

ESPN'S BASEBALL REVENUES, RATINGS SLIDE

In third year of four-year deal, losses expected to top 1991's total of \$40 million

By Rich Brown

Things are not getting any easier for ESPN and its \$400 million contract with Major League Baseball. Well into the third year of its four-year deal with the league, ratings are down from last year and analysts are predicting network losses that could top the estimated \$40 million lost in 1991.

ESPN's baseball losses this season could approach \$45 million, according to Jessica Reif, an analyst with Oppenheimer & Co.

Baseball ratings on ESPN this season have dipped to a 1.6, down from a 1.8 rating at this point last year. A

continued ratings shortfall throughout the season could prove problematic for ESPN, which sold advertiser guarantees based on last year's numbers. ESPN also did not see increased revenue from advertisers this year because the network sold MLB spots at essentially the same rates as last year, according to Ed Durso, executive vice president, network marketing and general counsel.

At least one factor that continues to work against baseball on ESPN is competing games on the superstations, particularly WTBS-TV Atlanta's telecasts of the championship Braves team, said David Alworth, Major League Baseball's executive director,

broadcast. ESPN has also faced stiff competition from the increasingly popular National Basketball Association telecasts.

ESPN has to tell MLB by Nov. 1 if it does not want to pick up an option to extend the contract into the 1994 and 1995 seasons. If ESPN does not notify MLB by that time, the "negative option" will automatically renew the contract for two years at some increase in fees. ESPN's Durso says the network is interested in renewing and extending the deal at a reasonable price.

Any conversations with MLB on network deals will not begin in earnest until sometime this fall, according to Alworth. ■

IT'S ROOT, ROOT, ROOT FOR THE OUT-OF-TOWN TEAM

WTBS rallies fans against attempt to legislate blackouts of some superstation games

By Rich Brown

In an unusually aggressive move to rally support in Washington, Turner Broadcasting last week urged viewers to protest legislation that would restrict the ability of superstations to telecast major sports events.

More than 17,000 viewers responded to the campaign, which aired over the July 29 weekend during Atlanta Braves telecasts on superstation WTBS-TV Atlanta. Turner quickly set the campaign in motion after learning that an effort was underway to push through an amendment to S. 12 that would black out superstation telecasts in markets where they conflict with local baseball telecasts. Among the concerns raised by Turner executives would be the potential difficulties in having to provide alternative programming to blacked-out markets.

During the July 29 and Aug. 2 Braves telecasts, WTBS Sports announcers Skip Caray and Don Sutton told viewers that politicians were trying to secretly pass legislation that could affect their ability to watch games. "We may be going through the pennant race with many of you missing a lot of it," Caray said.

Caray urged viewers to write to

lawmakers, adding, "assuming they can read." The network also told viewers that if they called a special toll-free number, Turner would pay to send telegrams directly to their senators and representatives. Turner wound up sending 6,000 telegrams, according to a spokesman.

"On behalf of the Braves and TBS, we thank our fans from the bottom of our hearts—you are the ones who have beaten the backroom push for baseball blackouts," TBS Chairman Ted Turner said in a statement released last Tuesday. "We don't want to put our fans to any trouble unless it's absolutely necessary, so for now our announcers are going to get back to announcing, and stop asking you to write Congress."

MLB's David Alworth, executive director, broadcast, said the Turner campaign was misleading to viewers because it did not make it clear that the proposal would affect only duplicate programming.

"The Turner organization misrepresented this as a blackout issue that would take away telecasts from cable viewers," said Alworth. "This is not a blackout issue. It wouldn't restrict the superstation from continuing to offer the game to the majority of the market."

Turner's action followed months of increasingly aggressive activity against the superstations by MLB, which argues that superstation telecasts dilute the value of local and network games. Baseball has been a strong advocate of congressional repeal of the cable compulsory license, which allows copyrighted MLB games to be retransmitted nationwide at low copyright fees. In June, the MLB implemented a language change for local broadcast contracts that would allow a team to terminate its contract with a station if any game broadcasts are transmitted "by any means" to more than 200,000 homes outside the team's territory. Despite those efforts, the latest attempt to rush a blackout amendment by the Senate-House conference caught superstations by surprise.

"We don't know what we're responding to because the MLB was unable to find a sponsor to bring their supposed issue before the House or the Senate in open scrutiny," said Shaun Sheehan, a Washington lobbyist with Tribune Co., owner of superstation WGN-TV Chicago. Sheehan said he endorsed Turner's effort in rallying viewers against the legislation.

"We're prepared to go on the air as well; we just haven't pushed that button yet," said Sheehan. ■