such recordings for original broadcast pursuant hereto with respect to such pre-season games as shall become Games hereunder and which are played other than on Sunday afternoon; provided, however, that such broadcasts shall be concluded not later than 10:00 PM (local time) on the Sunday following

the day on which any such Game is played, subject to the provisions of subparagraph (d) of paragraph 3 hereof. CBS may, if it so elects, edit or authorize the editing of such recordings prior to broadcast so as to make the same suitable for a program of from one (1) to two (2) hours in length;

(v) to broadcast and authorize the broadcast of such recordings for "news purposes". Broadcasts for "news purposes" are broadcasts on news, newsreel, news review, sports review (including pre-game, half-time, and post-game sports) programs. Each broadcast for a news purpose shall be subject to the following limitations:

A. no program in which such recordings are broadcast shall include a recording of more than two (2) National Football League Games; and;

B. no such broadcast shall include a recording of any Game which is more than two (2) minutes in length;

(vi) to broadcast portions of the first half of any Game during the half-time intermission of any game, or following the

conclusion of any Game to broadcast recordings of any other Game during the period-referred to in subparagraph (b) of paragraph 1 hereof;

(vii) to broadcast important plays or portions thereof at CBS's discretion during the broadcast of any Game; or

(viii) as provided in subparagraph (b) of paragraph 15 hereof.

CBS's rights to use recordings as permitted in subdivisions (i), (iii) and (iv) of this paragraph 5 shall be subject to all of the applicable provisions of Public Law 87-331, 87th Congress, 75 Stat. 732.

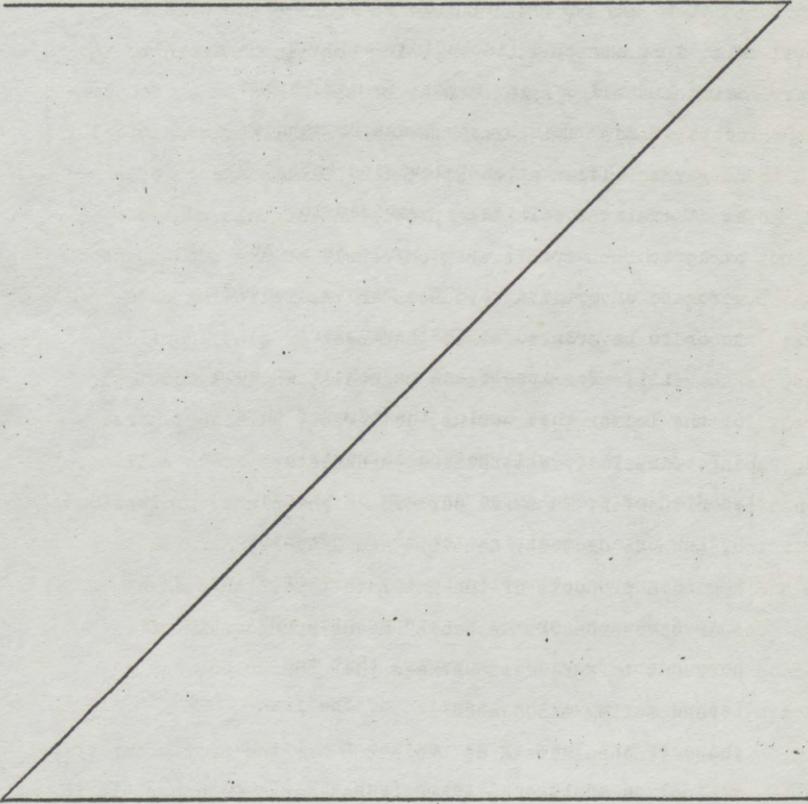
6. In the event any Team arranges for the broadcast of any Quarterback Club program, such as those broadcast in previous years, such Team shall offer to each of the advertisers regularly sponsoring its Regular Season Games the opportunity on reasonable terms and conditions to sponsor such Quarterback Club program. Each Team may arrange for a local Quarterback Club program, whether or not it has had such a program in the past.

7. (a) The Games may be broadcast or authorized to be broadcast by CBS on a sustaining basis and/or in whole or in part on a commercially sponsored basis by any method or combination of methods of commercial sponsorship now known or hereafter developed without limitation. Each sponsor shall be subject to the approval of the Commissioner of the League (herein called "Commissioner"). Such approval may be exercised only with respect to any sponsor, which, in the opinion of the Commissioner, is not of a quality or type suitable for the Games, and such approval may not be unreasonably withheld. The Commissioner hereby approves for the term of this Agreement each sponsor and each product or service of any sponsor

who sponsored the broadcast of any National Football League Games during the 1963 season. CBS will notify the Commissioner of each proposed sponsor (other than sponsors approved herein). If within seventy-two (72) hours after the receipt of such notice the Commissioner has not notified CBS that such sponsor is disapproved, such sponsor shall be deemed to have the written approval of the Commissioner. Anything contained herein to the contrary notwithstanding, each sponsor of the Games on a "cooperative sponsorship basis" (as herein defined) shall be automatically deemed to have the written approval of the Commissioner; provided, however, that the foregoing provisions of this sentence shall not apply to such sponsorship on behalf of any such sponsor for the purpose of advertising products in the following categories: alcoholic beverages (other than beer or ale), depilatories, laxatives, feminine hygienic products, women's wearing apparel, fortune telling, fireworks, lotteries, gambling, horse or dog racing, firearms, restoratives, speculative stock selling, pool halls, mortuaries, funeral parlors, night clubs, professional advertising, such as doctors, dentists and lawyers, harmful drugs and hygienic products of the intimate type. As used herein "cooperative sponsorship basis" means sponsorship of the Games pursuant to agreement between the sponsor and any station(s) broadcasting the Games.

(b) Attached hereto as Exhibit B are the provisions of paragraph 7(b) of the "bidding instructions" dated December 31, 1963 furnished CBS by Commissioner, and the said provisions are hereby made a part of this Agreement, it being understood, however, that nothing in the said provisions shall be deemed to affect the nature or extent of approval granted or to be granted by the Commissioner pursuant to subparagraph (a) of this paragraph 7.

8. (a) The League warrants and represents
(i) that the League is authorized to enter into and fully perform this Agreement on behalf of each of the Teams, and that the League has all of the rights



necessary to enable the League to perform all of its obligations hereunder;

(ii) that the League and each of its members have not granted or attempted to grant and shall not grant or attempt to grant to any person, firm or corporation rights of any kind (including, without being limited to, any rights to make broadcasts of any Games by any means or method of pay or subscription television except as otherwise specifically provided in paragraph 24 hereof) which would or might derogate or compete with the rights granted to or to be granted to CBS hereunder;

(iii) for itself and on behalf of each of the Teams, that during the term of this Agreement there will not be authorized, adopted or promulgated any new or amended By-Law or any modification or amendment to the League Constitution in any way affecting this Agreement or the rights granted CBS hereunder; provided, however, that the League may move the location of the franchise of any Team or may expand the League to include additional teams (but all of CBS's rights with respect to the present Teams shall

apply to any moved or additional teams without any additional payment to the League) or may remove any Team from the League, (but the League shall at all times consist of at least twelve (12) Teams) pursuant to the provisions of the Constitution and the By-Laws but the League and all of the remaining Teams shall remain jointly and severally liable to CBS for any monies then owed by any such Team to CBS; and provided, further, that in the exercise of sound business judgement, the League may elect to amend the League's Constitution and By-Laws in order to comply with any court order, judgement or decree or any statute hereafter enacted, and the League shall give CBS prompt notice of any such amendment.

(b) CBS will not pursuant to any rights granted it hereunder authorize any broadcast of the Games by any means or method of pay or subscription television, it being understood that for the purposes of this subparagraph (b), pay or subscription television does not include community antenna systems. Nothing herein contained shall prevent or preclude the League or any Team from instituting any legal action or proceeding against any person owning or operating a community antenna system whenever a television signal with the assistance or use of such a system invades the Home Territory of any Team on a

day when such Team is playing a Home Game; it is strictly understood that neither the League nor any Team so affected shall be considered as having transferred to CBS any rights inconsistent with this paragraph.

9. (a) The broadcasting of each Game hereunder shall be subject to the following:

(i) no Game shall be broadcast into the Home Territory (i.e. into the area within seventy-five (75) miles from the league city) represented by any Team on any day upon which such Team is playing a Game in its home stadium without the written consent of such Team;

(ii) no home Game of any Team shall be broadcast on the day of such Game into the area included within a seventy-five (75) mile radius of the city in which such Game is played without the prior consent of the home Team and the visiting Team.

Notwithstanding anything to the contrary contained in subdivisions (i) and (ii) of this subparagraph (a), CBS shall have the right to broadcast each of the Games over any television stations located in every community in which CBS broadcast National Football League Games during 1963 (except as otherwise provided in subparagraph (b) of this paragraph 9) including, but not limited to, stations

A. located in New York
City when the Philadelphia Team is at
home;

- B. located in Philadelphia when the New York Team is home;
- C. located in Washington, D.C. when the Baltimore Team is at home, but only a Washington Game;
- D. located in Baltimore when the Washington Team is at home, but only a Baltimore Game;
- E. located in Madison, Green Bay Wausau and Chicago when the Green Bay Team plays at Milwaukee;
- F. located in Milwaukee, Green Bay and South Bend, Indiana, when the Chicago Team is at home;
- G. located in Chicago, Milwaukee, and Madison when the Green Bay Team plays at Green Bay.

For the purposes of this subdivision (11) the cities of Sacramento and Salinas, California shall be deemed to be within the Home Territory of the San Francisco Team, the city of San Diego, California, shall be deemed to be within the Home Territory of the Los Angeles Team and the cities of Cape Girardeau and Jefferson City, Missouri shall be deemed to be within the Home Territory of the St. Louis Team. In the event that any Game is played in other than the home Team's normal home city, for the purpose of any such Game only, the area within 75 miles of the city in which such Game is played shall comprise the

Home Territory, and there shall be no restriction on the broadcast of such Game into the normal Home Territory.

(b) Notwithstanding anything to the contrary set forth in subparagraph (a) of this paragraph 9, (i) the League reserves the right on behalf of the Chicago Team during the second Contract Year hereof and upon notice to CBS given on or before April 1, 1955 to require CBS not to broadcast any Chicago Home Game over a station located in Milwaukee, Wisconsin, and (ii) no broadcasts hereunder shall be made over any television station located in Lansing, Michigan on a day when the Detroit Team is playing a Home Game without the prior written permission of the Detroit Team.

10. The League warrants and represents that during the first and third quarters of each Game and at the two (2) minute warning

in each half, the home Team will, at CBS's request (made by CBS's remote producer), cause the appropriate Game official to call a sixty-second time out.

11. For the performance of all the League's obligations hereunder and for all rights herein granted CBS by the League, the League on behalf of the Teams hereby directs CBS to pay to the Teams during each Contract Year hereunder on behalf of the League the aggregate sum of \$14,100,000 (said amount being herein called the "Annual Fee"). The Annual Fee shall be payable as follows:

(i) the sum of \$40,000 shall be payable to the home Team participating in any December Game (such amount being herein sometimes called the "December Game Fee"); and

(ii) the sum of \$1,001,428.57 shall be payable to each Team.

Payments hereunder will be made pursuant to the schedule of payments set forth in paragraph I of Exhibit A attached hereto and hereby made a part hereof.

12. (a) The League and each of the Teams will cooperate with CBS in all phases of the preparation, production and broadcast of each Game and the activities attendant thereto. The League on behalf of the Teams represents that the Teams will make available for CBS's use without charge at the various stadia where the Games are played parking space for CBS's mobile units, adequate space for the placement of cameras, booths and other facilities for CBS's personnel, space and provision for all equipment necessary for each broadcast and such electrical power and facilities as may be necessary for each broadcast. The League on behalf of the Teams represents that the Teams will permit the installation of cables, power lines and other equipment. CBS may install and use at each stadium in which a Game is played such wires, cables, cameras, lighting facilities and other apparatus as may be necessary, appropriate or convenient to enable CBS to make the broadcasts hereunder. If in the opinion of the television director assigned to any Game, field lights are necessary for technically suitable broadcasting, the home Team shall, at the request of CBS, immediately notify the referee, and the referee will cause the field lights, if any, to be turned on as soon thereafter as the referee deems fair to both Teams; but the League shall not be liable if the referee fails or refuses to cause said field lights to be turned on. The League shall also deliver to CBS working passes (in such number as CBS shall reasonably require) to the stadium in which each Game is played to be used by personnel of CBS,

including camera crews and other personnel necessary for preparation for each broadcast, the broadcast itself and removal of equipment after each broadcast.

(b) Each home Team shall reserve such number of tickets, not to exceed 10, for each of its home Games, at box office prices, as CBS may require on notice given to the Team not later than thirty (30) days prior to each Game.

(c) The League will on or before August 1, 1964, furnish CBS with a list of the stadia in which CBS shall have the right to use a field television camera. The only stadia which may be excluded from such list are those with respect to which the League or the lessee Team does not have such right or in which the use of such a camera would unreasonably interfere with the spectators' view of the Game.

(d) With respect to Games played in Wrigley Field, Chicago, CBS agrees to maintain a policy of insurance providing public liability insurance in amounts of not less than \$100,000 to any single person and in the aggregate of not less than \$300,000 for any single accident against any and all risks and liability for death or injury to persons and in the amount of \$10,000 for property damage resulting from the use or misuse of any materials furnished by CBS in connection with any broadcast hereunder emanating from Wrigley Field, Chicago. CBS will provide the League with a certificate of insurance showing compliance with the foregoing. Notwithstanding anything contained in this subparagraph (d) to the contrary, CBS may include the foregoing insurance coverage in any

blanket policy of public liability insurance maintained by CBS.

13. CBS shall have the right and may grant to others the right to disseminate, reproduce, print and publish the name of the League and of each of the Teams and the name, likeness, voice and biographical material concerning each of the players, coaches and trainers of each Team and of all persons connected with the activities attendant to the Games as news or information, for purposes of trade, and for advertising purposes including, but not limited to, "institutional advertising" (i.e., advertising designed to create good will and prestige and not for the purpose of selling any specific product or service) and/or to advertise and promote the broadcasts of the Games and in connection therewith, the products and services of the sponsors, if any; provided, however, that CBS shall not authorize any direct endorsement of any product or service by the League, the Teams or any such person without the written consent of the League or the Teams or such person, as the case may be. The rights granted pursuant to this paragraph 13 shall continue for so long as CBS has the right to broadcast the Games.

14. (a) If the playing or broadcast of any one or more Games is prevented or omitted because of: act of God; inevitable accident; fire; lockout, strike or other labor dispute; riot or civil commotion, failure of technical facilities; act of public enemy; enactment, rule, order or act of government or governmental instrumentality (whether federal, state or local); the failure of such electric power and facilities as are required to be furnished pursuant to paragraph 12 hereof or the recapture of the broadcast

time period of any Game for the purpose of broadcasting an event of public importance or other cause of a similar or different nature beyond CBS's control, such prevention or omission shall not be a breach of this Agreement by CBS, and the Annual Fee shall be reduced by an amount obtained by multiplying the sum of \$14,020,000 by a fraction having a numerator of one (1) and a denominator equal to the total number of Regular Season Games hereunder, for each such Regular Season Game so prevented or omitted, and the total amount payable to each Team hereunder (excluding amounts in respect to any December Games) shall be reduced by 1/14th of the reduction in the Annual Fee, such amounts to be deducted from the next installment(s) of the Annual Fee due each Team. If such prevention or omission occurs with respect to any Saturday Game, then the Annual Fee shall be reduced by multiplying \$14,060,000 by the same fraction, plus the amount of the December Game Fee, and CBS may deduct the total amount from the next installment(s) of the Annual Fee payable to the Teams participating in such December Game. If the broadcast of any portion of any Regular Season Game is prevented or omitted for any reasons specified in this subparagraph (a), the Annual Fee shall be reduced by an amount obtained by multiplying the sum of \$14,020,000 by the fraction referred to above and then multiplying such product by a fraction, the numerator of which is equal to the number of minutes of broadcasting so prevented or omitted, and the denominator of which is 150, and the total amount payable to each Team shall be reduced in the same manner as hereinabove provided. If such partial prevention or omission occurs with respect to any December Game, then the Annual Fee shall be

reduced by multiplying \$14,060,000 as above, and in addition, the December Game Fee shall be reduced by the second fraction referred to in the immediately preceding sentence.

(b) If the broadcast of any one or more Regular Season Games or any portion thereof is prevented because of a strike or other labor dispute solely involving persons furnished by CBS in connection with such broadcast or the failure of CBS's broadcasting facilities, AT&T cable facilities or if the broadcast of any such Regular Season Game (or any portion thereof) is omitted because of CBS's voluntary pre-emption of the broadcast thereof for the purpose of broadcasting an event of public importance (it being understood that CBS will not pre-empt the broadcast of any Regular Season Game for the purpose of broadcasting another sports event or an event of public importance, the primary purpose of which is entertainment (though such event may contain substantial entertainment portions)), such prevention or omission shall not constitute a breach of this Agreement by CBS, but in such event there shall be no reduction of the Annual Fee. If any Game, the playing of which is prevented for any reason set forth herein, is played at a later date or time, CBS shall have the right to broadcast such Game at such date or time, but not on any Friday or Saturday between the second Friday in September and the second Saturday in December, and if CBS does so broadcast any such Game, there shall be no reduction in the Annual Fee pursuant hereto, but the provisions of subparagraphs (b) and (c) of paragraph 15 hereof shall in such event be inapplicable.

