



# NEWS

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## COMMISSION IMPLEMENTS SATELLITE HOME VIEWER IMPROVEMENT ACT SPORTS BLACKOUT AND PROGRAM EXCLUSIVITY RULE PROVISIONS FOR SATELLITE CARRIERS

Washington, DC – Implementing a requirement of the Satellite Home Viewer Improvement Act of 1999 (SHVIA), the Federal Communications Commission (FCC) has adopted a *Report and Order* establishing regulations that apply the network program non-duplication, syndicated program exclusivity and sports blackout requirements to satellite television carriers. The rules approved by the Commission are similar to the program exclusivity rules that apply to the cable television industry but they are adapted to reflect the differences in the providers' operations.

The new rules apply both to C-Band (large dish) and DBS (small dish) satellite service providers. Under these rules, six superstations carried pursuant to a statutory copyright license are subject to program deletions to protect the contract rights of local television stations. The six superstations are KTLA-TV (Los Angeles), KWGN-TV (Denver), WGN-TV (Chicago), WPIX-TV (New York), WWOR-TV (New York), and WSBK-TV (Boston).

The Commission's action is one of several proceedings to implement the Satellite Home Viewer Improvement Act that was enacted on November 29, 1999. Among other things, SHVIA authorizes satellite carriers to transmit local television broadcast signals into local markets.

Network non-duplication, syndicated exclusivity and sports blackout rules have applied to cable television system operators for many years. The new rules for satellite carriers are consistent with statutory requirements and the Commission's goal of promoting competition in the multichannel video programming distributor (MVPD) marketplace. The new rules for satellite carriers -- and how they differ from the cable rules -- are summarized below.

- **Network Program Nonduplication Rule** allows a local TV broadcast station to protect its exclusive distribution rights for network programming against duplicating programming carried on a nationally distributed superstation by a satellite carrier.
- **Syndicated Program Exclusivity Rule** allows a local TV broadcast station or syndicator to protect its exclusive distribution rights for syndicated programming against duplicating programming carried on a nationally distributed superstation by a satellite carrier.

For both the network nonduplication and syndicated exclusivity rules, the local TV broadcast station may demand that the satellite carrier blackout any duplicate carriage of the program (network or syndicated), regardless of whether the local TV station's signal is carried by the satellite carrier in question. Both of these rules apply only to programming that appears on

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six specifically defined superstations, and only within a specified geographic area based on the location of the station and the zip code of the subscriber. Satellite carriers will have at least four months to implement these new rules. Any carrier that has fewer than 1,000 subscribers within the protected area is exempted from making the deletions.

- **Sports Blackout Rule** protects a sports team or league's exclusive distribution rights to a local sporting event (i.e. a sports team). The sports blackout rule is applied only if a local TV broadcast station is not carrying the local sporting event. Therefore, if a local TV broadcast station does not have permission to carry the local game, then no other broadcaster's signal displaying the game can be shown in the protected local blackout zone.

The sports blackout rule applies to a satellite carrier's retransmission of nationally distributed superstations and network stations. The rule, however, also exempts any satellite carrier that has fewer than 1,000 subscribers within the protected area from making the program deletions.

Congress established statutory deadlines to commence this rulemaking and to adopt the rules. The new rules are adopted within the timeframe Congress requires so that they can take effect at the end of November 2000. After the rules take effect, satellite carriers will have at least four months to phase-in the new network non-duplication and syndicated exclusivity rules, and sixty days to comply with new sports blackout requests. As is the case with the program exclusivity rules in the cable television industry, the new rules are designed to protect contract rights so that broadcasters, program providers, and sports teams will have the protection they need to provide the programming and sports consumers want to see.

Action by the Commission, October 27, 2000, by Report and Order (FCC 00-388). Chairman Kennard, Commissioners Ness, Furchtgott-Roth, Powell and Tristani.

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