

SPORTS

Lure of TV Loot Loosens Old College Ties

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Merger mania, dead on Wall Street, is raging in college athletics.

The Big Ten soon will become the Big Eleven. The Southeastern Conference has turned into a raider. The Southwest Conference is talking joint ventures. Independents are on the block. The driving force is a term once heard more in ad shops than athletic departments: market share.

The crux of the matter is the changing relationship between college football and television. In recent years, the College Football Association, or CFA, has negotiated network deals on behalf of 63 major football schools, though members can cut their own regional deals and conferences can decline to join.

The CFA has been undercut this year by the loss of two marquee attractions: the University of Notre Dame, which cut its own five-year, \$35 million deal with National Broadcasting Co., and Pennsylvania State University, which joined the non-CFA Big Ten. Penn State will remain part of the CFA's contract with Capital Cities/ABC Inc. and its ESPN unit, which runs through 1995, but Notre Dame's action forced the group to reduce the newly signed deal to \$300 million from \$350 million.

Then in September, the Federal Trade Commission charged the CFA and Capital Cities with violating antitrust law, saying the contract conspires to limit the number of televised college football games. At a hearing yesterday, an administrative law judge denied a CFA motion to dismiss the charge and set a September 1991 trial date. CFA officials are confident they will prevail, arguing there's no shortage of college football games on television.

But the FTC complaint, together with the Notre Dame and Penn State actions, heightened the sense the old order was crumbling. Conferences scrambled to follow the lead of the Big Ten and the Fighting Irish, adding new members—and hence TV markets—and jockeying for position to cut their own best deals.

"There's no question that should the CFA break up, the conferences have got to be carrying a bigger stick into the New York network and advertising offices," says Ken Haines, executive vice president of Raycom Inc., a TV sports syndicator.

The "superconference" is what many people think will ultimately evolve: four or so big surviving leagues, each linked to a TV network. Among other things, that could make possible a football championship tournament, probably incorporating several existing bowl games. That's an exciting prospect to revenue-minded athletic directors and TV programmers alike.

The Changing Picture of College Football

Pending changes in the makeup of college football conferences would alter their potential television markets, as measured by the percentage of U.S. TV households in the broadcast area for each conference's football games.

CONFERENCE	CHANGE	OLD TV HOUSEHOLDS	NEW TV HOUSEHOLDS
Atlantic Coast	Adding Florida State	10%	15.7%
Big Ten	Adding Penn State	19	24.5
Southeastern	Adding Arkansas and South Carolina	15	16.9
Southwest	Losing Arkansas	7	6.0

Source: Raycom Inc.

Despite the colleges' maneuvering, TV riches may prove elusive. The National Football League has expanded its TV presence, siphoning advertising away from the college game. College football's TV value has also been hurt by the glut of games now airing. "A lot of people are dreaming

if they think a superconference will trigger a dramatic increase in rights money," says Jim Spence, a TV sports consultant.

But conferences do have different TV appeal, as illustrated by the University of Arkansas's decision to bolt the Southwest

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Conference for the Southeastern. SEC powers such as Auburn University are dependable national-TV drawing cards, assuring the conference a place in any post-CFA network deal. Southwest Conference football is in eclipse, weakened by members' scandals. The SEC augments its CFA revenues with a \$4 million-a-year deal with Turner Broadcasting System Inc., outshining the Southwest's regional TV deals.

Ticket sales account for far more revenue in college football than TV rights. But TV exposure is crucial in recruiting top players, which create winning football teams, which sell tickets. And while high-profile football schools can't improve their gate—they already play to sellouts—they think they can boost their TV take. That's important at a time when 70% of major-college athletic programs lose money and profit centers such as football and basketball are under pressure to increase revenues. "We felt like if we didn't move, we could be left holding the bag," says Frank Broyles, athletic director at Arkansas.

Movement produces problems, however, along with solutions. By expanding to 12 members, for instance, the SEC can split into two divisions and stage a lucrative championship playoff game. But that split has been stalled by conflict about the makeup of the divisions.

An expanded conference also can dilute

intra-conference rivalries. In the SEC, it will now take three seasons for a football team to play every other conference team, compared to the current two years. Moreover, a revamped conference can hurt such sports as wrestling and swimming, which produce little revenue and will have higher travel costs. The Big Ten, which will stretch 1,500 miles from the University of Minnesota to Penn State, may break into divisions for some secondary sports.

Some athletic officials worry that the conferences are jeopardizing the very geographical boundaries and institutional affinities that have made them work. "I've always looked at the word 'conference' the way I look at the word 'family,'" says Tom Butters, athletic director of Duke University. "There are respected colleagues who are now looking at conferences in terms of TV households."

Duke opposed expanding the Atlantic Coast Conference, but was outvoted because of, well, TV households. The ACC watched with growing alarm as the neighboring SEC added Arkansas and courted Florida State University, an independent. Fearing it could become a second-rate power, the conference went after Florida State, too. "We saw this as our last opportunity to get into the fourth-largest state in the country," says ACC assistant commissioner Tom Mickle. "That would increase our TV universe, as they say, from nine million to 14½ million homes."