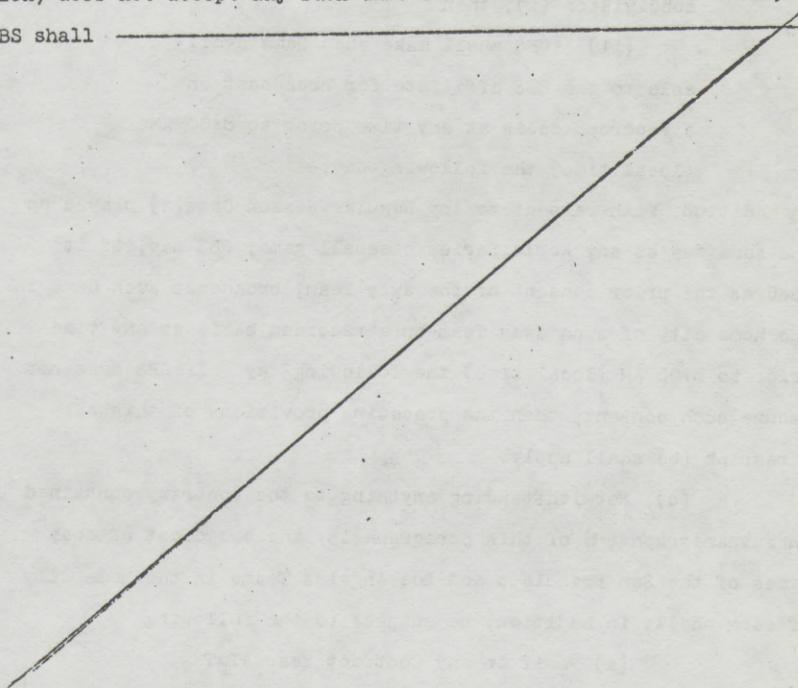
(c) If the effect of any amendment of the League Constitution or By-Laws adopted in the exercise of the League's sound business judgment as permitted in subdivision (111) of paragraph 8 hereof is to substantially diminish the pecuniary value of the rights herein granted CBS, CBS shall have the right at its election to terminate this Agreement effective on such date as CBS may elect by notice to the League at any time within thirty (30) days after the receipt of notice from the League of each such amendment; provided, however, that if any such termination becomes effective on a date subsequent to the commencement of the 1964 National Football League regular season schedule (and prior to the conclusion thereof), then the Annual Fee shall become $1/98$ th of \$14,060,000 multiplied by the number of regular season games played prior to the effective date of such termination, and CBS shall pay each Team an amount equal to $1/14$ th of such reduced Annual Fee, plus to each Team entitled thereto, the Saturday Game Fee for each Saturday Afternoon Game which has then been played. The aforesaid reductions in the Annual Fee are subject to such other reductions as might otherwise be applicable hereunder. Any amounts then owing to the Teams by CBS shall be paid within thirty (30) days after the effective date of such termination. The League shall on behalf of the Teams promptly refund to CBS any amount in excess of the revised Annual Fee previously paid by CBS to any Team for such Contract Year. Notwithstanding anything to the contrary contained in this subparagraph (c), the League shall have no right or authority to amend its By-Laws and Constitution so as to nullify the rights granted CBS hereunder, except that if Public Law 87-331,

87th Cong., 75 Stat. 732 (herein called the "Bill") is repealed, the League and CBS shall each have the right to terminate this Agreement upon notice to the other within thirty (30) days thereafter, such termination to be effective as of the effective date of the statute repealing the Bill, in which event all of the provisions of this subparagraph (c) with respect to the reduction of the Annual Fee because of the termination of this Agreement by CBS shall be applicable to such termination. The Annual Fee shall likewise be adjusted with respect to the second Contract Year hereunder if this Agreement is so terminated during the course of the 1965 National Football League regular season schedule.

(d) With respect to any amounts (including any sums with respect to any December Game Fee) which CBS is relieved of its obligation to pay any Team pursuant to the provisions of subparagraphs (a) and (c) of this paragraph 14, it is understood that if CBS has previously paid to any Team its full portion of the Annual Fee for such Contract Year or if the amount of such reductions exceed the balance of the Annual Fee otherwise still due any such Team, the League will on behalf of such Team and each of the other Teams promptly refund to CBS the amount of such reduction or the difference between the amount of such reduction and the balance of its portion of the Annual Fee otherwise due any such Team.

15. (a) CBS shall not be obligated to broadcast in whole or in part any Home Game of any Team or, subject to subparagraph (b) of paragraph 15 hereof, any other Games, and the failure of CBS to do so shall not be a breach of this Agreement. However, the voluntary election of CBS not to broadcast any Game shall not affect CBS's obligations with respect to the Annual Fee.

(b) CBS shall make available for broadcast each Regular Season Game played on Sunday afternoon to the CBS affiliate located in the home city of the away Team, subject, of course, to acceptance by such station(s), and unless the unavailability of AT&T cable relay facilities or any other cause of the nature referred to in subparagraph (a) of paragraph 14 hereof conflicts, interferes with or prevents the broadcast over any such station. In the event any such CBS affiliate (including any CBS owned and operated station) does not accept any such Game for broadcast on a live basis, CBS shall _____



(i) make such Game available for broadcast on a live basis in turn to each other television station located in such city on terms and conditions similar to those which the CBS station was offered, subject to acceptance by such other station. If CBS is unsuccessful in arranging for the broadcast of any Game pursuant to this subdivision (i), then

(ii) CBS shall make such Game available to the CBS affiliate for broadcast on a recorded basis at any time prior to 8:00 AM (local time) the following day.

In addition, with respect to any Regular Season Game(s) played on the same day as any World Series baseball game, CBS may, if it secures the prior consent of the away Team, broadcast such Game in the home city of such away Team on a recorded basis at any time prior to 8:00 AM (local time) the following day. If CBS does not secure such consent, then the preceding provisions of this subparagraph (b) shall apply.

(c) Notwithstanding anything to the contrary contained in subparagraph (b) of this paragraph 15, the broadcast of away Games of the San Francisco and Los Angeles Teams in the home city of each shall, in addition, be subject to the following

(i) if in any Contract Year AT&T notifies CBS seven (7) or more days prior

to any away Regular Season Game of either of such Teams that facilities will not be available to permit the broadcast on the Pacific Coast of both a Los Angeles and a San Francisco away Game played on the same day because of the unavailability of dual feeds to the Pacific Coast, CBS shall, subject to the provisions of subdivision (ii) of this subparagraph (c), if it is technically possible to do so, make the Los Angeles Game available for broadcast pursuant to the provisions of subparagraph (b) of this paragraph 15;

(ii) if the situation referred to in subdivision (i) of this subparagraph (c) arises more than once during the term of this Agreement, CBS shall adjust its broadcasting schedule as between the Los Angeles and San Francisco Teams so that the Game which is made available for broadcast pursuant to subparagraph (b) of this paragraph 15 in each instance of the occurrence of such situation shall be that of the Team whose away Regular Season Game was not made available for broadcast on the immediately preceding occurrence of such situation;

(iii) if AT&T gives CBS less than seven (7) days' prior notice of the unavailability of dual feeds to the Pacific Coast,

then it shall be deemed technically impossible for CBS to change its broadcasting schedule with respect to the Pacific Coast on the day in question, and in such event CBS will make available for broadcast on such date pursuant to subparagraph (b) of this paragraph 15 such Game as CBS in its sole discretion elects.

(d) Except as otherwise specifically provided in subparagraphs (b) and (c) of this paragraph 15, CBS may make each Game available for broadcast over such stations as CBS in its sole discretion may elect.

16. During the broadcast of each Game, CBS shall make one (1) promotional announcement on behalf of the League and one (1) on behalf of one of the participating Teams. As least ten (10) days prior to the date of broadcast of each announcement hereunder, the League and each Team on whose behalf an announcement will be made shall supply to CBS's Program Practices Department the copy for each such announcement which shall be subject to CBS's approval in each instance. If the League or any Team fails to furnish any such copy, or fails to revise the same so as to meet CBS's requirements, CBS shall not be required to broadcast any such promotional announcement.

17. (a) The League will at all times indemnify and hold harmless CBS, the sponsors, if any, their advertising agencies, if any, and any stations over which the Games and the attendant activities are broadcast from and against any and all claims,

damages, liabilities, costs and expenses, including reasonable counsel fees, arising out of

(1) the exercise by CBS of any of the rights granted CBS hereunder or the use of any materials or services furnished CBS pursuant hereto; and

(ii) any breach by the League of any warranty or agreement made by the League herein;

provided, however, that with respect to claims and actions against CBS, the foregoing indemnity shall apply only with respect to those claims and actions as to which CBS gives the League notice stating that such indemnity so applies.

(b) CBS will at all times indemnify and hold harmless the League from and against any and all claims, damages, liabilities, costs and expenses, including reasonable counsel fees, arising out of the use of any materials or services furnished by CBS in connection with the broadcast of the Games and attendant activities; provided, however, that the League will promptly notify CBS of any such claim or action; and provided, further, that CBS may at its option assume the defense of any claim or litigation to which its indemnity applies.

18. If because of any enactment, rule, order, or act of government or governmental instrumentality (whether federal, state, or local) the area in or into which Games hereunder shall not be broadcast on a live basis (as set forth in paragraph 9 hereof, and in addition, with respect to December Games only, as

prescribed in the statute referred to in subparagraph (e) of paragraph 2 hereof) is in any way expanded or increased, the aggregate Annual Fee (including the December Game Fee) shall be reduced by that fraction having a numerator equal to the aggregate of the class A one-hour time charges (pursuant to the then current CBS Rate Card) of the CBS affiliates (including any CBS owned and operated stations) which are thereby being precluded or prohibited from carrying the original broadcast of any such Games, and a denominator equal to the aggregate of such Class A one-hour time charges for all CBS affiliated stations in the United States, and the amount payable to each Team (inclusive of any December Game Fee) hereunder shall be reduced by 1/14th of such reduction in the Annual Fee. If such expanded or increased restrictions are applicable for only a portion of any Contract Year, then the fraction obtained in accordance with the foregoing procedure shall be reduced by a fraction having a numerator equal to the number of Games for which the enactment rule, order or act is not applicable, and a denominator equal to the number of Regular Season Games hereunder during such Contract Year. If any such restriction affects any December Game the applicable reduction in the Annual Fee computed in the manner set forth above shall be computed separately with respect thereto. The amount of any applicable reduction in the Annual Fee pursuant to the provisions of this paragraph 18 shall be deducted by CBS from the next installment due each Team hereunder. If CBS has previously paid to any Team its full portion of the Annual Fee for each Contract Year or the amount of any such reduction is in excess of the amount then due to any Team by CBS, the League will on behalf of such Team and each of the other Teams promptly refund to CBS the amount of such reduction or the amount of such excess.

19. CBS shall have the right to display CBS's name and trademark on any broadcasting booth or platform but not the name or trademark of any sponsor. In addition CBS shall have the right to fly a "CBS flag" at each stadium in which a Game is being played. The foregoing rights are subject to the approval of each stadium owner, which approval the League shall make every reasonable effort to obtain.

20. The selection of the sportscasters and color men broadcasting the Games and the announcers or hosts of any pre-Game or post-Game program, originating from the stadia where the Games are played, shall be subject to the approval of the Commissioner in accordance with the provisions of subsections (a) and (b) of section 1 of Article X of the National Football League By-Laws as said sections were adopted for 1963; provided, however, that

(1) any persons whose names are submitted by CBS for such approval shall have had experience in broadcasting football or as football players or coaches;

(11) if the list referred to in said provisions of Article X is submitted to the Commissioner ten (10) or more days prior to the first Game upon which any such person is to perform services, the Commissioner shall have a period of seven (7) days after the receipt of such list in which to notify CBS of his selections, and if the Commissioner fails to so notify CBS within said seven (7) day period, CBS may select such persons as it may elect to

perform such services, and each such person so selected by CBS shall be deemed to have the written approval of the Commissioner; and

(iii) if the said list is submitted less than ten (10) days prior to the first Game upon which any such person is to perform services, then the Commissioner shall have a period of seventy-two (72) hours (or such time as may be reasonable under the circumstances) after the receipt thereof in which to notify CBS of his selections, and if the Commissioner fails to so notify CBS within such period, CBS may select such persons as it may elect for the performance of such services, and each such person so selected by CBS shall be deemed to have the written approval of the Commissioner. All notices pursuant to this subdivision (iii) shall be sent by telegram.

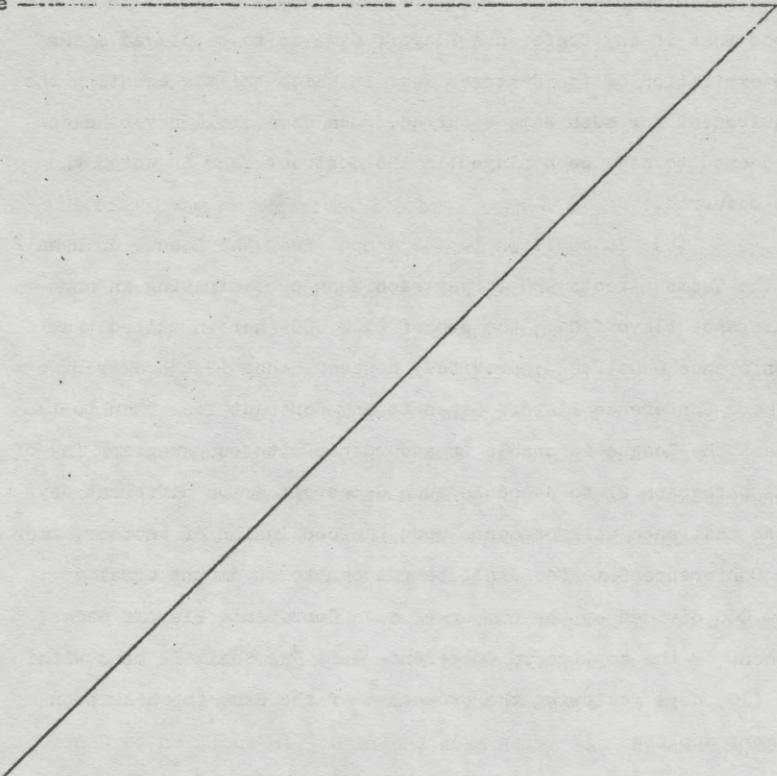
21. (a) All Conference Playoff Games shall be scheduled to be played on Sunday afternoon, and the League will consult with CBS prior to determining the starting time of any such Games; provided, however, that if more than one (1) such Game is required in any Contract Year, the League will use its best efforts to

schedule one (1) such Game on Saturday and one (1) on Sunday or if this is not possible or if any such Saturday Conference Playoff Game would be scheduled for the first or second Saturday in December then the League will use its best efforts to schedule such Games on Sunday so that the starting time (CNYT) of the second such Game will commence fifteen (15) minutes after the approximate anticipated completion of the first such Game, etc. It is understood that if any Conference Playoff Game is to be played after the expiration of the Contract Year in which the tie creating the requirement for such Game occurred, such Game shall nevertheless be deemed to have been played in the Contract Year in which the tie occurred.

(b) In addition to the Annual Fee, the League on behalf of the Teams directs CBS to pay each Team participating in any Conference Playoff Game the sum of \$100,000 (herein called the "Conference Game Fee"); provided, however, that if there are two or more Conference Playoff Games in any Contract Year then to the extent the League is unable in accordance with subparagraph (a) of this paragraph 21 to schedule such Games either on different days or so that each will commence upon the conclusion of another, then the Conference Game Fee shall be reduced to an amount equal to \$100,000 divided by the number of such Conference Playoff Games. Payment of the applicable Conference Game Fee shall be made within ten (10) days following the broadcast of the Game to which such payment applies.

(c) If the playing or broadcast of any Conference Playoff Game is prevented or omitted for any reason of the nature

set forth in subparagraph (a) of paragraph 14 hereof, such prevention or omission shall not be a breach of this Agreement by CBS and no Conference Game Fee shall be payable with respect to any such Conference Playoff Game. If the broadcast of any portion of any Conference Playoff Game is prevented or omitted for any reason of the nature specified in the said subparagraph (a), the



applicable Conference Playoff Fee shall be reduced by an amount obtained by multiplying such Fee by a fraction having a numerator equal to the number of minutes of broadcasting so prevented or omitted and the denominator of 150. It is understood that the provisions of subparagraph (b) of paragraph 14 hereof, subparagraph (b) of paragraph 15 hereof and paragraph 18 hereof shall be applicable with respect to Conference Playoff Games.

22. At least fifteen (15) days prior to the date each Game is scheduled to be played the League shall deliver (or shall cause the home Team to deliver) to CBS accurate music cue sheets setting forth the titles, names of composers, publishers, copyright owners and owners of the television performing rights of all musical compositions which shall be played in the stadia during such time as CBS may be broadcasting the Games and attendant activities pursuant hereto. Each such composition and no other composition may be performed during such time as CBS may be "on-the-air" from the point of origin of such Game unless CBS shall have notified the League and/or the home Team to the contrary on or before the expiration of the fifth (5th) day, excluding Saturdays, Sundays and holidays, following the date of receipt by CBS of such cue sheets. If CBS has requested the deletion of any composition from the list of those to be performed, the League shall cause such request to be complied with.

23. In the event of the breach of any material provision of this Agreement, CBS shall have the right, in addition to CBS's other rights hereunder or at law or in equity, to terminate this Agreement, and the Annual Fee shall be reduced in the manner set

forth in subparagraph (a) of paragraph 14; provided, however, that CBS shall give the League notice of such breach, and if such breach can be cured, the League shall have such period as may be necessary to cure or cause to be cured such breach, but not to exceed, however, five (5) days.

24. (a) As used herein the term "Home Pay broadcast" means a broadcast made by any means or manner of pay, subscription, or theater television which is and can be received only within the Home Territory of any Team. All rights with respect to the Home Pay broadcast of any Game are specifically reserved to the Teams but no such broadcast shall be made or authorized to be made within the Home Territory of any Team other than on a day when such Team is playing a home Game.

(b) CBS will co-operate with any Team which has licensed Home Pay broadcast rights to any Game to any third party by providing such third party clean (i.e. without commercials or network identification), uninterrupted video feeds of the CBS broadcast (if any) of such Game(s). Such feeds shall be furnished to such third party at a cost of \$2,000 per Game to be paid to CBS in advance; provided, however, that if CBS can demonstrate that such \$2,000 charge is less than CBS's actual out-of-pocket direct cost for the furnishing of such feed, then such charge shall be increased by the amount necessary to make the charge equal to such out-of-pocket costs. CBS's failure to provide a clean feed hereunder through human or mechanical failure or for any reason of the nature set forth in paragraph 14(a) hereof shall not constitute a breach of this Agreement. If CBS's normally assigned facilities and services for the broadcast of any Game are not adequate to provide such clean, uninterrupted video feed,

CBS without charge will permit the connection of its facilities to facilities provided by any such third party in an effort to provide a satisfactory video feed for such Home Pay broadcast.

(c) CBS's obligations pursuant to subparagraph (b) of this paragraph 24 are subject to CBS's ability to obtain all union clearances that may be necessary to permit CBS to perform hereunder without additional payment to any person and to the provisions of any applicable collective bargaining agreement which may preclude the performance of such obligations.

25. The League hereby grants CBS the exclusive, irrevocable option to broadcast the annual National Football League Playoff Bowl Game to be played at the Orange Bowl in Miami, Florida, in January, 1965 (herein called the "1965 Bowl Game") by giving the League notice to such effect on or before April 15, 1964. If CBS exercises the said option, CBS and the League shall enter into an agreement substantially similar to the agreement between CBS and the League dated January 6, 1962 as amended by letter agreement dated November 8, 1962 as such agreement applied to the 1964 Playoff Bowl Game except that the compensation set forth in such new agreement shall be \$200,000 (herein called the "Playoff Price"). If CBS does not exercise the said option, the League shall be free to enter into an agreement with any third party with respect to the broadcast of the 1965 Bowl Game; provided, however, that the League will not in any instance enter into any agreement with any third party for the broadcast of the 1965 Bowl Game, which agreement provides for a Playoff Price which is less than \$200,000, unless the League first notifies CBS of such lower price. Each

such notice shall contain an offer (herein called the "Offer") to contract with CBS on the same basis as set forth above except for such lower price. CBS may accept each such Offer within seven (7) days after the receipt thereof. If CBS and the League enter into an agreement with respect to the 1965 Bowl Game, CBS shall have similar exclusive option and first refusal rights with respect to the Playoff Bowl Game to be held in January 1966.

