



Insight

NFL Blackout Rule Has Run Its Course

WILL RINEHART | SEPTEMBER 4, 2014

Football season starts this week and spirits are riding high even for this Bears fan. But an obscure rule on the books from the 1970s could put a bigger damper on fans than the coming winter weather. Since 1973, the NFL has maintained the strictest blackout policy of all the professional sport leagues, requiring that a home game cannot be televised locally if it is not sold out 72 hours prior to its start time. This rule is backed by the Federal Communications Commission, but the agency has decided to take a look into the practice and will likely vote on a rule change later this month. Getting rid of the rule would likely be in everyone's best interest, expunging from the books a regulation far past its prime. With ticket prices, stadium capacities, and television broadcast deals all on the rise, it is apparent the NFL has enough fans to both attend games and watch from home.

The current blackout rules were a reaction to televisions becoming more universal in households at a time when ticket sales were still the main source of revenue for sports leagues. It was feared that TV would act a direct competitor to the ticket sales and keep fans from attending games, resulting in financial difficulties for the professional sport. Prior to the 1973 rule, all games were blacked out in a local market. So, one of biggest games in NFL history, "[The Greatest Game Ever Played](#)," which marked NFL's rise in popularity, was not even broadcast in New York City.

In the early 1950s when this rule was first challenged by the US Department of Justice, the NFL was a struggling league, with both the New York Bulldogs and the Dallas Texans failing to keep the doors open. But that is no longer the case. On average, teams in the NFL are [worth about \\$1.6 billion](#) with a significant portion of this coming from merchandise and broadcast deals. Last year's [average ticket price](#) was \$81.54, an increase of 3 percent from the year before and just over 11 percent from 2009. All totaled, professional football is the most valued of all American sports.

Last season, just [two of the 256](#) games played were blacked out, which marks a steep decline from past years. So why keep the rules?

On a [site supporting](#) the rule, the NFL claims that "small business owners near the stadiums, and football fans everywhere all win when NFL games are sold out and when fans have access to the home games they want on free TV." But economists tend to think a bit differently about this. Low ticket sales are usually accompanied by low broadcast ratings because both interest in attending games and watching on TV arise from the same factors including team quality, numbers of years in the city, and primetime games. Those cities that have had the toughest time filling stadiums and have been subject to blackouts tend to be in smaller markets. For example, Cleveland has been subject to a number of these blackouts over the years, which is likely due to the market size. Even though it is the 28th largest metro area, it has the 12th largest stadium.

The repeal of the ban would not stop all sport blackouts, but as the FCC noted, "it would leave sports carriage issues to private solutions negotiated by the interested parties in light of current market conditions and eliminate unnecessary regulation." A repeal would thus lead to greater fairness and outcomes that [look very similar](#) to other sports. This is something all fans can agree on.