

Complete Kerry Statement on Extra Innings / DirecTV Deal

Written by Sen. John Kerry
Tuesday, 27 March 2007 03:32



*Below is the complete opening statement by **Sen. John Kerry (D-MA)** for today's Full Committee Hearing called "Exclusive Sports Programming: Examining Competition and Consumer Choice":*

I would like to welcome our witnesses. We are conducting this hearing today to discuss sports programming in general -- and baseball in particular -- a very popular topic this time of year in Massachusetts and all over the country.

Last year, baseball fans were able to buy what are called "out of market games" through their cable and satellite providers. The package of games is called "Extra Innings," and allows fans to follow their home team. So Red Sox's fans living in Washington or California could still get access to most Red Sox games for about what it costs a family of four to attend a game.

Press reports indicated that Major League Baseball was close to announcing an exclusive deal with DirecTV for carriage of these games. We will evaluate this deal.

Yogi Berra was once heard to say, "You've got to be very careful if you don't know where you are going -- because you might not get there."

That sentiment is as timely now as ever. We want to examine where the parties are going - and whether this deal will get them there. Is this type of deal in the best interest of consumers? Does it serve the sports fans? These are legitimate questions.

Baseball is an integral part of American culture. Commissioner Selig himself has said that baseball is a social institution with enormous social responsibility. I agree with him.

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Recognizing that, baseball has benefited from an array of favorable Government policies. The

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sport enjoys a broad antitrust exemption. It allows them to negotiate carriage deals, and gives them tremendous market power.

They receive Billions of hard earned tax dollars to support stadium construction. Right now, only a few blocks away from here, the new Washington Nationals stadium is being built. One Economist estimates that between 1989- 2001 16 baseball-only stadiums were constructed at a total cost of \$4.9 billion. \$3.7 billion of that cost borne by public revenues -- taxpayer money.

We should support baseball, and in return, I believe baseball should serve the public interest. It is fair to expect baseball to provide broad access to their games.

Last year, it cost a family of four almost \$180 to attend a Major League Baseball game. For too many families and people living on fixed incomes, the cost of attending a game is getting out of reach. Still, a record total of 76 million fans attended Major League Baseball games last year.

We are now less than a week away from the baseball season and over 250,000 people will lose access to their team's games.

Let me say at the outset, I am concerned about exclusive carriage deals in the sports industry. These deals may be good for the short-term financial interests of the sports leagues; they may improve the competitive position of the cable or satellite firms that get the rights -- I have no doubt that there are business advantages --

But we need to discuss the impact of these business changes on baseball fans as well. I am concerned when fans lose access to their favorite team; or, as we will discover today, they are forced to change their TV service just to see games. That is wrong. That is a sign that the system is not working.

The sports leagues have tremendous market power. We need to ensure that the deals that are cut serve the public interest.

Yogi Berra also was heard saying, "You can observe a lot just by watching."

Well, the American people are watching, and fans are watching, and they have not been shy to express their feelings about this deal. Truth be told, baseball fans all over this country are disappointed and some are outraged.

As we stand here today, approximately 260,000 baseball fans that currently pay a premium to see their team will lose access to those games -- unless they switch to DirecTV.

Baseball is important to America. I believe that baseball fans living outside the state of their favorite team should continue to have access to Major League games without having to cancel their current service.

Why should fans have to do that? We have heard from many fans that do not have the ability to switch to satellite if they want to. That is not fair, and I'm not sure it is in the long term interest

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of the sport.

With today's hearing, we will get the facts on the record. And I urge the parties to work together, in good faith, to ensure we have broad carriage of the Extra Innings package this year.

I welcome our witnesses.