26. The League will cause the home Team at each Game to supply all policing of the home stadium, field and broadcasting areas in order to maintain order and to protect CBS in the enjoyment of its broadcasting rights hereunder.

27. Except as otherwise herein provided, all notices required to be given hereunder shall be given in writing either by personal delivery, by mail or by telegraph at the respective addresses of the parties hereto hereinabove set forth or such other addresses as may be designated in writing by either party. Notice given by mail or by telegraph shall be deemed given on the date of mailing thereof or of delivery of such telegram to a telegraph office, charges prepaid or to be billed.

28. A waiver by either party of any of the terms and conditions of this Agreement in any instance shall not be deemed or construed to be a waiver of such term or condition for the future, or of any subsequent breach thereof. All remedies, rights, undertakings, obligations and agreements contained in this Agreement shall be cumulative, and none of them shall be in limitation of any other remedy, right, undertaking, obligation or agreement of either party.

29. This Agreement and all matters or issues collateral thereto shall be governed by the laws of the State of New York applicable to contracts performed entirely therein.

30. CBS may assign its rights hereunder in full or in part to any subsidiary, affiliated or controlling corporation or to any person, firm or corporation which acquires a substantial portion of the assets of the Columbia Broadcasting System, Inc., and/or CBS Television Network, and this Agreement may be assigned by any assignee thereof; provided, however, that no such assignment shall relieve CBS of any of its obligations hereunder.

31. This Agreement contains the entire understanding of the parties hereto relating to the subject matter herein contained, and this Agreement cannot be changed or terminated orally.

32. The League will conform to the requirements of Section 508 of the Federal Communications Act concerning broadcast matter and disclosures required thereunder and will cause the Teams to so conform. The League shall submit to CBS in writing such reports as CBS may reasonably request from time to time upon forms provided by CBS. League warrants and represents on behalf of itself and the Teams that no Game or attendant activities includes or will include any matter for which any money, service or other valuable consideration is directly or indirectly paid, or promised to, or charged or accepted by the League or any Team. The League shall inform the Teams and the League and the Teams shall exercise reasonable diligence to inform their respective employees, and other persons with whom the League and the Teams deal directly in

connection with the Games and attendant activities, of the requirements of the said Section 508; provided, however, that no act of any employee of the League or any Team or of any independent contractor connected with any of the Games and attendant activities shall constitute a breach of the provisions of this paragraph unless League or such Team has actual notice thereof. As used in this paragraph, the term "service or other valuable consideration" shall not include any service or property furnished without charge or at a nominal charge for use in, or in connection with, any of the Games and attendant activities "unless it is so furnished in consideration for an identification in a broadcast of any person, product, service, trademark or brand name beyond an identification which is reasonably related to the use of such service or property on the broadcast", as such terms are used in the said Section 508. No inadvertent failure by the League or any Team to comply with this paragraph 32 shall be deemed a breach of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

CBS TELEVISION NETWORK
A division of Columbia
Broadcasting System, Inc.

NATIONAL FOOTBALL LEAGUE

By *Bertand H. Combs*

By *Don Ryzell*

EXHIBIT A

(Attached to and forming a part of the Agreement between CBS TELEVISION NETWORK and THE NATIONAL FOOTBALL LEAGUE, dated January 24, 1964).

I. The schedule of payments referred to in paragraph 11 hereof shall be as follows:

(1) With respect to the Baltimore, Chicago, Cleveland, Detroit, Green Bay, Minnesota, New York, Philadelphia, Pittsburgh, St. Louis, San Francisco and Washington Teams, payment shall be made in four (4) equal installments on the 20th day of April, July, October and December of each Contract Year.

(ii) With respect to the Dallas and Los Angeles Teams, fifty per cent (50%) shall be payable on or before the March 1st of each Contract Year and twenty-five per cent (25%) on July 20th and December 20th respectively.

Payment of the December Game Fee shall be included in the final installment of such Teams as are entitled to receive the same.

EXHIBIT B

(Attached to and forming a part of the Agreement between CBS TELEVISION NETWORK and THE NATIONAL FOOTBALL LEAGUE, dated January 24, 1964).

I. The Commissioner shall have the right of prior approval of all sponsors participating in the telecast of any game of each club during the term hereof; the successful bidder will be required to offer to each sponsor presently owning all or any part of the television rights of any member club in the League, the right to sponsor the television of the games of the applicable member club during the term of this Agreement at the same charge for such rights as the successful bidder normally would charge any other sponsor; the successful bidder shall evidence its offer by written notice to each of such sponsors possessing such rights, giving the terms and cost thereof. Each of such sponsors shall be obligated to exercise its right of first refusal within the period allowed to it under its present agreement with the applicable member club. If any of such sponsors fails to exercise its option to televise the games of the member club, the successful bidder shall have the right to sell such sponsorship to any other sponsors subject to prior approval by the Commissioner.

In respect to national sponsors of regular season games of the clubs in 1963, namely Ford Motor Company and Phillip Morris, such national sponsors shall have the right to no less than one quarter puch of each game to be televised hereunder and shall receive product protection in respect to the balance of the sponsorship of any games for all products or services regularly advertised by such national sponsor in 1963 in connection with its sponsorship of the telecast of such game. The successful bidder will be required to offer to each national sponsor no less than one quarter of the television of the games during the term of this Agreement, at the same charge for such right as the successful bidder normally would charge any other national sponsor; such successful bidder shall evidence its offer by written notice to each national sponsor giving the terms and cost thereof. Such national sponsor must exercise its right of first refusal within seven (7) days after receipt of notice. If such national sponsor fails to exercise its right of first refusal, the successful bidder shall be free to sell such sponsorship to any other sponsors approved by the Commissioner.

The Commissioner reserves the sole and exclusive right in his sole discretion to determine and approve any and all other sponsors of games to be televised during the term hereof. The Commissioner intends, wherever possible, to give preference to some or all of the sponsors of the telecast of games in the League

in 1963, but despite such intention, the Commissioner is not obligated to permit any sponsor to sponsor any games nor to have any first refusal or preference in respect to the sponsorship thereof whenever the granting of any such sponsorship would, in the opinion of the Commissioner, not be in the best interest of the National Football League.

CBS TELEVISION NETWORK

A Division of Columbia Broadcasting System, Inc.

485 MADISON AVENUE, NEW YORK 22, NEW YORK - PLAZA 1-2345

As of May 22, 1964

National Football League
One Rockefeller Plaza
New York, New York

Gentlemen:

We refer to the Agreement between you and us dated as of January 24, 1964, pursuant to which you granted us certain broadcasting rights in and to National Football League professional football games played during the 1964 and 1965 seasons.

You and we have agreed and hereby do agree that the said Agreement shall be amended as follows:

1. The following new subparagraph (i) is hereby added to and made a part of paragraph 2 of the said Agreement:

"2. (i) In addition to the League's rights pursuant to subparagraph (d) of this paragraph 2, the League, for the 1964 season only, shall have the right to schedule up to two (2) regular season games to be played on Monday night and each such game shall be a "Game" hereunder. If the League is unable, because of the unavailability of suitable stadia, to devise a schedule of regular season games for the 1965 NFL season without scheduling games to be played on Monday night, CBS will permit the scheduling of up to two (2) games on Monday night during the 1965 NFL season and each such game shall be a "Game" hereunder. The provisions of subparagraph (b) of paragraph 15 hereof shall be applicable to all Monday night "Games"."

2. Subdivision (iv) of paragraph 5 of the said Agreement is hereby amended so as to permit CBS to broadcast, in Philadelphia only, on September 6, 1964, a half-hour edited version of the Minnesota vs. Philadelphia pre-season Game.

3. Notwithstanding anything to the contrary contained in subparagraphs (a) and (b) of paragraph 9 of the said Agreement, the League acknowledges that CBS may broadcast any Games in

National Football League

As of May 22, 1964

- 2 -

Lansing, Michigan and Cape Girardeau, Missouri on days when the Detroit Lions and the St. Louis Cardinals respectively are playing at home. In accordance with the permission currently granted CBS in connection with the foregoing, such rights are for the 1964 season only.

4. The following new subparagraph (c) is hereby added to and made a part of paragraph 9 of the said Agreement:

"(c) The restrictions set forth in clauses C. and D. of subparagraph (a) of this paragraph 9, limiting respectively CBS' right to broadcast Games in Washington, D.C. and Baltimore, Maryland other than Games of the Washington and Baltimore Teams (when the other of such Teams is at home), shall be inapplicable on September 27, October 11, November 15, November 22 and November 29, 1964 and on a number of dates in 1965 not exceeding seven (7) in order to enable CBS to broadcast so-called "double-header" Games in such cities or to enable CBS to broadcast a Game in such cities when the Team located therein is not scheduled to play on that date. The provisions of the foregoing sentence shall not affect CBS' obligations pursuant to paragraph 15(b) hereof."

Except as specifically modified and amended herein, all of the terms and conditions of the said Agreement are hereby ratified and confirmed.

Kindly sign below to indicate your acceptance hereof.

Very truly yours,

CBS TELEVISION NETWORK
A division of Columbia
Broadcasting System, Inc.

By *Richard L. Conlon*

ACCEPTED AND AGREED:

NATIONAL FOOTBALL LEAGUE

Paul Penick
Commissioner

October 10, 1966

As I told you, the CBS contract terms are still under negotiation and no final contract has been executed.

Hamilton Carothers

CBS TELEVISION NETWORK

A Division of Columbia Broadcasting System, Inc.

485 MADISON AVENUE, NEW YORK 22, NEW YORK • PLAZA 1-2345

BERTRAND M. LANCHNER

Director of
Contracts, Sports

January 28, 1966

Marshall Leahy, Esq.
Russ Building
Suite 1258
San Francisco, California

Re: NEW NFL CONTRACT

Dear Marshall:

I am enclosing herewith two original copies of the revised NFL-Contract covering the years 1966, 1967 and 1968.

I believe you will find everything substantially in order, however, I believe there may be a few minor changes you will want after reading it.

I would be willing, because it would be fairer to the NFL, to eliminate the latter part of subparagraph 14c on page 33 so that the fraction would be one over 105 rather than eight over 105 for rebate on a regular season regional game.

Because I want to get this contract out to you today, I am not holding it up to make the two following changes which would be made in the contract prior to execution:

1. On pages 7, 8 and 29, we will designate that the first Thanksgiving Day game will start substantially the same time that it started in 1965 and that the second game will commence on or about and not after 6:00 p.m. (GMT).
2. On page 47, we will state that even though there may be only 15 teams in 1967 and/or in 1968, the NFL will guarantee that there will be two Divisional Play-Off Games or the equivalent thereof.

Since I will be out of the office until Monday, February 14, I would appreciate your calling Ron Kaiser to discuss any changes and, I will be in touch with Ron during my absence.

Sincerely yours,

BML/aj

cc: Messrs. Pete Rozelle
Ron Kaiser

CBS TELEVISION NETWORK

A division of Columbia Broadcasting System, Inc.

AGREEMENT

AGREEMENT made as of the 29th day of December, 1965 by and between CBS TELEVISION NETWORK, a division of Columbia Broadcasting System, Inc., 51 West 52 Street, New York, New York 10019 (herein called "CBS") and the NATIONAL FOOTBALL LEAGUE, 1 Rockefeller Plaza, New York, New York 10020 (herein called the "League").

In consideration of the mutual covenants herein contained, the parties hereto have agreed and do agree as follows:

1. (a) The League hereby grants to CBS the sole and exclusive television broadcasting rights in and to each and every professional football "Game" (as hereinafter defined) played by all of the member clubs (herein collectively called the "Teams" and individually called a "Team") of the League during the 1966, 1967 and 1968 National Football League seasons throughout the United States, its territories and possessions, Canada, Mexico, Bermuda and Antigua (herein called the "Broadcast Area"). The term of this Agreement shall commence on February 1, 1966 and shall continue unless sooner terminated for three (3) consecutive years (herein called "Contract Years") provided that the first Contract Year shall include the period between the date first above written and February 1, 1966. The rights granted CBS herein include radio broadcasting rights in and to the "Championship Game", the "Playoff Bowl Game" and the "Pre-Bowl Game" (all as hereinafter defined).

(b) The rights granted to CBS herein include the right to broadcast, describe and summarize each "Game" and all of the events and activities occurring at the stadium in which each "Game" is played during the period commencing fifteen (15) minutes prior to the scheduled starting time and ending fifteen (15) minutes after the conclusion of each "Game", or on the hour or half-hour following the conclusion of each "Game", whichever is later. There shall be no broadcasts from the dressing room of any Team without the consent of such Team in each instance.

(c) As of the date of this Agreement, the following Teams constitute the membership of the League:

Eastern Conference

New York Football Giants, Inc.
 Philadelphia Eagles, Inc.
 Pittsburgh Steelers, Inc.
 Cleveland Browns, Inc.
 Chicago Cardinals Football Club,
 Inc. (St. Louis Cardinals)
 Pro Football, Inc. (Washington
 Redskins)
 Dallas Cowboys
 Atlanta Falcons (Atlanta may
 be assigned to the Western
 Conference after 1966)

Western Conference

Chicago Bears Football Club, Inc.
 Baltimore Football, Inc.
 Detroit Football Company
 Green Bay Packers
 The San Francisco Forty-Niners
 Los Angeles Rams Football Club
 Minnesota Vikings

The League currently contemplates adding an additional Team commencing with the 1967 season. The League shall immediately notify CBS when any new Team is admitted to the League and shall simultaneously notify CBS of the new Conference and/or Divisional alignment of the League. The League presently intends that at such time as there are sixteen (16) Teams the two (2) Conferences shall each be divided into two (2) Divisions of four (4) Teams each (however, the League may do this while there are only fifteen (15) Teams) and that winners of each division will play to determine

the Conference champions. Such games are hereinafter called "Divisional Playoff Games". The foregoing Conference and Divisional alignment shall not necessarily be followed by the League; provided that regardless of the precise alignment nothing shall be done which shall eliminate the Divisional Playoff Games. The Conference Champions will then meet in the "Championship Game". It is not now intended that there be Divisional playoffs in the event of a divisional tie, but that in such event divisional winners will be selected in the same manner that Conference runners-up are now selected in the event of a tie. The League shall not be bound to adopt such manner of breaking a divisional tie, it being understood that if there are Divisional playoffs the broadcasting rights thereto shall be automatically included herein.

(d) The League shall notify CBS promptly upon the admission of a seventeenth (17th) Team. Such notice shall state the year in which such seventeenth Team shall be a playing member of the League. If such seventeenth Team shall be a playing member of the League in the same calendar year in which such notice is given CBS shall have a period of thirty (30) days in which, by notice to the League, to terminate this Agreement forthwith. If such Team shall not become a playing member until some succeeding calendar year CBS shall have a period of thirty (30) days in which to give such notice of termination but such termination shall not become effective until the end of the last Contract Year prior to such Team's becoming a playing member of the League.

2. (a) The "Games" for each Contract Year shall consist of the following:

- (i) all regular season championship games played by each Team
 - A. on Sundays; and
 - B. on any Thanksgiving Day;
- (ii) the "December Games" (as herein-after defined);
- (iii) the "Regular Season Special Games" (as hereinafter defined);
- (iv) the "Pre-Season Special Games" (as hereinafter defined);
- (v) all pre-season games (excluding "Pre-Season Special Games") played by each of the Teams with respect to which CBS exercises its option set forth in subparagraph (b) of paragraph 3 hereof, such games being herein specifically called "Pre-Season Games";
- (vi) all conference playoff games played by the Teams, such games being herein called "Conference Playoff Games";
- (vii) all Divisional Playoff Games;
- (viii) the Championship Game;
- (ix) all Intra Divisional Playoff Games, if any;
- (x) the Playoff Bowl Game: (commencing in such year as the League operates with sixteen (16) Teams the Playoff Bowl Game shall be played between the losers in the Divisional Playoff Games);

(xi) the Pro-Bowl Game.

All of the games referred to in subdivisions (1), (11) and (111) of this subparagraph (a) are herein sometimes called "Regular Season Games."

(b) The "Final Regular Season Schedule" (as hereinafter defined) submitted to CBS by the League in each Contract Year shall provide for the following:

(1) two (2) Thanksgiving Day Games (such Games to be selected by the League); and

(11) two (2) Saturday afternoon Games (one (1) Game on each on two (2) different dates) in December (herein sometimes separately referred to as the "December Games"), such Games to be selected by the League;

(111) two (2) Games on different dates during September or October (herein called "Regular Season Special Games") both Games to be played on Saturday, or one on Saturday and one on Monday or both on Monday as CBS shall designate on or before February 1 of each Contract Year, it being understood that for 1966 there shall be one (1) Regular Season Special Game on Saturday, September 10 and one (1) Regular Season Special Game on Monday, October 31.

(c) Except as otherwise provided in subparagraphs (b) and (1) of this paragraph 2, all Regular Season Games played by

each Team shall be played on Sunday afternoon, it being understood that

(1) one half of each Team's Regular Season Games shall be "Regular Season Home Games" (as hereinafter defined) and one half of each Team's Regular Season Games shall be "Regular Season Away Games" (as hereinafter defined); and

(ii) each Team shall play not less than fourteen (14) Regular Season Games during each Contract Year of this Agreement and during each Contract Year hereunder there shall be at least one (1) Regular Season Game, on each of fourteen (14) Sunday afternoons; provided, however, that during any Contract Year hereunder in which the League is composed of fifteen (15) Teams there shall be at least one (1) Regular Season Game on each of fifteen (15) Sunday afternoons;

(d) the "Final Pre-Season Schedule" (as hereinafter defined) submitted to CBS by the League in each Contract Year shall provide for the following:

(i) in 1966 one (1) Game on each of four (4) consecutive Friday nights commencing on August 12, 1966;

(ii) in 1967 and 1968 one (1) Game on each of five (5) consecutive Friday nights during the five (5) weeks immediately preceding the commencement of the regular season schedule, unless

in any such year the scheduling of the Chicago-Tribune College All-Star Game would preclude there being five (5) such Games in which event there shall be one (1) such Game on each of four (4) consecutive Friday nights.

The Games referred to in subdivisions (i) and (ii) of this subparagraph (d) are herein sometimes called the "Pre-Season Special Games". The League shall use its best efforts not to schedule any other pre-season games on Friday night.

