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NCAA vs. Board of Regents of the University of Oklahoma

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**Overview**

One of the most important and fastest growing sports in the world today is that of college football. However, in the past that has not always been the case due to the lack of televising. The college football industry of this time would not have been possible around 50 years ago because of the NCAA television plan. During the 50’s the NCAA and its official viewed live television as a threat to college football. Instead of using television as an opportunity the NCAA shied away creating a controversial television plan to protect their brand. The television plan limited the number of times a team could appear on television and pre-selected the games that could be broadcasted on ABC and CBS**.** According to Lee (n.d.), “Per the terms of the contract, a school could not appear more than five times combined over the course of two seasons on both networks” (p. 9) The plan became controversial because it was unresponsive to the viewer’s preference and it took away the right of universities to negotiate their own contracts. The plan also presented problems because it threatened to punishment any university that negotiated contracts with television stations. In the midst of creating the television plan the NCAA seemed to gain more power than they should have and became a bully to college football. According to Lee (n.d.) “These football powers had had enough and they formed the College Football Alliance, a loose organization composed of the schools of the major playing football conferences” (p. 8). The restrictions and the threats created by the NCAA television plan caused many universities to stand up for themselves and fight for their rights. Those universities led to the creation of the College Football Alliance (CFA), which was represented by major conferences except the Big Ten and Pac-10. The CFA formed to allow the universities to negotiate their own contracts because they believed the NCAA established price didn’t match the market forces. The contracts negotiate by the CFA helped the universities get the money they deserved without having to settle for a set amount while sharing with the low profile teams. However, there were still powerful institutions who did not commit to the CFA contracts because they feared the possible sanctions the NCAA would impose them. It left the CFA with the powerful members who were determined to get away from the restrictions of the NCAA contract. CFA and its powerhouse seemed to only have one choice left, which was suing the NCAA for violating the nation’s antitrust laws. The traditional powerhouses that led the charge through court was The Universities of Georgia and Oklahoma. This is what led to the case of NCAA vs. Board of Regents of The University of Oklahoma. The district courts ruled in favor of the Regents due to the fact that the NCAA television plan did violate nation’s antitrust laws. Arico (1985) stated:

The district court held that the NCAA television plan violated the Sherman Act in three ways: (1) the NCAA had fixed prices for particular telecasts; (2) The NCAA’s exclusive network agreements amounted to a group boycott of all potential broadcasters and its threat of sanctions against member institutions constituted a threatened boycott of potential competitors; and (3) the NCAA’s television plan created an artificial limit on production of televised intercollegiate football. (p. 448)

**Organizational Analysis**

The NCAA has 450,000 plus athletes between Division I, II, and III. College football itself represent more than 69,600 participants. Those athletes come from a total of 245 teams and 24 different conferences. The large number of teams and athletes scattered throughout the division tells why college football is at an all-time high. With almost 70,000 athletes there is talent to be recognized throughout the country. The athlete’s talents are put on display in 12 regular season games followed by a 13th game if they qualify for a BCS bowl. The additional game represent the postseason for the college football player. College football has a postseason that is made up 35 bowl games. Five of those bowl games represent the top ten ranked teams in the country. Therefore, it is no surprise that without any limitations the popularity and broadcasting of college football is at an all-time high now. The NCAA and college football is represented by President Mark Emmert.

**Situational Analysis**

The main problem in the case of NCAA vs. Board of Regents of the University of Oklahoma was the unfair restrictions placed on television broadcasting for college football by the NCAA. The prevented institution from bargaining the terms of their contracts with network television channels. They did so by using price manipulation, restricting output, and placing limitations on the choices of buyers and sellers. When the NCAA first created the television plan it couldn’t be challenged because institutions did not want to stand up to them. They also did not want to go against the rules of that the NCAA and the television plan created. Most institution were afraid of both situations because they did not want to face the punishments the NCAA threatened them with. The institutions that negotiate their own contract faced the chance of having the broadcasted games cancelled if not their season. This created problems for other institutions if they were on the schedule of the team with a negotiate contract. Therefore, it created problem and a more difficult situation overall. When the NCAA punished teams for contracts for networks it created anger that they would eventually have to deal with.

**Solution Alternatives**

In terms of the NCAA’s television plan they could have collaborated with the universities involved in the contract before putting a plan into place. By doing so the NCAA could have prevented the tension created by the plan. It would have allow the universities to put their ideas into the plan to build a plan for college football as a whole and not just the NCAA. Since the NCAA did collaborate they face the consequences of basically turning themselves into a monopoly

Seeing that the NCAA implemented a plan then became the loser it would have been in their best interest to negotiate with both the networks and the universities. It would have allowed them to protect college football from live television in the proper fashion. The universities would have been able to control their own destiny, while also understanding the possible effects broadcasting could have on their brand. If the attendance of college football suffered from the television plan then it would have been on the shoulders of the universities. The worst thing that could have happened was losing revenue during the terms of the contract causing to adjust the contract in the future.

**Recommendations**

The NCAA and the institutions under the television plan should have collaborate on a television plan that was best for the brand of college football. Instead of the NCAA setting the price and limitations they should have negotiated a revenue for the powerhouse and one for smaller institutions. The revenues could have been attained based on the demand for the instutions.

**Implementation Plan**

Initially the NCAA and the presidents of the institutions involved in the television contract should collaborate and come to agreement that best suits their brand. Once a valuable television plan is agreed upon attempt to negotiate it over four years to see how strong it is. In the process of putting the plan into place make notice of the effect broadcasting has on the attendance. If there is a significant decrease focus on way to strengthen the plan and making the possible adjustment when possible. On the other hand if the NCAA, the institutions, and the attendance benefit then focus on ways to lengthen the contract for the future. Also focus on the ways to make the plan stronger just as if it was failing, while preparing for any obstacles or possible setback in the future.

**Benefits**

The institution, the players, and the NCAA would benefit just as they did from decision in NCAA vs. Regent of the University of Oklahoma. It shows every Saturday during the football season and the beginning of January every year. According to Lee (n.d.) “The establishment of the Bowl Championship Series system represented the ultimate victory of the television executives and the super powers over the NCAA” (p.25).The football players have more opportunities to showcase their talents, while they continue to help grow the brand of college football. They are allowed that chance due to the fight that their instutions put up in the past in order to get to this point. In this era institutions have they own say so in their contracts and are not being held hostage by the NCAA. Even though the NCAA is not the controller they want to be they still benefit because they don’t have to worry about being sued. In their case they had to take a step back in order to take a step forward to a better position.

Reference Page

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