



## Department of Justice

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The Department of Justice today filed civil antitrust suits charging that the three national television networks have used their control of access to air time to monopolize prime time television entertainment programming and to obtain valuable interests in such programming.

As a result, the suits allege, the viewing public, independent program suppliers, and advertisers have been deprived of the benefits of free competition in television programming.

Acting Attorney General Richard G. Kleindienst said that the complaints, charging Columbia Broadcasting System, Inc. (CBS), National Broadcasting Company (NBC), and American Broadcasting Companies (ABC) with violation of Sections 1 and 2 of the Sherman Act, were filed in federal district court in Los Angeles. Also named as a defendant is Viacom International, Inc., a former subsidiary of CBS which now owns CBS program syndication and distribution rights.

The suits seek to restore a competitive programming industry by prohibiting the networks from carrying network-produced entertainment programs, including feature films, and from obtaining financial interests in independently

produced entertainment programs. The networks would continue to exercise responsibility for programs they accept for broadcast.

The news, public affairs, documentary, and sports programs of the networks are not affected by the suits, nor do the complaints challenge the affiliation agreements between the networks and their local stations.

According to the complaints, the three networks spent more than \$840 million for television programs in 1969 and received television broadcasting revenues in excess of \$1.5 billion.

The suits are the result of an antitrust investigation which originated in the 1950s and was held in abeyance during an FCC hearing on network programming. The FCC inquiry, which began in 1959, resulted in an order in May 1970 aimed at making a limited amount of network time available to independent (non-network) program producers.

Acting Assistant Attorney General Walker B. Comegys, in charge of the Antitrust Division, said the suits allege that each network has used its control over access to prime evening air time (1) to exclude from network broadcast those entertainment programs in which the network had no ownership interest, (2) to compel outside program suppliers to grant the network financial interests in television programs which it accepts for broadcast, (3) to refuse to offer air time

to advertisers and other outside program suppliers seeking to have their own programs shown on the network, (4) to control the prices paid by the network for television exhibition rights to motion picture feature films, and (5) to obtain competitive advantages over other producers and distributors of television entertainment programs and of motion picture feature films.

The government's antitrust suits allege that the networks have obtained ownership interests in most of the prime time entertainment programs they now broadcast. In 1957, CBS had such interests in 49 percent of its prime time entertainment programs, NBC in 43 percent, and ABC in 31 percent. By 1967, these figures had increased to 73 percent, 68 percent, and 86 percent, respectively.

The effects of the violations, according to the complaints, are that ownership and control of network prime time television entertainment programs have been concentrated in the networks; competition in the production, distribution and sale of television entertainment programs has been restrained; and the viewing public has been deprived of the benefits of free and open competition in the broadcasting of television entertainment programs.

The suits also contend that recent network entry into motion pictures poses a danger to competition.

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The complaints assert that the use of motion picture feature films in prime time has increased sharply in recent years, and that each network has arranged for the production of feature films. According to the complaints, only the three national television networks can assure television exposure to writers, actors, directors, producers and related talent. In addition, the complaints assert, the networks are in a unique position to assure themselves of television revenues for their feature films. As a result, according to the complaints, the networks enjoy important competitive advantages over other producers of feature films.