(e) It is understood that all of the broadcasting rights granted CBS hereunder shall be subject to all of the applicable provisions of Public Law 87-331, 87th Congress, 75 Stat. 732.

(f) The starting times for the Sunday afternoon Games for each Team shall be approximately the same as in 1965 (except that the starting time of Games played in Baltimore shall be one half-hour earlier if local statute or ordinance so permits) unless a different time shall be mutually agreed upon between CBS and any Team. The League shall cooperate with CBS to the fullest extent possible in order to arrive at starting times which meet CBS's scheduling needs. The starting times of the December Games shall be fixed by mutual agreement between the League and CBS; provided, however, that the League shall give due consideration to CBS's other commitments and to any scheduling problems of CBS. The starting time of the Thanksgiving Day Games in each Contract Year shall be as designated by CBS on notice to the League on or before August 1 of each Contract Year. The starting time of at least one (1) Thanksgiving Day Game shall be between 12 Noon and 3:00 P.M.

and the starting time of the other Thanksgiving Day Game shall be on or after 6:00 P.M. (CNYT). The starting time of each Regular Season Special Game and Pre-Season Special Game in each Contract Year shall be as designated by CBS on notice to the League on or before the August 1 of each Contract Year but the starting time of such Games shall not be prior to 6:00 P.M. (CNYT).

(g) If at the end of the first Contract Year either party hereto believes that the scheduling of Regular Season Special Games and the Thanksgiving Day evening Game, as provided in paragraph 2(b)(111) and 2(f) hereof has created an undue hardship on it, such party may at any time within thirty (30) days thereafter require the other to discuss with such aggrieved party changes in the days on which or the times at which such Games shall be played. It is understood, however, that there shall continue to be three (3) Regular Season Games hereunder the starting time of which shall be 6:00 P.M. or after.

(h) As used in this Agreement a "Home Game" means a Game played by a Team in a stadium located in its home territory and an "Away Game" means a Game played by a Team in a stadium located in the home territory of any other Team.

(i) During any Contract Year hereunder in which the League is unable, because of the unavailability of suitable stadia, to devise a schedule of regular season games for such Contract Year without providing for additional games to be played on days other than Sunday, the League shall have the right, notwithstanding anything to the contrary contained in subparagraph (c) of this

paragraph 2 and without any reduction in the Annual Fee, to schedule (in addition to the December Games referred to in paragraph 2(b)(11) and Regular Season Special Games referred to in paragraph 2(b)(111)) up to four (4) regular season games to be played on either Friday or Saturday (such Games being herein called "Odd Games"). The broadcasting rights to each Odd Game shall not be included in the rights granted CBS hereunder unless CBS elects to broadcast such Odd Game by notice to the League to such effect given prior to the April 1 of the applicable Contract Year or within thirty (30) days after receipt of the Final Regular Season Schedule, whichever is later. The broadcasting rights to any Odd Game which CBS does not elect to broadcast in accordance with the immediately preceding sentence shall be vested in the League, which may authorize the broadcast thereof in the home city of the visiting Team. The League shall offer to the regular sponsors of CBS's broadcasts of any such visiting Teams Regular Season Games the opportunity, on reasonable terms and conditions, to sponsor the broadcast of any such Odd Game. No Odd Game shall be scheduled to be played on the same day as any December Game or any Regular Season Special Game.

3. (a) On or before the April 1st of each Contract Year hereunder, the League will deliver to CBS the final schedule (herein called the "Final Pre-Season Schedule") of the pre-season games to be played in such Contract Year and such schedule shall comply with the requirements of subparagraph (d) of paragraph 2 hereof. If such Final Pre-Season Schedule is not received by such date then the date on line 1 of subparagraph (b) of this

paragraph 3 shall be advanced by one (1) day for each day after April 1 that such Schedule is received. Such Schedule shall be subject to all of the provisions of paragraph 2 hereof and shall indicate the date, time (local time) and place where each such game shall be played and shall designate the Teams which shall participate in each such game. The Final Pre-Season Schedule may not be changed by the League or by any Team at any time without CBS's prior written consent. Any schedule furnished CBS pursuant hereto shall be a Final Schedule unless the same is clearly designated a "preliminary schedule".

(b) On or before the June 1st of each Contract Year or, if the Final Pre-Season Schedule is received on or before April 1, within forty-five (45) days from the receipt of the Final Pre-Season Schedule but not earlier than April 1, CBS will notify the League of those pre-season games which CBS elects to broadcast on a "local basis" (over the facilities of any CBS owned station on a non-interconnected basis) and each such game shall become a "Game" hereunder. CBS's notice with respect to each such Game shall state whether such Game shall be broadcast live or by means of recording.

(c) With respect to each Pre-Season Game which, pursuant to the provisions of subparagraph (b) of this paragraph 3, CBS has elected to broadcast on a "local basis", the CBS owned and operated station broadcasting such Pre-Season Game shall cause to be broadcast on behalf of the National Football League Team whose franchise is located in the same city as such station a number of, or a dollar value of (at such station's applicable rate card price)

promotional announcements proportionally equivalent to the total number of, or dollar value of, as the case may be, the promotional announcements broadcast on behalf of such Team for the total number of pre-season games broadcast by such station on a local basis during the 1965 National Football League season. If no such arrangement existed between any particular Team and the CBS owned and operated station located in the city of such Team's franchise (i.e., its home city) with respect to the 1965 season, then during the thirty (30) day period commencing June 1st (or commencing on the latest date on which CBS may have the right to exercise the rights set forth in subparagraph (b) of this paragraph 3) of the Contract Year in which such station elects to enter into such an arrangement, CBS and any such Team will negotiate to determine the basis for the broadcasting of promotional announcements on behalf of such Team. If CBS and such Team are unable to reach agreement during such thirty (30) day period, the dollar value of promotional announcements to be broadcast on behalf of such Team pursuant to this subparagraph (c) shall be proportionally equivalent to the dollar value of promotional announcements broadcast on behalf of the New York Team with respect to its 1965 pre-season games.

(d) Each Team participating in any pre-season game which CBS is not broadcasting as a Pre-Season Special Game or which CBS has not elected to broadcast shall have the right (subject to any applicable provisions of the League Constitution and By-Laws) to authorize the broadcast of each such pre-season game throughout the Broadcast Area. Each Team participating in any pre-season

game which CBS has elected to broadcast on a local basis shall have the right (subject to any applicable provisions of the League Constitution and By-Laws) to authorize the broadcast of such pre-season game in any community in the Broadcast Area in which such game is not broadcast by CBS. The regular sponsors of CBS's broadcasts of any such Team's Regular Season Games shall be given the opportunity to sponsor the broadcast of any such games on reasonable terms and conditions. Notwithstanding anything to the contrary contained herein, if any pre-season game to which any Team has broadcasting rights is to be played on a Friday night when CBS is broadcasting a Pre-Season Special Game such pre-season game may be broadcast only in the home cities of the participating teams.

(e) Notwithstanding anything to the contrary contained herein, CBS's rights with respect to pre-season games shall not include any rights

(1) with respect to the Los Angeles Times game, or the Chicago Bears Armed Forces game;

(11) to broadcast on a "local basis" any pre-season game played on any Saturday on or after the second Friday in September in any Contract Year, unless CBS elects to broadcast any such game in accordance with the provisions of subdivision (11) of paragraph 5 hereof on a recorded basis other than on

A. a Friday night after 6:00 P.M.
(local time) or
B. a Saturday

or unless no college football game which meets the conditions set forth in Public Law 87-331

is scheduled to be played on the same day within seventy-five (75) miles from the station on which CBS desires to broadcast such game.

(f) On or before the April 1st of each Contract Year, the League will deliver to CBS in writing the final schedule (herein called the "Final Regular Season Schedule") of all Regular Season Games to be played in such year. Such Schedule shall be subject to all of the provisions of paragraph 2 hereof and shall indicate the date and time (then scheduled local time) and place where each such Regular Season Game is to be played and shall designate the Teams which shall participate in each such Regular Season Game. The Final Regular Season Schedule may not be changed by the League or by any Team without CBS's prior written consent. Any schedule submitted by the League pursuant hereto shall be deemed to be a Final Schedule unless designated a "preliminary schedule".

(g) On or before March 1 of each Contract Year the League shall notify CBS of the date, time and place of the playing of the Playoff Bowl Game and the Pro-Bowl Game. The League shall notify CBS of the date, time and place of the playing of the Championship Game promptly after the same has been determined. The foregoing Games shall be played on succeeding Sunday afternoons in the order played in the 1965 National Football League season. The playing site of the Championship Game shall be rotated between the cities of the winner of the Eastern and Western Conferences, 1966 being an Eastern Conference year. The Playoff Bowl Game shall be played in Miami, Florida and the Pro-Bowl Game shall be played in

Los Angeles, California. The starting time of the Championship Game shall be between the hours of 1:00 P.M. (12 Noon with respect to Games in Philadelphia, Chicago and Pittsburgh unless stadia in these cities install satisfactory lights) and 3:00 P.M. (CNYT) as the League elects. The starting time of the Playoff Bowl Game shall be between the hours of 1:00 P.M. and 3:00 P.M. (CNYT) as CBS may elect and the starting time of the Pro-Bowl Game shall be approximately 4:00 P.M. (CNYT).

4. CBS shall furnish the League as soon as possible with a list setting forth the national sponsors of the Games and the communities in which each regional sponsor sponsors the Games.

5. (a) Each Game (subject to the other provisions hereof) shall be broadcast by CBS live in black and white and/or in color. Subject to causes of the nature set forth in subparagraph (a) of paragraph 14 hereof, availability of A.T. & T. cable and subject to the availability of all necessary color equipment, including cameras on a reasonable basis CBS will originate as a minimum the following Games in color in each Contract Year:

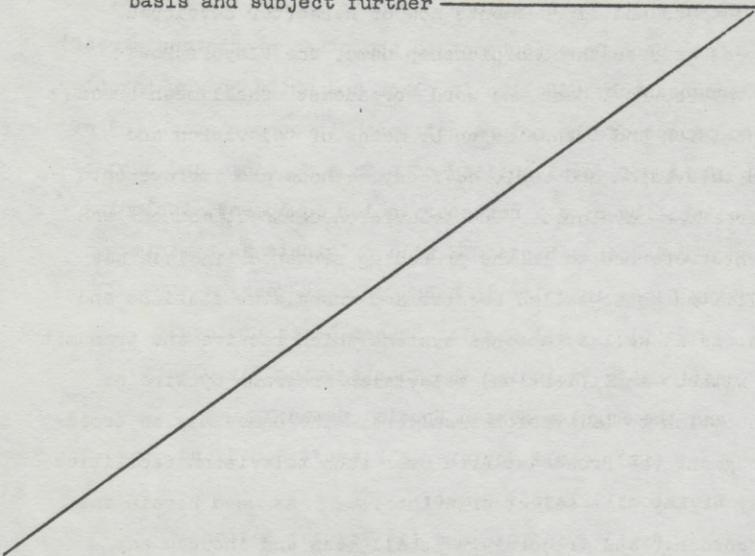
(i) all Regular Season Games broadcast nationally including the Thanksgiving Day Game and the Regular Season Special Games;

(ii) all Conference Playoff Games and Divisional Playoff Games;

(iii) in 1966 one (1) Regular Season Game each week broadcast regionally, it being understood that CBS will endeavor, subject further to being able to obtain necessary color equipment on a reasonable basis and subject further

to CBS's ability to transport color equipment which may have been utilized for other color programming to the selected Game site in time for broadcast, to broadcast two (2) regional Regular Season Games in color each week;

(iv) in 1967 two (2) Regular Season Games each week broadcast regionally, it being understood that CBS will endeavor, subject further to being able to obtain necessary color equipment on a reasonable basis and subject further



to CBS's ability to transport color equipment which may have been utilized for other color programming to the selected Game site in time for broadcast, to broadcast three (3) regional Regular Season Games in color each week;

(v) in 1968 three (3) Regular Season Games each week broadcast regionally;

(vi) the Pre-Season Special Games.

(b) As used herein the term "broadcast" means broadcast, exhibition and transmission by means of television and television devices, methods and improvements now or hereafter developed. With respect only to the Championship Game, the Playoff Bowl Game and the Pro-Bowl Game the word "broadcast" shall mean broadcast, exhibition and transmission by means of television and radio and television and radio devices, methods and improvements now or hereafter developed. The television devices, methods and improvements referred to in the preceding sentences include but are not limited to so-called booster and translator stations and relay systems as well as antenna systems which receive and transmit (with or without amplification) television programs by wire or cable connection to television receivers. The Games may be broadcast throughout the Broadcast Area over such television facilities as CBS may at any time select or authorize. As used herein the words "recording" and "recordings" shall mean and include any recording or recordings made or authorized to be made by CBS (whether before, during or after a broadcast transmission) by tape, wire, film, disk or any other similar or dissimilar method of

recording aural and/or visual portions of television programs, whether now known or hereafter developed, including the photography of such programs on film in a manner similar to that used in the production of motion pictures. All recordings made or authorized to be made by CBS and all rights therein shall be the sole and exclusive property of CBS and CBS shall have the right to use any recordings pursuant to this Agreement as follows:

(1) to broadcast and authorize the broadcast of recordings of each Game for delayed or supplemental broadcast purposes within fourteen (14) days after the original broadcast thereof once in any community in the United States (excluding Alaska and Hawaii), a station in which community did not carry such original broadcast and to broadcast and authorize the broadcast of each Game for delayed broadcast purposes within sixty (60) days after the original broadcast thereof once in any community in Canada, Mexico, Bermuda, Antigua, Alaska and Hawaii, a station in which community did not carry such original broadcast; provided, however, that no recording shall be deemed to have been broadcast in any community unless broadcast over a station whose transmitter or principal studio is located therein (delayed broadcasts of the Championship Game may occur only on the day of such Game or on the following day at a time to be determined by CBS and the League);

(ii) for file and reference purposes in perpetuity and for promotional purposes during the term of this contract;

(iii) for broadcast by and to the Armed Forces of the United States, wherever situated, in perpetuity;

(iv) for original broadcast of any pre-season games as shall become Games hereunder (but not any Pre-Season Special Games) and which are played other than on Sunday afternoon; provided, however, that such broadcasts shall be concluded not later than 10:00 P.M. (local time) on the Sunday following the day on which any such Game is played. If CBS so elects CBS may prior to broadcast edit or authorize the editing of any recordings of any Pre-Season Game scheduled to be broadcast on a local basis so as to make the same suitable for a program of from one (1) to two (2) hours in length;

(v) to broadcast and authorize the broadcast of such recordings for "news purposes". Broadcasts for "news purposes" are broadcasts on news, newsreel, news review, sports review (including pre-game, half-time and post-game sports) programs. Each broadcast for a news purpose shall be subject to the following limitations:

A. no program in which such recordings are broadcast shall include a recording of more than three (3) National Football League Games; and

B. no such broadcast shall include a recording of any Game which is more than two (2) minutes in length;

(vi) to broadcast portions of the first half of any Game during the half-time intermission of any Game;

(vii) following the conclusion of any Game to broadcast recordings of any other Game during the period referred to in subparagraph (b) of paragraph 1 hereof;

(viii) to broadcast important plays or portions thereof at CBS's discretion during the broadcast of any Game; or

(ix) as provided in subparagraph (b) of paragraph 15 hereof.

CBS's rights to use recordings as permitted in subdivisions (1), (iii) and (iv) of this paragraph 5 shall be subject to all of the applicable provisions of Public Law 87-331, 87th Congress, 75 Stat. 732.

(c) CBS may by notice to the League on or before the May 1 of any Contract Year advise the League that CBS elects not to broadcast in such Contract Year on radio any or all of the Games to which radio broadcasting rights have been granted. The League

shall thereafter be free to grant to any third party, for such Contract Year only, radio broadcasting rights to the Games to which radio broadcasting rights have been relinquished; provided, however, that the League shall not authorize or permit the broadcast of any such Game on behalf of any product or service competitive to any product or service authorized to be advertised on the television broadcast thereof. The relinquishment by CBS of the radio broadcasting rights to any Game in any Contract Year shall in no way affect CBS's radio broadcasting rights in such Game in any subsequent Contract Year.

6. Each Team may arrange for the broadcast of Quarterback Club programs (i.e., thirty (30) minute programs consisting of highlights of the preceding week's game plus player and coach interviews and discussions). The League may arrange for the broadcast of thirty (30) minute programs consisting entirely of filmed highlights of prior games. The regular sponsors of CBS's broadcasts of Regular Season Games shall be given the opportunity on reasonable terms and conditions to sponsor such Quarterback Club programs and highlights programs. The League represents that there be not more than one (1) Quarterback Club program and one (1) highlights program each week in each city.

7. (a) The Games may be broadcast or authorized to be broadcast by CBS on a sustaining basis and/or in whole or in part on a

commercially sponsored basis by any method or combination of methods of commercial sponsorship now known or hereafter developed without limitation. Each sponsor shall be subject to the approval of the Commissioner of the League (herein called "Commissioner"). Such approval may be exercised only with respect to any sponsor which, in the opinion of the Commissioner, is not of a quality or type suitable for the Games, and such approval may not be unreasonably withheld. The Commissioner hereby approves for the term of this Agreement each sponsor and each product or service of any sponsor who sponsored the broadcast of any National Football League Games during the 1964 or 1965 seasons. CBS will notify the Commissioner of each proposed sponsor (other than sponsors approved herein). If within seventy-two (72) hours after the receipt of such notice the Commissioner has not notified CBS that such sponsor is disapproved, such sponsor shall be deemed to have the written approval of the Commissioner. Anything contained herein to the contrary notwithstanding, each sponsor of the Games on a "cooperative sponsorship basis" (as herein defined) shall be automatically deemed to have the written approval of the Commissioner; provided, however, that the foregoing provisions of this sentence shall not apply to such sponsorship on behalf of any such sponsor for the purpose of advertising products in the following categories: alcoholic beverages (other than beer or ale), depilatories, laxatives, feminine hygienic products, women's wearing apparel, fortune telling, fireworks, lotteries, gambling, horse or dog racing, firearms, restoratives, speculative stock selling, pool halls, mortuaries, funeral parlors, night clubs, professional advertising, such as doctors, dentists and

lawyers, harmful drugs and hygienic products of the intimate type. As used herein "cooperative sponsorship basis" means sponsorship of the Games pursuant to agreement between the sponsor and any station(s) broadcasting the Games.

(b) The provisions of Exhibit B attached hereto and hereby made a part hereof set forth the League's and CBS's obligations to the American Oil Company (herein called "Amoco").

8. (a) The League warrants and represents

(1) that the League is authorized to enter into and fully perform this Agreement on behalf of each of the Teams, and that the League has all of the rights necessary to enable the League to perform all of its obligations hereunder;

(ii) ~~that the League and each of its members have not granted or attempted to grant~~ and shall not grant or attempt to grant to any person, firm or corporation rights of any kind (including, without being limited to, any rights to make broadcasts of any Games by any means or method of pay or subscription television except as otherwise specifically provided in and subject to paragraph 24 hereof) which would or might derogate or compete with the rights granted to or to be granted to CBS hereunder;

(iii) for itself and on behalf of each of the Teams, that during the term of this

Agreement there will not be authorized, adopted or promulgated any new or amended By-Law or any modification or amendment to the League Constitution in any way affecting this Agreement or the rights granted CBS hereunder; provided, however, that the League may

A. move the location of the franchise of any Team;

B. expand the League to include additional teams subject to paragraph 1(d) hereof (but all of CBS's rights with respect to the present Teams shall apply to any moved or additional teams without any additional payment to the League); or

C. remove any Team from the League (but the League shall at all times consist of at least twelve (12) Teams) pursuant to the provisions of the Constitution and the By-Laws in which event the League and all of the remaining Teams shall remain jointly and severally liable to CBS for any monies then owed by any such Team to CBS

and provided, further, that in the exercise of sound business judgment, the League may elect to amend the League's Constitution and By-Laws in order to

comply with any court order, judgment or decree or any statute hereafter enacted, in which event the League shall give CBS prompt notice of any such amendment.

(b) CBS will not, pursuant to any rights granted it hereunder, authorize any broadcast of the Games by any means or method of pay or subscription television, it being understood that pay or subscription television does not include community antenna systems. Nothing herein contained shall prevent or preclude the League or any Team from instituting any legal action or proceeding against any person owning or operating a community antenna system whenever such system makes the broadcast of a Home Game available to any subscribers of such system who are located in the "Home Territory" of the Team playing such Home Game. It is specifically understood and agreed that neither the League nor any Team affected shall be considered as having transferred to CBS any rights inconsistent with this subparagraph (b).

9. (a) The broadcasting of each Game hereunder (other than Pre-Season Special Games) shall be subject to the following:

(1) no Home Game shall be broadcast on the day of such Home Game into the area (herein called the "Home Territory") included within a seventy-five (75) mile radius of the city in which such Home Game is played without the prior consent of the home Team and the visiting Team, but any other Game or Games may be broadcast into such Home Territory or by any station located in such Home Territory at any time;

(11) notwithstanding anything to the contrary contained in subdivision (1) of this subparagraph (a), CBS shall have the right to broadcast each of the Home Games of any Team over any television station located in a community in which CBS broadcast such Team's home games during 1965, it being understood that only stations in Atlanta, Georgia shall be restricted from broadcasting Atlanta Falcons Home Games and that only stations in the home city of any Team admitted to the League during the term hereof shall be restricted from broadcasting the Home Games of any such Team.

For the purposes of subdivision (1) hereof the cities of Sacramento and Salinas, California shall be deemed to be within the Home Territory of the San Francisco Team, the city of San Diego, California shall be deemed to be within the Home Territory of the Los Angeles Team and the city of Lansing, Michigan shall be deemed to be within the Home Territory of the Detroit Team, but the League shall use its best efforts to obtain for CBS the permission of the Detroit Team to the the broadcast of Detroit Home Games in Lansing, Michigan. In the event that any Game is played in other than the home Team's normal home city, for the purpose of any such Game only, the area within seventy-five (75) miles of the city in which such Game is played shall comprise the Home Territory and there shall be no restriction on the broadcast of such Game into the normal Home Territory.

(b) The League may, by giving CBS notice to such effect on or before December 15, 1967, expand the restrictions concerning the areas into which the Games may be broadcast effective with the 1968 National Football League season. If the League so notifies CBS then subparagraph (a) of this paragraph 9 shall be replaced in its entirety by the provisions set forth in Exhibit C attached hereto and hereby made a part hereof and subparagraph (d) of this paragraph 9 shall be deleted in its entirety.

(c) Notwithstanding anything to the contrary in this Agreement there shall be no restriction on the area in or into which any radio broadcast of any Game may be made.

(d) Pre-Season Special Games shall during the entire term hereof be subject to the provisions set forth in Exhibit C hereof rather than the provisions of subparagraph (a) of this paragraph 9.

10. The League warrants and represents that during the first and third quarters of each Game and at the two (2) minutes warning in each half, the home Team will, at CBS's request (made by CBS's remote producer), cause the appropriate Game official to call a sixty-second time out.

11. (a) For the performance of all the League's obligations hereunder and for all rights herein granted CBS by the League, CBS shall pay the League and the Teams as herein directed by the League in accordance with the following:

(1) for the first Contract Year the sum
of \$22,000,000;

(11) for the second Contract Year the
sum of \$24,000,000;

(111) for the third Contract Year the
sum of \$24,000,000.

Each of the above amounts is herein sometimes called a "Total Annual Fee". The Total Annual Fee for the second and third Contract Years shall be reduced by \$2,000,000 for each such year in which the League does not have sixteen (16) playing Teams and in addition the applicable sum specified in subdivision (iv) of subparagraph (b) of this paragraph 11 shall be reduced by \$2,000,000.

(b) The Total Annual Fee in each Contract Year shall be attributable to the Games as follows:

(1) the sum of \$ shall be payable to the home Team participating in any December Game (such amount being herein sometimes called the "December Game Fee");

(11) the sum of \$ shall be payable to each Team participating in any Pre-Season Special Game (such amount being herein sometimes called the "Pre-Season Special Game Fee");

(111) the sum of \$ shall be payable to each Team participating in any Regular Season Special Game (such amount being herein sometimes called the "Regular Season Special Game Fee");

(iv) the aggregate sum of \$ for the first Contract Year and the aggregate sum of \$ for each of the second and third Contract Years shall be payable to the Teams

and shall be attributable to the Regular Season Games referred to in paragraph 2(a)(1) hereof, it being understood that each Team shall receive a pro rata share of the applicable sum set forth;

(v) the sum of \$2,000,000 shall be payable to the League within ten (10) days after the playing of each Championship Game, shall be attributable thereto and is herein called the "Championship Game Fee";

(vi) the sum of \$800,000 shall be payable to the League within ten (10) days after the playing of each Pro-Bowl Game, shall be attributable thereto and is herein called the "Pro Game Fee";

(vii) the sum of \$400,000 shall be payable to the League within ten (10) days after the playing of each Playoff Bowl Game, shall be attributable thereto and is herein called the "Bowl Game Fee";

(viii) an amount equal to 1/15th or 1/16th (depending on whether fifteen (15) or sixteen (16) Teams are playing in the League) of \$1,500,000 shall be payable to each of the Teams, shall be attributable to the right granted CBS in this Agreement to broadcast Games in the Home Territory on a day when a Home Game is being played and is

herein called the "Blackout Fee". If the League exercises the right granted by CBS to the League in subparagraph (b) of paragraph 9 hereof the Blackout Fee shall not be payable and the applicable Total Annual Fee shall be reduced accordingly;

(ix) the sum of \$200,000 shall be payable to each of the Teams participating in any Divisional Playoff Game in 1967 and 1968 and the aggregate sum payable with respect to any such Game is herein called the "Divisional Fee".

Payment under subdivisions (i) through (iv) and subdivision (viii) of this subparagraph (b) will be made pursuant to the schedule of payments set forth in paragraph I of Exhibit A attached hereto and hereby made a part hereof. The aggregate of all the moneys payable in each Contract Year pursuant to subdivisions (iv) and (viii) of this subparagraph (b) shall be known collectively as the "Regular Fee".

12. (a) The League and each of the Teams will cooperate with CBS in all phases of the preparation, production and broadcast of each Game and the activities attendant thereto. The League on behalf of the Teams represents that the Teams will make available for CBS's use without charge at the various stadia where the Games are played parking space for CBS's mobile units, adequate space for the placement of cameras, booths and other facilities for CBS's personnel, space and provision for all equipment necessary for each broadcast and such electrical power and

facilities as may be necessary for each broadcast. The League on behalf of the Teams represents that the Teams will permit without charge the installation of cables, power lines and other equipment, such installation to be done in such manner as CBS may elect. CBS may install and use at each stadium in which a Game is played such wires, cable, cameras, lighting facilities and other apparatus as may be necessary, appropriate or convenient to enable CBS to make the broadcasts hereunder. If in the opinion of the television director assigned to any Game, field lights are necessary for technically suitable broadcasting, the home Team shall, at the request of CBS, immediately notify the referee, and the referee will cause the field lights, if any, to be turned on as soon thereafter as the referee deems fair to both Teams, but the League shall not be liable if the referee fails or refuses to cause said field lights to be turned on, but in such event CBS shall have no obligation to broadcast such Game in color. The League shall also deliver to CBS working passes (in such number as CBS shall reasonably require) to the stadium in which each Game is played to be used by personnel of CBS, including camera crews and other personnel necessary for preparation for each broadcast, the broadcast itself and removal of equipment after each broadcast.

(b) In accordance with paragraph 2(f) hereof the starting time of one of the two Thanksgiving Day Games and all of the Special Games in each Contract Year shall be such time on or after 6:00 P.M. (CNYT) as CBS elects. CBS is obligated to originate the broadcast of such Games in color. So that CBS may properly fulfill such obligation the League will cause each of the stadia where any such

Game is to be played to install without charge to CBS such additional floodlights and/or other lighting facilities and equipment as CBS shall in its opinion deem necessary. If for any reason the lights in any such stadium are insufficient to permit a suitable color broadcast CBS shall have no obligation to originate the broadcast from such stadium in color and CBS may make such announcement of the reason therefor as it may deem appropriate.

(c) Each home Team shall reserve such number of tickets, not to exceed 25, for each of its home Games, at box office prices, as CBS may require on notice given to the Team not later than

thirty (30) days prior to each Game.

(d) With respect to Games played in Wrigley Field, Chicago, CBS agrees to maintain a policy of insurance providing public liability insurance in amounts of not less than \$100,000 to any single person and in the aggregate of not less than \$300,000 for any single accident against any and all risks and liability for death or injury to persons and in the amount of \$10,000 for property damage resulting from the use or misuse of any materials furnished by CBS in connection with any broadcast hereunder emanating from Wrigley Field, Chicago. CBS will provide the League with a certificate of insurance showing compliance with the foregoing, Notwithstanding anything contained in this subparagraph (d) to the contrary, CBS may include the foregoing insurance coverage in any blanket policy of public liability insurance maintained by CBS.

13. (a) CBS shall have the right and may grant to others the right to disseminate, reproduce, print and publish the name of the League and of each of the Teams and the name, likeness, voice and biographical material concerning each of the players, coaches and trainers of each Team and of all persons connected with the activities attendant to the Games as news or information, for purposes of trade, and for advertising purposes including, but not limited to, "institutional advertising" (i.e., advertising designed to create goodwill and prestige and not for the purpose of selling any specific product or service) and/or to advertise and promote the broadcasts of the Games and in connection therewith, the products and services of the sponsors, if any; provided, however, that CBS shall not authorize any direct endorsement of any product

or service by the League, the Teams or any such person without the written consent of the League or the Teams or such person, as the case may be. The rights granted pursuant to this paragraph 13 shall continue for so long as CBS has the right to broadcast the Games.

(b) The League shall make available to CBS without charge such players, coaches, Game and Team officials as CBS may from time to time request for pre-Game and post-Game interviews and discussion and for half-time interviews and discussions. Any interviews or discussions to be used in the half-time of any Game in which the players, coaches or Game officials participating in such Game shall take part shall be recorded prior to the start of such Game.

14. (a) If the playing or broadcast of any one or more Games is prevented or omitted because of: act of God; inevitable accident; fire; lockout, strike or other labor dispute; riot or civil commotion, failure of technical facilities; act of public enemy; enactment, rule, order or act of government or governmental instrumentality (whether federal, state or local); the failure of such electric power and facilities as are required to be furnished pursuant to paragraph 12 hereof; the recapture of the broadcast time period of any Game for the purpose of broadcasting an event of public importance; or other cause of a similar or different nature beyond CBS's control, such prevention or omission shall not be a breach of this Agreement by CBS and the applicable Game Fee, if any, designated in paragraph 11 hereof shall not be payable and the Total Annual Fee shall be reduced in an amount equal thereto. In addition, if the Game, the broadcast of which

is so prevented or omitted, is a Regular Season Game, then the Regular Fee shall be reduced by an amount obtained by multiplying the "Reduced Regular Fee" (i.e., the Regular Fee less any reduction therein, if any, because of the elimination of the Blackout Fee or because of the League having less than sixteen (16) Teams) by a fraction having a denominator equal to the total number of Regular Season Games hereunder and a numerator of one (1) for Regular Season Games scheduled to be broadcast on a regional basis and a numerator of eight (8) for Regular Season Games scheduled to be broadcast on a national basis for each such Regular Season Game so prevented or omitted, and the total amount payable to each Team hereunder shall be reduced by an amount equal to $1/15$ th or $1/16$ th (depending on the number of playing Teams in the League) of the amount by which the Regular Fee is reduced.

(b) If the broadcast of any portion of any Game for which there is a Game Fee designated in paragraph 11 is prevented or omitted then the applicable Game Fee shall be reduced by an amount obtained by multiplying such Fee by a fraction the numerator of which is equal to the number of minutes of broadcasting so prevented or omitted and the denominator of which is 150. In addition, if the Game the broadcast of which is in part so prevented or omitted for a reason specified in subparagraph (a) of this paragraph 14 is a Regular Season Game, the Regular Fee shall be reduced by an amount obtained by multiplying the Reduced Regular Fee by the applicable fraction referred to in subparagraph (a) of this paragraph 14 and then multiplying such product by a fraction, the numerator of which is equal to the number of minutes of broadcasting

so prevented or omitted, and the denominator of which is 150, and the total amount payable to each Team shall be reduced in the same manner as hereinabove provided.

(c) If the broadcast of any one or more Games or any portion thereof is prevented because of a strike or other labor dispute solely involving persons furnished by CBS in connection with such broadcast, or the failure of CBS's broadcasting facilities or AT & T cable facilities, or if the broadcast of any Game (or any portion thereof) is omitted because of CBS's voluntary pre-emption of the broadcast thereof for the purpose of broadcasting an event of public importance (it being understood that CBS will not pre-empt the broadcast of any Regular Season Game for the purpose of broadcasting another sports event or an event of public importance, the primary purpose of which is entertainment (though such event may contain substantial entertainment portions)), such prevention or omission shall not constitute a breach of this Agreement by CBS, but in such event there shall be no reduction of the Total Annual Fee. CBS, prior to making any decision to pre-empt the whole or any part of any Game hereunder (other than a decision to pre-empt a Pre-Season Game broadcast on a local basis) shall in reaching such a decision consider the great prestige and popularity of National Football League Games as opposed to the public interest and importance of the event for which the Game is proposed to be pre-empted. The pre-emption in whole or in part of the broadcast of any Game by CBS for the purpose of coverage (on a sustaining basis) of

(1) events of great national importance

or historic moment or

(ii) events of national disaster affecting the entire nation

shall not be considered as voluntary for the purposes of this subparagraph (c).

(d) If any Game, the playing of which is prevented for any reason set forth in subparagraph (a) of this paragraph 14, is played at a later date or time, CBS shall have the right to broadcast such Game at such date or time. If CBS does so broadcast any such Game, there shall be no reduction in the Total Annual Fee pursuant hereto, but the provisions of subparagraphs (b) and (c) of paragraph 15 hereof shall in such event be inapplicable.

(e) If the effect of any amendment of the League Constitution or By-Laws adopted in the exercise of the League's sound business judgment as permitted in subdivision (iii) of subparagraph (a) of paragraph 8 hereof is substantially to diminish the pecuniary value of the rights herein granted CBS, CBS shall have the right at its election to terminate this Agreement effective on such date as CBS may elect by notice to the League at any time within thirty (30) days after the receipt of notice from the League of _____

each such amendment; provided, however, that if any such termination becomes effective on a date subsequent to the broadcast of any Game hereunder, CBS's only obligation to the League hereunder shall be to pay the aggregate of the Game Fees for the Games played prior to such date, plus, for each Regular Season Game played for which a Game Fee is specified, an amount equal to 1/105th or 1/98th of the Reduced Regular Fee, depending on the number of Regular Season Games scheduled in such season and each Team shall be entitled to receive its pro rata share thereof. The aforesaid reductions in the Reduced Regular Fee are subject to such other reductions as might otherwise be applicable hereunder. Any amounts then owing to the Teams by CBS shall be paid within thirty (30) days after the effective date of such termination. Notwithstanding anything to the contrary contained in this subparagraph (d), the League shall have no right or authority to amend its By-Laws and Constitution so as to nullify the rights granted CBS hereunder, except that if Public Law 87-331, 87th Cong., 75 Stat. 732 (herein called the "Bill") is repealed, the League and CBS shall each have the right to terminate this Agreement upon notice to the other within thirty (30) days thereafter, such termination to be effective as of the effective date of the statute repealing the Bill, in which event all of the provisions of this subparagraph (d) with respect to the reduction of the Regular Fee because of the termination of this Agreement by CBS shall be applicable to such termination. The Regular Fee shall likewise be adjusted with respect to the second and third Contract Years hereunder if this Agreement is so terminated during the course of the 1967 or 1968 National Football League regular season schedule.

(f) With respect to any amounts which CBS is relieved of its obligations to pay any Team or to the League pursuant to the provisions of subparagraphs (a) and (e) of this paragraph 14, it is understood that if CBS has previously paid to any Team its full portion of the Regular Fee for such Contract Year or if the amount of such reductions exceed the balance of the Regular Fee otherwise still due any such Team, the League will on behalf of such Team and each of the other Teams promptly refund to CBS the amount of such reduction or the difference between the amount of such reduction and the balance of its portion of the Regular Fee otherwise due any such Team. Otherwise, the applicable amount of any reduction may be deducted from the next installment(s) due the Teams.

(g) If not otherwise stated herein it is understood that the Total Annual Fee shall be reduced in an amount equal to the aggregate reduction in any component thereof pursuant to this paragraph 14 or any other paragraph hereof.

(h) If the radio broadcast of any Game to which radio broadcasting rights are granted hereunder is prevented or omitted for any cause of the nature set forth in subparagraph (a) of this paragraph 14, the same shall not be a breach hereof but there shall be no reduction in the Total Annual Fee or any applicable Game Fee.

15. (a) CBS shall not be obligated to broadcast in whole or in part any Home Game of any Team, or, subject to subparagraph (b) of paragraph 15 hereof, any other Games, and the failure of CBS to do so shall not be a breach of this Agreement. However, the

voluntary election of CBS not to broadcast any Game shall not affect CBS's obligations with respect to the Regular Fee.

(b) CBS shall make available for broadcast each Regular Season Game played on Sunday afternoon to the CBS affiliate located in the home city of the away Team, subject, of course, to acceptance by such station(s) and unless the unavailability of AT & T cable relay facilities or any other cause of the nature referred to in subparagraph (a) of paragraph 14 hereof conflicts, interferes with or prevents the broadcast over any such station. In the event any such CBS affiliate (including any CBS owned and operated station) does not accept any such Game for broadcast on a live basis, CBS shall:

(i) make such Game available for broadcast on a live basis in turn to each other television station located in such city on terms and conditions similar to those which the CBS station was offered, subject to acceptance by such other station. If CBS is unsuccessful in arranging for the broadcast of any Game pursuant to this subdivision (i), then

(ii) CBS shall make such Game available to the CBS affiliate for broadcast on a recorded basis at any time prior to 8:00 AM (local time) the following day.

In addition, with respect to any Regular Season Game(s) played on the same day as any World Series baseball game, CBS may, if it secures the prior consent of the away Team, broadcast such Game in the home city of such away Team on a recorded basis at any time prior to 8:00 AM (local time) the following day. If CBS does not secure such consent, then the preceding provisions of this subparagraph (b) shall apply.

(c) Notwithstanding anything to the contrary contained in subparagraph (b) of this paragraph 15, the broadcast of away Games of the San Francisco and Los Angeles Teams in the home city of each shall, in addition, be subject to the following

(i) if in any Contract Year AT&T notifies CBS seven (7) or more days prior

to any away Regular Season Game of either of such Teams that facilities will not be available to permit the broadcast on the Pacific Coast of both a Los Angeles and a San Francisco away Game played on the same day because of the unavailability of dual feeds to the Pacific Coast, CBS shall, subject to the provisions of subdivision (ii) of this subparagraph (c), if it is technically possible to do so, make the Los Angeles Game available for broadcast pursuant to the provisions of subparagraph (b) of this paragraph 15;

(ii) if the situation referred to in subdivision (i) of this subparagraph (c) arises more than once during the term of this Agreement, CBS shall adjust its broadcasting schedule as between the Los Angeles and San Francisco Teams so that the Game which is made available for broadcast pursuant to subparagraph (b) of this paragraph 15 in each instance of the occurrence of such situation shall be that of the Team whose away Regular Season Game was not made available for broadcast on the immediately preceding occurrence of such situation;

(iii) if AT&T gives CBS less than seven (7) days' prior notice of the unavailability of dual feeds to the Pacific Coast,

then it shall be deemed technically impossible for CBS to change its broadcasting schedule with respect to the Pacific Coast on the day in question, and in such event CBS will make available for broadcast on such date pursuant to subparagraph (b) of this paragraph 15 such Game as CBS in its sole discretion elects.

(d) Except as otherwise specifically provided in subparagraphs (b) and (c) of this paragraph 15, CBS may make each Game available for broadcast over such stations as CBS in its sole discretion may elect.

16. (a) During the broadcast of each Game, CBS shall make one (1) promotional announcement on behalf of the League and one (1) on behalf of one of the participating Teams. At least ten (10) days prior to the date of broadcast of each announcement hereunder, the League and each Team on whose behalf an announcement will be made shall supply to CBS's Program Practices Department the copy for each such announcement which shall be subject to CBS's approval in each instance. If the League or any Team fails to furnish any such copy, or fails to revise the same so as to meet CBS's requirements, CBS shall not be required to broadcast any such promotional announcement.

(b) Half-time activities shall be within the control of each Home Team and such activities shall not continue for more than 15 minutes without CBS's prior consent. In addition on no more than three (3) occasions in any Contract Year shall the

half-time activities of any Regular Season Game consist in whole or in part of the competition in the National Football League Punt, Pass and Kick Contest and on such occasions the competition shall be limited to regional or area finalists. During any half-time activities consisting of such competition there shall be no mention or identification of any kind on the field (including but not limited to identification on jerseys) of any sponsor of the Games or of any promoter or sponsor of the Punt, Pass and Kick Contest. In addition, the League shall use its best efforts to prohibit the mention or identification over any stadium public address system of any such sponsor or promoter.

17. (a) The League will at all times indemnify and hold harmless CBS, the sponsors, if any, their advertising agencies, if any, and any stations over which the Game and the attendant activities are broadcast from and against any and all claims, damages, liabilities, costs and expenses, including reasonable counsel fees, arising out of

(i) the exercise by CBS of any of the rights granted CBS hereunder or the use of any materials or services furnished CBS pursuant hereto; and

(ii) any breach by the League of any warranty or agreement made by the League herein;

provided, however, that with respect to claims and actions against CBS, the foregoing indemnity shall apply only with respect to those claims and actions as to which CBS gives the League notice stating that such indemnity so applies.

(b) CBS will at all times indemnify and hold harmless the League from and against any and all claims, damages, liabilities, costs and expenses, including reasonable counsel fees, arising out of the use of any materials or services furnished by CBS in connection with the broadcast of the Games and attendant activities; provided, however, that the League will promptly notify CBS of any such claim or action; and provided, further that CBS may at its option assume the defense of any claim or litigation to which its indemnity applies.

18. (a) If because of any enactment, rule, order or act of government or governmental instrumentality (whether federal, state, or local) the area in or into which Games shall not be broadcast on a live basis (as set forth in paragraph 9 hereof, and in addition, with respect to December Games and the Pre-Season and Regular Season Special Games only, as prescribed in the statute referred to in subparagraph (e) of paragraph 2 hereof) is in any way expanded or increased, the following shall apply:

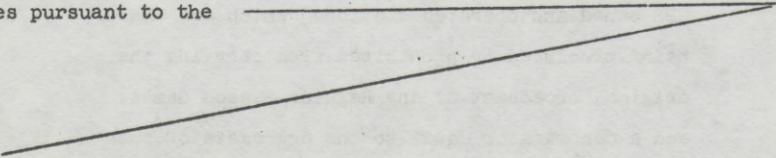
(1) the aggregate Reduced Regular Fee shall be reduced by that fraction having a numerator equal to the aggregate of the gross one-hour time charges (pursuant to the then current CBS Rate Card) of the CBS affiliates (including any CBS owned and operated stations) which are thereby being precluded or prohibited from carrying the original broadcast of any Regular Season Games, and a denominator equal to the aggregate of such gross one-hour time charges for all CBS affiliated

stations in the United States; and

(ii) the amount payable to each Team (exclusive of any December Game Fee or any Regular Season or Pre-Season Game Fee) hereunder shall be reduced by an amount equal to $1/15$ th or $1/16$ th (depending on the number of playing Teams in the League) of the amount by which the Reduced Regular Fee is Reduced.

If such expanded or increased restrictions are applicable for only a portion of any Contract Year, then the fraction obtained in accordance with subdivision (i) above shall be reduced by a fraction having a numerator equal to the number of Regular Season Games for which the enactment, rule, order or act is not applicable, and a denominator equal to the number of Regular Season Games hereunder during such Contract Year. If any such restriction affects any December Game or any Regular Season or Pre-Season Special Game an additional reduction in the applicable Fee or Fees computed in the manner set forth above shall be made separately with respect thereto. If any such restriction affects the Championship Game, Playoff Game or Pro-Bowl Game reductions in the applicable Fee(s) shall be similarly computed.

(b) The amount of any applicable reductions in any Fees pursuant to the _____



provisions of this paragraph 18 shall be deducted by CBS from the next installment due each Team hereunder or from any payment due the League. If CBS has previously paid to any Team its full portion of the Regular Fee for such Contract Year or the amount of any such reduction is in excess of the amount then due to any Team by CBS, the League will on behalf of such Team and each of the other Teams promptly refund to CBS the amount of such reduction or the amount of such excess.

19. CBS shall have the right to display CBS's name and trademark on any broadcasting booth or platform but not the name or trademark of any sponsor. In addition CBS shall have the right to fly a "CBS flag" at each stadium in which a Game is being played. The foregoing rights are subject to the approval of each stadium owner, which approval the League shall make every reasonable effort to obtain.

20. The selection of the sportscasters and color men broadcasting the Games and the announcers or hosts of any pre-Game or post-Game program, originating from the stadia where the Games are played, shall be subject to the approval of the Commissioner in accordance with the provisions of subsections (a) and (b) of section 1 of Article X of the National Football League By-Laws as said sections were adopted for 1965; provided, however, that

- (1) any persons whose names are submitted by CBS for such approval shall have had experience in broadcasting

or as football players or coaches;

(ii) if the list referred to in said provisions of Article X is submitted to the Commissioner ten (10) or more days prior to the first Game upon which any such person is to perform services, the Commissioner shall have a period of seven (7) days after the receipt of such list in which to notify CBS of his selections, and if the Commissioner fails to so notify CBS within said seven (7) day period, CBS may select such persons as it may elect to perform such services, and each such person so selected by CBS shall be deemed to have the written approval of the Commissioner; and

(iii) if the said list is submitted less than ten (10) days prior to the first Game upon which any such person is to perform services, then the Commissioner shall have a period of seventy-two (72) hours (or such time as may be reasonable under the circumstances) after the receipt thereof in which to notify CBS of his selections, and if the Commissioner fails to so notify CBS within such period, CBS may select such persons as it may elect for the performance of such services, and each such person so selected by CBS shall be deemed to have the written

approval of the Commissioner. All notices pursuant to this subdivision (111) shall be sent by telegram.

21. (a) So long as there are fifteen (15) Teams in the League, if there is any tie for first place in any Conference, at the end of the season there shall be a Conference Playoff Game to resolve such tie. So long as there are sixteen (16) Teams in the League there shall be Divisional Playoff Games in each Conference to determine the Conference Champions. All Conference Playoff Games shall be scheduled to be played on Sunday afternoon, and the League will consult with CBS prior to determining the starting time of any such Games; provided, however, that if more than one (1) such Game is required in any Contract Year, the League will use its best efforts to schedule one (1) such Game on Saturday and one (1) on Sunday, or if this is not possible or if any such Saturday Conference Playoff Game would be scheduled for the first or second Saturday in December, then the League will use its best efforts to schedule such Games on Sunday so that the starting time (CNYT) of the second such Game will commence fifteen (15) minutes after the approximate anticipated completion of the first such Game, etc. The starting time of Divisional Playoff Games shall be determined by the League in consultation with CBS, it being understood that such Games shall be scheduled to be played one on Saturday and one on Sunday or consecutively on Sunday as CBS shall request on or before the April 15 of any Contract Year.

(b) The League on behalf of the Teams directs CBS to pay each Team participating in any Conference Playoff Game the sum of \$200,000 (herein called the "Conference Game Fee"); provided, however, that if there are two or more Conference Playoff Games in any Contract Year then to the extent the League is unable in accordance with subparagraph (a) of this paragraph 21 to schedule such Games either on different days or so that each will commence upon the conclusion of another, then the Conference Game Fee shall be reduced to an amount equal to \$200,000 divided by the number of such Conference Playoff Games. Payment of the applicable Conference Game Fee shall be made within ten (10) days following the broadcast of the Game to which such payment applies.

(c) If the playing or broadcast of any Conference Playoff Game is prevented or omitted for any reason of the nature set forth in subparagraph (a) of paragraph 14 hereof, such prevention or omission shall not be a breach of this Agreement by CBS and no Conference Game Fee shall be payable with respect to any such Conference Playoff Game. If the broadcast of any portion of any Conference Playoff Game is prevented or omitted for any reason of the nature specified in the said subparagraph (a), the applicable Conference Playoff Fee shall be reduced by an amount obtained by multiplying such Fee by a fraction having a numerator equal to the number of minutes of broadcasting so prevented or omitted and a denominator of 150. It is understood that the provisions of subparagraph (b) of paragraph 14 hereof, subparagraph (b) of paragraph 15 hereof and paragraph 18 hereof

shall be applicable with respect to Conference Playoff Games.

22. At least fifteen (15) days prior to the date each Game is scheduled to be played the League shall deliver (or shall cause the home Team to deliver) to CBS accurate music cue sheets setting forth the titles, names of composers, publishers, copy-right owners and owners of the television performing rights of all musical compositions which shall be played in the stadia during such time as CBS may be broadcasting the Games and attendant activities pursuant hereto. Each such composition (and no other compositions) may be performed during such time as CBS may be "on-the-air" from the point of origin of such Game unless CBS shall have notified the League and/or the home Team to the contrary on or before the expiration of the fifth day, excluding Saturdays, Sundays and holidays, following the date of receipt by CBS of such cue sheets. If CBS has requested the deletion of any composition from the list of those to be performed, the League shall cause such request to be complied with.

23. (a) In the event of the breach of any material provision of this Agreement, CBS shall have the right, in addition to CBS's other rights hereunder or at law or in equity, to terminate this Agreement, and the Total Annual Fee shall be reduced in the manner set forth in subparagraph (a) of paragraph 14 hereof; provided, however, that CBS shall give the League notice of such breach, and if such breach can be cured, the League shall have such period as may be necessary to cure or cause to be cured such breach, but not to exceed, however, five (5) days.

(b) CBS shall have the right to terminate this Agreement effective at the end of the second Contract Year on notice given on or before February 1, 1968. If CBS exercises the aforesaid termination right the Annual Fee for each of the first two Contract Years hereunder shall be increased by \$500,000 and CBS shall pay the League the sum of \$1,000,000 on or before February 29, 1968.

24. (a) As used herein "pay TV rights" means the right to broadcast the Games by closed circuit theater television, wire, subscription television or any other type of broadcast or transmission to or in any place for which a charge is made to view the Games or for which a charge is made for admittance to the place where the Games are to be viewed. Neither the League nor the Teams may exercise pay TV rights with respect to the Championship Game, Pro-Bowl Game or the Playoff Bowl Game.

(b) The League shall have the right to exercise pay TV rights during the third Contract Year only. The League shall notify CBS (any such notice being herein called a "Pay TV Notice") on or before December 1, 1967 (herein called the "Pay TV Notice Date") if the League or any of the Teams have entered into any agreement (herein individually called a "Pay TV Rights Agreement") with respect to pay TV rights. (The Pay TV Notice Date with respect to Pay TV Rights Agreements relating solely to closed circuit theater television shall be December 15, 1967). Any such notice shall set forth in reasonable detail all of the terms and conditions (including but not limited to the area and games covered and the fees to be charged) of each Pay TV Rights Agreement.

The League and the Teams shall have the right to exercise pay TV rights only to the extent set forth in appropriate Pay TV Notices. After the applicable Pay TV Notice Date neither the League nor any Team shall enter into any Pay TV Rights Agreement which shall be effective during the third Contract Year or any portion thereof and any such purported agreement shall be void and of no effect.

(c) CBS shall have a period of sixty (60) days from the receipt of the last Pay TV Notice in which, by notice to the League, to terminate this Agreement, such termination to be effective on the date such notice is given; provided, however, that if CBS so elects such termination shall not be effective with respect to the Championship Game, Playoff Bowl Game and Pro-Bowl Game.

25. During the thirty (30) day period commencing January 1, 1969 CBS and the League shall negotiate in good faith with respect to an extension of this Agreement for a period of at least one (1) year. If no agreement is reached during such thirty (30) day period, the League shall pay CBS the sum of \$1,000,000 on or before February 20, 1969.

26. The League will cause the home Team at each Game to supply all policing of the home stadium, field and broadcasting areas in order to maintain order and to protect CBS in the enjoyment of its broadcasting rights hereunder.

27. Except as otherwise herein provided, all notices required to be given hereunder shall be given in writing either by personal delivery, by mail or by telegraph at the respective addresses of the parties hereto hereinabove set forth or such other addresses as may be designated in writing by either party. Notice given by mail or by telegraph shall be deemed given on the date of mailing thereof or of delivery of such telegram to a telegraph office, charges prepaid or to be billed.

28. A waiver by either party of any of the terms and conditions of this Agreement in any instance shall not be deemed or construed to be a waiver of such term or condition for the future, or of any subsequent breach thereof. All remedies, rights, undertakings, obligations and agreements contained in this Agreement shall be cumulative and none of them shall be in limitation of any other remedy, right, undertaking, obligation or agreement of either party.

29. This Agreement and all matters or issues collateral thereto shall be governed by the laws of the State of New York applicable to contracts performed entirely therein.

30. CBS may assign its rights hereunder in full or in part to any subsidiary, affiliated or controlling corporation or to any person, firm or corporation which acquires a substantial portion of the assets of the Columbia Broadcasting System, Inc.,

and/or CBS Television Network, and this Agreement may be assigned by any assignee thereof; provided, however, that no such assignment shall relieve CBS of any of its obligations hereunder.

31. This Agreement contains the entire understanding of the parties hereto relating to the subject matter herein contained, and this Agreement cannot be changed or terminated orally.

32. The League will conform to the requirements of Section 508 of the Federal Communications Act concerning broadcast matter and disclosures required thereunder and will cause the Teams to so conform. The League shall submit to CBS in writing such reports as CBS may reasonably request from time to time upon forms provided by CBS. League warrants and represents on behalf of itself and the Teams that no Game or attendant activities includes or will include any matter for which any money, service or other valuable consideration is directly or indirectly paid, or promised to, or charged or accepted by the League or any Team. The League shall inform the Teams and the League and the Teams shall exercise reasonable diligence to inform their respective employees, and other persons with whom the League and the Teams deal directly in connection with the Games and attendant activities, of the requirements of the said Section 508; provided, however, that no act of any employee of the League or any Team or of any independent contractor connected with any of the Games and attendant activities shall constitute a breach of the provisions of this paragraph unless the League or such Team has actual notice thereof. As used in this paragraph, the term "service or other valuable consideration" shall not include any service or property

furnished without charge or at a nominal charge for use in, or in connection with, any of the Games and attendant activities "unless it is so furnished in consideration for an identification in a broadcast of any person, product, service, trademark or brand name behind an identification which is reasonably related to the use of such service or property on the broadcast", as such terms are used in the said Section 508. No inadvertent failure by the League or any Team to comply with this paragraph 32 shall be deemed a breach of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

CBS TELEVISION NETWORK
A division of Columbia
Broadcasting System, Inc.

By _____

NATIONAL FOOTBALL LEAGUE

By _____
Commissioner

EXHIBIT A

(Attached to and forming a part of the Agreement between CBS TELEVISION NETWORK, a division of Columbia Broadcasting System, Inc. and the NATIONAL FOOTBALL LEAGUE, dated as of the 29th day of December, 1965).

I. (a) Payment of the sums referred to in subdivisions (iv) (1v) and (viii) of subparagraph (b) of paragraph 11 hereof shall be made in four (4) approximately equal installments on the first day of September, October, November and December of each Contract Year.

(b) Payment of the Game Fees referred to in subdivisions (1), (11) and (111) of paragraph 11 hereof shall be added to the next payment due hereunder to each Team.

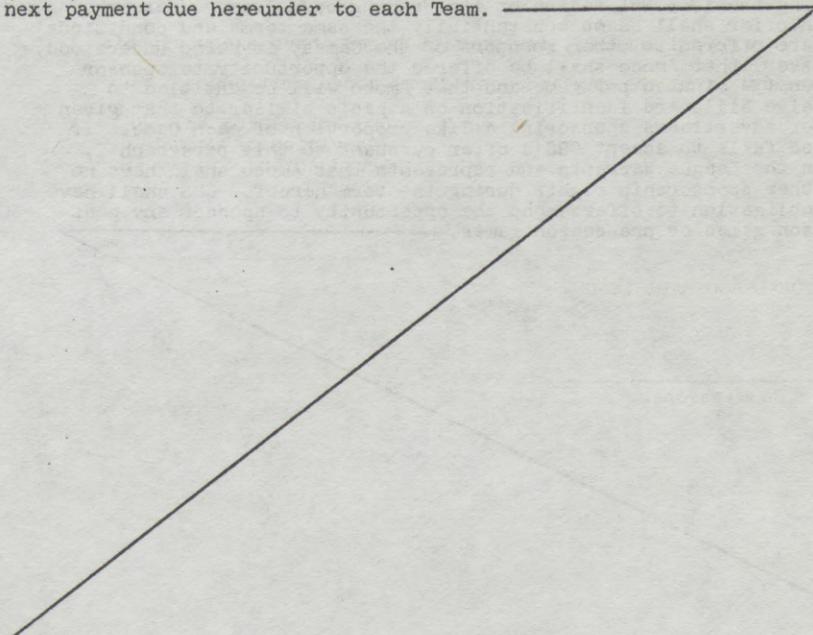


EXHIBIT B

(Attached to and forming a part of the Agreement between CBS TELEVISION NETWORK, a division of Columbia Broadcasting System, Inc. and the NATIONAL FOOTBALL LEAGUE, dated as of the 29th day of December, 1965).

I. The League warrants and represents that Amoco presently owns the television broadcasting rights to the Washington Redskins Team (herein called the "Redskins") for the years 1966 and 1967 only, under agreements made between Amoco and Pro Football Inc. Accordingly, CBS shall offer Amoco the opportunity for a period of thirty (30) days to sponsor CBS' broadcasts of Washington Redskins regular season football games as often and in substantially the same areas in which CBS broadcast such games on behalf of Amoco during the 1965 NFL season on its Washington/Baltimore network. Such offer shall be on substantially the same terms and conditions as are offered to other sponsors of the Games, it being understood, however, that Amoco shall be offered the opportunity to sponsor three (3) minutes per game and that Amoco will be entitled to receive billboard identification on a basis similar to that given other advertisers sponsoring a like proportion of each Game. If Amoco fails to accept CBS's offer pursuant to this paragraph I, then the League warrants and represents that Amoco shall have no further sponsorship rights during the term hereof. CBS shall have no obligation to offer Amoco the opportunity to sponsor any post-season games or pre-season games.

EXHIBIT C

(Attached to and forming a part of the Agreement between CBS TELEVISION NETWORK, a division of Columbia Broadcasting System, Inc. and the NATIONAL FOOTBALL LEAGUE dated as of the 29th day of December, 1965)

I. The broadcasting of each Game hereunder shall be subject to the following:

(i) no Game shall be broadcast into the Home Territory (i.e., into the area within seventy-five (75) miles from the league city) represented by any Team on any day upon which such Team is playing a Game in its home stadium without the written consent of such Team;

(ii) no home Game of any Team shall be broadcast on the day of such Game into the area included within a seventy-five (75) mile radius of the city in which such Game is played without the prior consent of the home Team and the visiting Team.

Notwithstanding anything to the contrary contained in subdivisions (i) and (ii) of this paragraph 9, CBS shall have the right to broadcast each of the Games over any television stations located in every community in which CBS broadcast National Football League Games during 1965 including, but not limited to, stations

A. located in New York City when the Philadelphia Team is at home;

B. located in Philadelphia when the New York Team is at home;

C. located in Washington, D.C. when the Baltimore Team is at home;

D. located in Baltimore when the Washington Team is at home;

E. located in Madison, Green Bay, Wausau and Chicago when the Green Bay Team plays at Milwaukee;

F. located in Milwaukee, Green Bay and South Bend, Indiana, when the Chicago Team is at home;

G. located in Chicago, Milwaukee and Madison when the Green Bay Team plays at Green Bay.

For the purposes of this subdivision (11) the cities of Sacramento and Salinas, California shall be deemed to be within the Home Territory of the San Francisco Team and the city of San Diego, California, shall be deemed to be within the Home Territory of the Los Angeles Team. In the event that any Game is played in other than the home Team's normal home city, for the purpose of such Game only, the area within seventy-five (75) miles of the city in which such Game is played shall comprise the Home Territory, and there shall be no restriction on the broadcast of such Game into the normal Home Territory. Notwithstanding anything to the contrary contained in this paragraph no broadcasts hereunder shall be made in Lansing, Michigan, on a day when the Detroit Team is playing a Home Game without the prior written permission of the Detroit Team.

NATIONAL BROADCASTING COMPANY, INC.
30 Rockefeller Plaza
New York, N.Y.

January 11, 1965

Mr. Joe Foss
Commissioner
American Football League
c/o Sherwood Hilton Hotel
Houston, Texas

Dear Commissioner Foss:

This confirms the National Broadcasting Company's offer for worldwide television and radio rights to the American Football League's annual league championship game and annual All Star game following the regular seasons of 1965, 1966, 1967, 1968 and 1969 for total rights fees aggregating \$6,700,000 divided as follows:

1965	\$	750,000
1966		1,600,000
1967		1,350,000
1968		1,600,000
1969		2,000,000

Allocation as between championship and All Star game each year will be at your discretion. Championship games will be in the appropriate cities as per the league rules. The locality of the All Star game each year will be subject to mutual approval. The subject of black outs will be discussed further. We earnestly request that you use every effort to keep the foregoing figures completely confidential until further notice.

You will make available to us at the established prices a total of 500 tickets to each game of which at least 300 will be for seats located between the two 20-yard lines.

Other terms and conditions will be comparable to the provisions of the NFL agreement for the regular season games.

Please indicate your acceptance by signing below.

Best regards,

Carl Lindemann, Jr.
Carl Lindemann, Jr.
Vice President, Sports

Agreed and Accepted:

Joe Foss
Joe Foss
Commissioner

NATIONAL BROADCASTING COMPANY, INC.

RCA Building, Radio City, New York, N. Y. 10020

CIRCLE 7-8390

EX.

November 20, 1964

American Football League
609 Fifth Avenue
New York, New York

Attention: Mr. Joe Foss, Commissioner

Gentlemen:

This will confirm our agreement with you as follows:

1. Grant. You hereby grant to us (NBC) the exclusive worldwide television rights, on behalf of the franchises in the American Football League (AFL), to all the AFL Football Games for the 1965-1969 seasons inclusive on all the terms and conditions hereinafter set forth.

2. Regular Season. Your regular season schedule will consist of Sunday afternoon games each week during the regular season of fifteen (15) weeks commencing with approximately the second weekend in September and concluding on approximately the third weekend in December, together with two Saturdays in December and one game on Thanksgiving Day, all at times reasonably acceptable to us for telecast. No League game shall be scheduled on any day other than as specified in the previous sentence except with the written consent of NBC in each instance.

3. Other Games.

a. Season. In addition to the regular season games as above stated, our rights shall include regular season games scheduled (subject to NBC's written consent as above

provided) on dates other than on Sunday afternoons and the specific non-Sunday dates referred to in paragraph 2.

b. Pre-Season. Our rights shall also include pre-season exhibition games. However, NBC will notify the Commissioner in writing 30 days after receipt of schedule or by June 1, 1964 whichever is later, as to any scheduled pre-season games which it does not desire to telecast, and as to each such game the television rights may be sold by you or the participating teams to others for network or regional or local telecast provided its sponsorship is not competitive to or incompatible with the network sponsorships of the regular season games in such season and provided that the network or regional sponsors of the regular season games in such season are afforded a reasonable prior opportunity to sponsor the same.

c. Post-Season. Our rights shall not include the Championship Games or the All-Star Games or conference play-off games, except that: (i) You and we will enter into negotiations in good faith for the television rights to the next succeeding Championship Game and All-Star Game (separately or together) promptly on request prior to January 31 of 1965 and successive years thereafter, provided that nothing herein shall be deemed to prevent you and us from making arrangements at one time for a number of successive years; and (ii) we shall have an exclusive option on the rights to telecast any conference play-off game during

the term for a rights payment of \$100,000 for each such game, such option to be exercised by us by written notice to you to that effect within forty-eight (48) hours (2 business days) after receipt by the NBC Vice President, Sports, of written advice from the Commissioner on or after December 1 of the scheduling of such game. The other terms and conditions applicable to any such play-off game as to which we exercise our option shall be the same as those applicable with respect to other games telecast hereunder.

4. Feed-Back. Subject to line and facilities availabilities, all Sunday games will be returned live by television to the home markets of the visiting clubs.

5. Payment. As full payment for the rights granted, NBC will pay the following amounts for the respective seasons:

1965	\$6,000,000
1966	\$6,400,000
1967	\$6,800,000
1968	\$7,200,000
1969	\$7,600,000

plus an additional \$1,000,000 per season for 1968 and for 1969 if the American Football League has been expanded to at least ten teams in those years. Such payment each season will be divided equally among the teams of the League. For 1965, the payment will be made in accordance with the schedule attached. For subsequent years the payment will be made in accordance with a schedule to be mutually agreed upon, recognizing on the one hand the then current financial needs of the particular clubs and on the other a reasonable

security to NBC with regard to any advances called for.

6. Right to Terminate. In the event that during the term hereof the number of teams in your League should fall below eight (8), or disreputable elements should become significantly associated with the ownership or management of any of your teams, or there should be a material breach of any of your obligations under this agreement, then upon the happening of such event NBC shall have the right to terminate this agreement upon written notice to you to that effect. In the event that NBC should fail to make any payments due hereunder at the time agreed upon or in the event it should become unable to continue to furnish a substantially national network service or there should be a material breach of any of our obligations under this agreement, then upon the happening of such event AFL shall have the right to terminate this agreement upon written notice to us to that effect. The notice of termination shall specify the event of default giving rise to the exercise of the right and shall be effective thirty (30) days after the delivery of such notice, provided, however, that if the default is cured by the effective termination date, then such notice of termination shall be of no force and effect and this agreement shall continue in full force and effect. In the event a termination hereunder becomes effective as above provided, then in such case all our obligations to each other shall cease except for payment by us for any games telecast prior to the

effective termination date and for reimbursement to us of any amounts paid in advance with regard to games occurring after the effective termination date.

7. Blackouts. We agree that no game will be telecast in the city of its origin nor in any city where a regular League game is being played on the date of such telecast unless permission is granted by the home club. For the purposes of this paragraph a station will be deemed to be telecasting in a city if its transmitter is located in such city or within 75 miles of the stadium where the game is being played, provided, however, that the foregoing blackout shall at the team's behest also be required of a station located outside such radius if it regularly delivers into the population center of such city a city-grade signal as normally referred to by television engineers, but shall at NBC's behest not be required of a station located within such radius if it does not regularly deliver into the population center of such city such a city-grade signal. In the event of a disagreement as to the fact on this point, determination shall be made by a mutually acceptable independent television engineer at the expense of the objecting party. Without regard to the foregoing, it is agreed that, when San Diego is playing at home, we may televise on our Los Angeles station any game played in the League other than the San Diego home game; but if the San Diego home game is the only available game for telecast on that day, then we may televise it on our Los Angeles station.

8. Tickets. We shall have the right to purchase up to 150 tickets for each game from the respective clubs at the established prices therefor for seats located between the two 20-yard lines for our sponsors and ourselves by application submitted not later than fifteen (15) days before the game is to be played.

9. Personnel. NBC shall select and pay announcers and commentators, subject to the approval of the Commissioner which approval will not be unreasonably withheld, and camera crews and other personnel used in connection with the televising of the games.

10. Access. You agree that there will be made available to us and the sponsors of each game suitable space, as specified to you at the time of our advance technical survey of the site, for the installation and operation of the necessary microphones, television cameras and related equipment. You will furnish the necessary electric power to operate such equipment at existing supply outlets. We shall have the right to install, maintain in and remove from each stadium and the surrounding premises such wires, cables, and apparatus as may be necessary for the telecast of the game; provided, however, that such facilities shall not substantially interfere with the use of the field or with any of the means of ingress or egress of the stadium. NBC shall have the right to bring into each stadium not more than four mobile units for the transportation of equipment and

personnel. Employees and agents of NBC and of the sponsors shall be admitted to each stadium free of charge to the extent necessary to accomplish the pickup and telecast of each game and of the commercial announcements, and you will provide us gratis with the necessary working press tickets or other type passes for such purpose. You agree that we may originate pre-game and post-game telecasts, including commercial announcements, from the installations to be used for the telecast of the games themselves.

11. Uniforms. You will assure that the competing teams wear contrasting uniforms so as to be readily distinguishable by the home viewer on black-and-white television as well as on color television.

12. Music. You will cause a list of all musical compositions to be played before, during and after the game and during the intermissions to be submitted to us for clearance at least five (5) days prior to the date of each game. If we are unable to clear any musical composition or compositions for performance, we will so notify you, and such compositions as cannot be cleared will not be played.

13. Other Advertising. You will assure that the clubs and the stadia cooperate with us with regard to billboards and displays and the use of the public address system at each stadium so that no billboards or displays will be visible in the normal visual coverage of the game and related events and that no commercial announcements or mentions for

any advertisers or products or services will be made over such system except at intervals and at times agreed on in advance with us so as to enable us to accomplish a quality pickup without loss of significant visual or aural information.

14. Sponsors. We shall have the right to telecast the games on an unsponsored basis or on a sponsored (including co-sponsored, shared, participating or cooperative) basis, or any combination thereof, and to select the sponsors and to make appropriate commercial announcements in connection with the telecasts, provided that they do not infer recommendation or endorsement of the advertised products by you or the clubs or the stadium or your representatives or the participants in or others connected with the games except as authorized by separate agreement with the entity or individual involved. NBC will not accept advertisers the identification with which the AFL reasonably believes will be detrimental to professional football or to the AFL as advised to NBC from time to time. Recognizing that it is in the common interest of the AFL, NBC and the sponsors to realize the most efficient promotion of AFL football, NBC will require the sponsors in their advertising on the telecasts to avoid utilization of football players or football motifs which would be representative of teams or players in professional football other than those of the AFL, subject to accommodation if insistence upon such a provision would jeopardize NBC's obtaining as a sponsor

for the AFL games an advertiser which has a substantial advertising commitment in such other area.

15. Name and Likeness. We, our sponsors, their advertising representatives and the stations carrying the telecasts of the games will have the right to make appropriate reference (including without limitation use of pictures) to you, the clubs, the stadia, the games, and the participants in and others identified with the games in promotional and advertising material with respect to the games and the telecasting thereof, provided likewise that the same does not constitute endorsement of a commercial product and provided that such references do not reflect unfavorably or have a detrimental effect on the AFL or professional football.

16. Tape, etc. We shall have the right to make television recordings (by kinescope, tape or any other process) of our pickup of the games and to utilize the same on a delayed basis within ninety (90) days after the live telecast over stations in the United States and Canada, subject to the restrictions referred to in paragraph 7, which are unable to carry the live telecasts and stations elsewhere in the world and to utilize the same in whole or in part for repeat or condensed or (together with material recorded or filmed by us or furnished to us by you or your teams or acquired by us from others) highlight programs within the term of this agreement. Our rights to such recorded material and to the television usage of the same shall be exclusive

for the term hereof except as follows:

a. Newsreel. You may make available to others the right to make newsreel films of the various portions of the games and to utilize the same for telecast following the conclusion of the games on regular news and sporting news programs, provided that such use is limited in each program in the aggregate to not more than 15% of the program or four and one-half (4-1/2) minutes, whichever is less. You and the clubs will endeavor to assure that no other direct or indirect television pickup of the game or any part thereof does take place, except for such newsreel coverage and except for purposes authorized under the provisions of paragraph 18.

b. Highlights Program. If NBC elects not to program a weekly highlights package of AFL games for any season, we will so notify the Commissioner in writing on or before May 1 preceding such season, specifying in such notification the network sponsorships we have for the forthcoming season's games, and in such event, you or your teams if you so elect will have the right to license the telecasting of such a package provided that it will not be telecast in conflict with any football telecasts on NBC and its sponsorship will not be competitive to nor incompatible with the network sponsorships of the regular season games referred to in such notification. In recognition of its rights hereunder, NBC shall be entitled to 10% of the program package price received (or the composite of the program package prices if licensed regionally or locally or by the respective teams) plus its normal charges for materials and services supplied therefor together with appropriate indemnification against supplemental payments to talent and against unauthorized uses.

You hereby grant to us, without additional fee, such newsreel rights and the right to use portions of our recordings and films of the games on our regularly scheduled news and sporting news programs and highlights programs (if carried by us), in documentary programs featuring football and any

promotional programs during the term of this agreement or any renewal hereof. We will upon your request and at your expense also furnish to you and/or the clubs of your League, upon signature of NBC's standard loan receipt form, copies of the tapes or recordings made by us of any games on the condition that they shall be used by you and the clubs only for reference, file, audition or promotional purposes without admission charge and not for broadcast use.

17. Rights and Indemnity. You represent and warrant that you have the right to enter into this agreement in accordance with the constitution and by-laws of the American Football League, and that our rights include the right to telecast any events and stunts taking place in the stadia before, during and after the games and during the intermissions. You will at your own expense, defend and hold harmless us, our sponsors and their advertising agencies and their and our officers, directors, agents and employees with regard to any litigation instituted against us or any of them caused by or arising out of a breach of the foregoing warranty or the telecast of any part of the games or of such events and stunts. We will at our expense defend and indemnify you, the respective clubs and teams in your League and their officers, directors, agents, and employees with regard to any litigation instituted against you or any of them caused

by or arising out of any breach of this agreement by us or the telecast of any matters other than the game or such scheduled events or stunts.

18. Closed Circuit Television. Rights for pay, subscription or toll television in the home or in the theatre or other arena are not included hereunder, but the parties agree that the granting of any thereof would be in derogation of the rights granted hereunder. Notwithstanding the foregoing, any club may arrange for theatre television presentation in its home community of (a) any regular season game in which it participates played with NBC's written consent as provided in paragraph 2 at a time other than one of those specified in the first sentence of paragraph 2, and (b) any exhibition game which NBC has elected not to telecast as referred to in paragraph 3 b. Furthermore, rights for theatre television presentation in its home community may be granted by a club for any game being telecast by NBC hereunder from its home stadium provided that the club agrees to pay to NBC an amount equal to 25% of the net proceeds to the club (or participating clubs) derived therefrom but not less than \$2,000 for each such game; if for this purpose the club desires our network video and/or audio feed of the game, we agree to cooperate in making the same available on a reasonable basis, but, if a separate pickup of either or both elements is utilized, it shall not be allowed to interfere as to

space, access, view or sound with our normal pick-up space, installation and operation. The provisions of this paragraph will be open for renegotiation in whole or in part following the conclusion of the 1966 season or of any subsequent season upon the written request of either party delivered to the other within two weeks following the playing of the Championship Game for that season; upon the making and receipt of such request, you and we will negotiate promptly and in good faith a revision, to be effective prospectively, of such provisions in the light of your and our respective reasonable desires as of that time.

19. Impossibility. If the holding or televising of any game is prevented or hindered in whole or in part by a labor dispute, preemption for an event of outstanding public importance, or any cause beyond the control of either party, appropriate adjustment on a pro rata basis will be made in the total payable by NBC hereunder for the year involved and any excess payment will be refunded or credited against the obligation for the same or ensuing year. For the purpose of the foregoing sentence, an event of outstanding public importance shall be one of demonstrable national or international significance, as for example one which at least one of the two other national networks deems of sufficient consequence to be telecast on a live basis during the scheduled broadcast

time of a game hereunder in lieu of its regularly scheduled programming. If a game, the holding or televising of which is prevented as above provided, is rescheduled on a Saturday or Sunday afternoon following the originally scheduled conclusion of the AFL football season, NBC will endeavor to telecast the same in lieu of the affected game; if NBC is successful in doing so, the adjustment referred to in the first sentence of this paragraph 19 will be eliminated completely if such telecast is fully sponsored, or if such telecast is not fully sponsored, will be abated in proportion to the sponsorship that NBC obtains.

20. Equitable Relief. You agree that the rights granted hereunder are unique and extraordinary and cannot be replaced, and in addition to any other rights we may have we shall be entitled to equitable relief against any material breach by you or any of the clubs or teams in your League of any of the terms and conditions hereof.

21. Pay or Play. Any provisions herein to the contrary notwithstanding, we shall not be required to telecast any of the games and may discharge all of our obligations to you by paying the applicable amounts payable to you hereunder. We shall notify you promptly of any intention on our part to exercise this right, and any omissions of substantially nationwide telecasting on Sunday afternoons or specific non-Sunday dates referred to in paragraph 2 for two or more weeks in a given season

shall entitle you to contract for television exposure elsewhere for any or all such omissions.

22. Prior Negotiations. NBC shall have prior negotiation rights for the American Football League Football Games for the season or seasons immediately succeeding the term of this agreement. Such rights shall mean that you will negotiate initially solely with us therefor prior to last regularly scheduled game of the 1969 season. If you and we cannot agree, you shall be free to enter into arrangements with others therefor on such terms and conditions as you may elect, provided, however, that before you offer to others (or accept from them) a price lower than your best offer to us by one-half or more of the difference between your best offer to us and our best offer to you, or other material terms and conditions substantially less favorable to you, than those which you offered to us, you will first offer the same to us and we shall have seven (7) days in which to accept or reject such offer.

23. General. All notices hereunder shall be by certified or registered mail or by telegram or by personal delivery and shall be addressed to the parties at their addresses herein contained to the attention of the respective executive indicated by title. This agreement shall be interpreted under the laws of the State of New York, excluding all principles of referral to laws of other jurisdictions which might otherwise be applicable under

doctrines of conflicts of laws. Except as herein otherwise specifically provided, this agreement constitutes the entire agreement between the parties relating to the subject-matter hereof and may not be changed, modified, renewed, extended or discharged except by an agreement in writing signed by the party against whom such change, modification, renewal, extension or discharge is sought.

Please confirm your acceptance hereof by executing the enclosed copy of this letter at the space provided below.

Very truly yours,

NATIONAL BROADCASTING COMPANY, INC.

By /s/ Carl Lindemann, Jr.
Carl Lindemann, Jr.
Vice President, Sports

AGREED:

AMERICAN FOOTBALL LEAGUE

By /s/ Joe Foss
Joe Foss, Commissioner

Mr. CRAMER. Mr. Chairman, may I ask the question, we got the language proposed by the committee staff. Does the league have language it has proposed as alternative language to accomplish what they think is the same objective?

Mr. RODINO. Will the gentleman yield?

Mr. CRAMER. Yes.

Mr. RODINO. Mr. Chairman, might I direct a question to both the attorney, Mr. Carothers, and our committee counsel?

I am wondering, in the hope of trying to get something which may look like we are going in a direction where we might do something effectively here, would language such as this provided, however, as a new section, that any practices of the expanded league which are subject to antitrust laws will continue to remain subject to the antitrust laws and available defenses thereto as the practices of a single league?

Now, my opinion is this would not give them any more antitrust immunity than they would have now under a single league.

(Mr. Rodino's amendment is as follows:)

OCTOBER 13, 1966.

RODINO AMENDMENT

P. 2, line 19, change the period to a comma and add the following:

"Provided, however, That any practice or practices of the expanded league resulting from any joint agreement and which are subject to the antitrust laws will continue to remain subject to the antitrust laws, and available defenses thereto, as the practice or practices of a single league."

Mr. CAROTHERS. That language has been included among the many specific proposals we have made to the committee counsel.

Mr. RODINO. How about committee counsel?

Mr. HARKINS. The reason this language is unacceptable to committee counsel is because the preceding part of the statute which it amends is a blank check as far as the nature of the agreement that is being given antitrust immunity.

Mr. RODINO. Wait a minute.

Mr. ROGERS. May I interrupt? At this point we—the agreement itself—there is no immunity given to the agreement.

The CHAIRMAN. The agreement is referred to by reference and is made part of this bill, S. 3817. The Senate bill provides that the antitrust laws shall not apply to an agreement. That is the difficulty.

Mr. CRAMER. Would the gentleman yield?

The amended language of the Senate version is "to a joint agreement." That means the one before us, but only as the provisions are directly relevant to making out of two leagues one league.

And then you have the further proviso, as suggested, that any practices of the expanded league will continue to remain subject to the antitrust laws and available to the defenses thereto as a practice of a single league, which means, as I understand it, that any action taken other than the actual combination of the two leagues still is subject to antitrust laws against that single league, even though it is contained in the agreement, be it pay television or anything else.

Now, that is a point that I think has to be hammered home that the counsel is muddying the water on. I am not muddying the water; I am trying to clear the water and reading all the clauses that would be specifically under this proviso subject to the antitrust laws appears to me to be muddying the water, because they are willing to say that any-

thing that results from the agreement can be sued upon under the antitrust laws against the league "as a single league."

Mr. HARKINS. Mr. Chairman, may counsel answer that?

The CHAIRMAN. Yes.

Mr. CRAMER. Counsel is writing the legislation.

Mr. HARKINS. Counsel's function here, as I understand it, is to point out to the committee the extent of the antitrust immunity that is proposed to be granted in the bill under consideration.

Mr. Carothers and I went through an exercise last session that I would like to repeat for your benefit.

Mr. Carothers, are you familiar with S. 3817, do you have a copy before you?

Mr. CAROTHERS. Yes.

Mr. HARKINS. Will you note on page 1, line 7, it says:

That the antitrust laws, as defined in section 1 of the Act of October 15, 1914, as amended (38 Stat. 730), or in the Federal Trade Commission Act, as amended (38 Stat. 717), shall not apply—

Skipping to line 11 on page 2—

to a joint agreement by which the member clubs of two or more professional football leagues combine their operations in an expanded single league, if such agreement increases rather than decreases the number of professional football clubs so operating, and the provisions of which are directly relevant thereto.

The question I asked: Is this document that you have submitted to the committee entitled "Recapitulation of Basic Terms Agreed to by the Member Clubs of the National Football League and the American Football League," together with the special terms that are also attached to that document, is that the joint agreement referred to in the bill?

Mr. CAROTHERS. Yes, it is.

Mr. HARKINS. We will now go to one of the provisions in the agreement.

Mr. CAROTHERS. May I make one comment? In the first place, I don't think any of the provisions of that agreement have any antitrust significance except as phases of the combination of the two leagues. In the second place, if any of those provisions of the agreement are in any way vulnerable under the antitrust laws, they are so solely because they produce conduct by the single league, and we are preserving all rights of action against any practice of the single league.

Mr. ROGERS. And are willing to have it placed in this legislation if there is any question about it?

The CHAIRMAN. Isn't this agreement the agreement referred to in the bill passed by the Senate, S. 3817? This agreement which you call a joint agreement, or a joint understanding?

Mr. CAROTHERS. Yes, Mr. Chairman.

The CHAIRMAN. You referred to this and it covers something like 20 pages of all sorts of provisions with which most of the members of this committee are not yet familiar, and I am not completely familiar with either, or with the imports of many of the provisions, so that in a certain sense we are buying a pig in a poke.

In addition thereto you say, or Mr. Rozelle says, that this is not a final agreement. This document is only tentative, that you may want to finalize this because it was agreed that this was not binding. The

testimony at the last occasion when Mr. Rozelle appeared was that it was not even binding on the members. So there will be another agreement following this agreement which is referred to in the language that Mr. Harkins just read.

How in the world can we intelligently legislate unless we know exactly what this agreement contains and the import of all the phraseology of that agreement. That is what we are getting after this morning and trying to find out.

I don't want to appear hostile in this situation. I want to know the facts before I act. I am not going to buy a package here without knowing what is in the package. I am going to unwrap the package and see what is inside that package. That is the purpose of this inquiry and there is a lot of opposition, apparently, to our doing this and I don't see why there should be the opposition. It does not necessarily mean that I am already opposing you; I am not opposing you, I want to know whither I am going and whither the committee is going.

That is the gist of these hearings, to find out what we are supposed to do when we pass this legislation. Unfortunately there were no hearings in the Senate. There was no debate in the Senate; we are utterly in the dark. It is like a blind man looking for a black cat in a dark room. That is what this is. I want to find out before I at least put the imprimatur of approval on this matter.

Go ahead, Mr. Harkins.

Mr. ROGERS. Mr. Chairman, would counsel respond and tell whether as to this joint agreement referred to on page 2, line 11, which the chairman has referred to here, you interpret that if this bill was approved, all the things that are now set forth in this agreement, plus any other agreement that you may have in the future, would free you from antitrust liability?

Mr. CAROTHERS. No, sir. If that agreement is objectionable in any fashion, and I cannot see where it is, it would still be objectionable solely because it would produce a practice by the single league and we are preserving all cases of action in that respect.

Secondly, the exemption we are seeking is solely from the antitrust laws. We are not seeking any statutory approval of every element of league operations.

Pay TV is not an antitrust problem.

Mr. HARKINS. Conspiracy to restrain pay TV is an antitrust problem, and monopoly of pay TV is an antitrust problem, isn't it?

Mr. CAROTHERS. And as a practice of the single league, it would remain entirely open to challenge.

Mr. HARKINS. And once you have a merger, would you not have a monopoly of professional football?

The CHAIRMAN. Proceed, Mr. Harkins.

Mr. HARKINS. The Basic Terms Agreement, just to nail down that this provision is open-ended, section 4(c), with regards to a joint committee provides:

A joint committee will be established and the members thereof will be appointed by each league with Commissioner Rozelle as Chairman. The purpose of this committee will be:

(1) to develop the mechanics and establish the principles under which the plan will be implemented;

This presumes further actions, does it not?

Mr. ROZELLE. Mr. Harkins, this is a rather major step, bringing together 26 or attempting to bring together 26 or perhaps 28 football teams. As an example of one of the major steps that must be taken, and I am sure this will not be completed until 1969, we must realine the teams into conferences and divisions. This cannot be done now. We are going to need the whole 3 years to determine the best way to do this.

In other words, there are necessarily things that are left open. Now, inasmuch as we do not have a signed agreement, as you indicated the other day, perhaps you can say it is not binding. We feel it is binding. We have given our words one to another.

Now if you wish to check the legality, it is not signed.

Mr. HARKINS. I am not worried about whether it is binding. I am worried about whether we have an agreement. My point is, you don't have an agreement because you have a number of things to do in the future, including agreements to resolve inconsistencies between the NFL and AFL constitutions and bylaws with the objective of achieving a common constitution and bylaws at the earliest possible date.

The bylaws of the National Football League covers waivers, it covers player selection system, it covers TV, it covers many, many operations, including the function of the office of commissioner of football to determine conduct that is detrimental to football.

All of this is subject to further action; there is no agreement on these at this time.

Mr. RODINO. Mr. Chairman, however, if that action that was contemplated would violate the antitrust laws, I do not believe that if we granted them this exemption with a proviso such as we have indicated that we would be granting them an exemption or any immunity from that possible violation. I don't see what that problem—

The CHAIRMAN. I think we differ on that, Mr. Rodino. I think we do, and that is where the rub is.

Mr. RODINO. If there is going to be a violation, they are going to be subject to it if it ensues as a result of the coming together of this league, and this is the way the language should be written.

The CHAIRMAN. Because the bill exempts this agreement, and its contents—

Mr. RODINO. If we wrote a proviso to that effect, Mr. Chairman, that any practices or actions ensuing from that particular joint agreement would be subject or would remain subject to antitrust laws, I don't see how they could run away from it.

The CHAIRMAN. Do you think they could draft something like that in an open committee; that must be done by conference. That is what we are trying to do.

Mr. ROGERS. Mr. Chairman, the joint agreement and what counsel has been reading from, I think we should fundamentally agree that we are not granting any exemption from antitrust laws to this agreement. The only thing that we are—and you can read it on line 11, through a joint agreement by which the member clubs of two or more professional leagues combine their operations as a single, as an expanded single league if it increases rather than decreases the number of professional—

The CHAIRMAN. Unfortunately we have the Senate bill before us which contains that language and it does exempt in my estimation the provisions of this so-called joint agreement.

Also, any agreement that may flow from it, because it speaks of other agreements to be entered into. That is where the rub is. Let's find out what this agreement is, and what its import is and that is what we are trying to get at now.

Mr. ROZELLE. Mr. Chairman, if we concede—

Mr. DONOHUE. Mr. Chairman?

The CHAIRMAN. Mr. Donohue.

Mr. DONOHUE. Would it not be enlightening to all the members of the committee if counsel defined or told us the contents of section 1 of the antitrust laws and also the Federal Trade Commission Act. What are the provisions of both of those?

Mr. HARKINS. Section 1 of the Sherman Act prohibits contracts, combinations and conspiracies in restraint of trade; and section 2 of the Sherman Act prohibits the act of monopolizing or monopolization of trade.

Section 3 applies the same restrictions to actions in the District of Columbia.

Mr. DONOHUE. But it refers in the bill, S. 3817, just to section 1.

Mr. HARKINS. The bill, S. 3817, refers to the television act that was passed in the 87th Congress, Public Law 87-331. That was an act to permit the blackout of territories of the member clubs of leagues that made contracts with the television broadcasting chains, and section 1 of that act says:

That the antitrust laws, as defined in section 1 of the Act of October 15, 1914, as amended (38 Stat. 730), or in the Federal Trade Commission Act, as amended (38 Stat. 717), shall not apply to any joint agreement by or among persons engaging in or conducting the organized professional team sports of football, baseball, basketball, or hockey, by which any league of clubs participating in professional football, baseball, basketball, or hockey contests sells or otherwise transfers all or any part of the rights of such league's member clubs in the sponsored telecasting of the games of the football, baseball, basketball, or hockey, as the case may be, engaged in or conducted by such clubs.

Section 2 provides that:

Section 1 of this Act shall not apply to any joint agreement described in section 1 of this Act which prohibits any person to whom such rights are sold or transferred from televising any games within any area, except within the home territory of a member club of the league on a day when such club is playing a game at home.

Section 3 provides for the blackout of colleges. That is when college teams are playing on Saturday.

The section 1 referred to in the bill, S. 3817, would amend the Telecasting of Professional Sports Contests Act to grant an exemption from the antitrust laws to what is set forth here in subsection (b) on page 2 of S. 3817, and also amends section 3 as far as it applies to the blackout provisions.

Mr. DONOHUE. What about the Federal Trade Commission Act?

Mr. HARKINS. The Federal Trade Commission Act is included in the exemption. The antitrust prohibitions of the Federal Trade Commission Act are section 5, which prohibits unfair acts in commerce:

Unfair methods of competition in commerce, and unfair or deceptive acts or practices in commerce, are hereby declared to be unlawful.

That is one of the operating sections in the Federal Trade Commission Act with the most direct import in this legislation.

Mr. DONOHUE. Any unlawful acts?

Mr. HARKINS. The FTC Act Section 5 says: "Unfair methods of competition in commerce, and unfair or deceptive acts or practices in commerce, are hereby declared unlawful."

So it is unfair acts of competition in commerce which are declared unlawful in the Federal Trade Commission Act.

Mr. DONOHUE. Do I understand correctly that they are seeking to be exempt from unlawful practices?

Mr. HARKINS. Yes, sir.

Mr. RODINO. I am sorry, at that point might I ask that question: Is that what you are seeking, to be exempt from unlawful practices?

Mr. DONOHUE. That is the way the bill reads.

Mr. CAROTHERS. We are seeking to have the acts of combining these two leagues exempted from section 1, section 2, section 3, section 7, and section 5 of the Federal Trade Commission Act.

That is the same pattern that was followed in the 1961 statute when we had our joint television practice exempted from antitrust laws.

The CHAIRMAN. Proceed, Mr. Harkins.

Mr. KASTENMEIER. Mr. Chairman, the House is now in session. This subcommittee does not have permission to sit. Accordingly, I make the point of order against further proceedings.

The CHAIRMAN. The point of order is well taken. Could the gentleman withhold until we finish with Mr. Rozelle, if possible, within the next few minutes?

Mr. KASTENMEIER. Mr. Chairman, I had a number of questions of Mr. Rozelle, as had also other members of the committee. I hoped to hear our counsel develop fully a dialog with the witnesses, but there has been constant interruptions by other members of the committee, and apparently I am not going to reach my questions with Mr. Rozelle and I persist in my point of order.

The CHAIRMAN. The Chair has nothing to do but to adjourn the meeting.

I cannot set the particular date, but will you hold yourself in readiness, Mr. Rozelle? We are trying to set the date as expeditiously as possible. We are meeting Friday morning on another matter. I will try to accommodate you as best I can, so will you hold yourself available?

Mr. ROZELLE. I will be available, Mr. Chairman.

The CHAIRMAN. We will now adjourn.

(Whereupon, at 11:10 a.m., the subcommittee adjourned, to reconvene at the call of the Chair.)



