



Thanks to Wrigley, market-rate TV rights fees never a part of the long WGN-Cubs marriage

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Posted Friday, February 22, 2013*

The genesis of the possible divorce between WGN-TV and the Cubs in 2014 after an astounding 67 years of broadcast matrimony actually dates back even two decades earlier.

The ability of WGN to get something for virtually nothing – setting up the dickering over market-rate Cubs TV rights fees the station hasn't been used to paying – had its origin in the 1920s. That's when two dynamic Williams – Cubs owner William Wrigley Jr. and team president William L. Veeck – came up with the sensible idea that broadcast exposure whets the appetite for buying tickets to live events.

Wrigley and Veeck, father of “Baseball Barnum” Bill Veeck of much greater fame, were the antithesis of the nervous sports executives who loathed giving away their product on the air for fear fans would not buy tickets. This attitude, applying to both radio and TV broadcasts, was disproved resoundingly over the decades, so now all sports events have the prying eye of TV on hand. The last holdout was in Chicago, where Blackhawks owner Bill Wirtz banned home telecasts until he died in 2007. Now all Hawks games are on TV, with the 2010 Stanley Cup winners enjoying a long home sellout streak.

Just after the dawn of the commercial radio age in 1920, the Cubs brass permitted the audio medium full, unfettered access to Wrigley Field, free of charge. By 1931, seven Chicago stations aired Cubs home games simultaneously. Modest rights fees were imposed in 1934, but the blanket radio coverage continued even though the Wrigley Field gate was severely crimped by the Great Depression. Eventually the Cubs broadcast operation extended to a Midwest network of radio outlets. Among the far-flung Cubs fans



William Wrigley Jr. (center) and William L. Veeck (right) talk with Cubs manager Joe McCarthy. Wrigley and Veeck established the Cubs' philosophy of exposing their product via free or low-cost broadcast rights. Photo credit: SDN-069499, Chicago Daily News negatives collection, Chicago History Museum.

was young Allan (Bud) Selig in Milwaukee, who went with his family on the old North Shore inter-urban train to Wrigley Field in the mid-1940s.

Fast forward to 1948 and the strange stewardship of P.K. Wrigley, William Wrigley's heir and successor as Cubs owner. Remembering his father's and Veeck's policies, the younger Wrigley first welcomed Chicago's pioneer TV station, WBKB (Channel 4) and its cameras to the North Side in 1946 without any rights fee. Working for \$35 a game, Jack Brickhouse joined "Whispering Joe" Wilson as WBKB baseball announcers in 1947. When WGN signed on in April 1948, the Tribune Co.-owned station also gained entrée to Wrigley Field with Brickhouse behind the mic, while Wilson continued helming the WBKB broadcasts.

3 TV stations air Cubs at once – for free

In 1949, ABC-owned WENR-TV also joined the baseball TV brigade with the irascible Rogers Hornsby as chief announcer. Three of the four Chicago video outlets on the air now beamed Cubs images to the rapidly expanding TV audience. Not only did the stations not pay any rights fees, but Wrigley also fronted \$100,000 toward the building of new broadcast booths and camera positions. Only cost to each station was \$5,000 for the construction.

As with radio, eventually Wrigley imposed modest rights fees. WGN-TV had the exclusive broadcast deal by 1952, airing all home games. Tribune Co. gleaned a guaranteed profit annually from WGN's staple of beer (Hamms – "from the land of sky-blue waters") and gasoline sponsors due to the low cost of accessing the Cubs. The team shared WGN with the White Sox, who aired a reduced schedule of only daytime home games.

Interestingly, the Sox charged near market-rate for the broadcast rights divided between WGN-TV and the old WCFL-Radio (now ESPN-1000). The disparity with the Cubs was huge. In 1962, the Sox charged \$1 million for their radio-TV deal. The Cubs got \$600,000. Then TV baseball voice Vince Lloyd later recalled the Cubs drew higher ratings with a bad team compared to the contending Sox on WGN.

The Sox split off from WGN in 1968 to get a full schedule on what's now Fox-32 in a \$1 million deal. WGN happily put on more than 60 Cubs road games along with all 81 home games for the still-bargain basement price. They now televised the most games for one team of any in the majors. And Brickhouse's rosy descriptions of the often-floundering Cubs had a basis in cold business reality. You don't try to kill your golden goose by ripping a Cubs baseball management you know to be incompetent. Brickhouse's side job was negotiating WGN's Cubs rights, so he



The Cubs-WGN relationship was among the closest of any team and broadcasting operation in sports.

knew the financial score.

Sharing the profits after production costs

When William Wrigley III, P.K.'s son, sold the Cubs in an inside, no-competition deal to de facto minority owner Tribune Co. in 1981 to alleviate a \$40 million inheritance-tax burden, there was no rights fees windfall for the Cubs. Tribune Co. staged a pre-emptive strike, buying the Cubs and Wrigley Field to prevent the profit-dripping TV rights from somehow being pirated away as ownership passed from Wrigley. Now under one corporate umbrella, WGN and the Cubs split the difference in profits after production costs for the games were cleared.

Interestingly, Cubs ratings were not the market leader, but the financial arrangement ensured continued profits for Tribune Co. Night home telecasts began when lights were installed in Aug. 1988. But then-WGN boss Dennis FitzSimons, 15 year later the last pre-Sam Zell Tribune Co. chairman, said a prime-time movie drew bigger audience numbers than a ballgame. The flick cleared even more profits because production costs were not involved.

Tribune Co.'s stance toward baseball as just another profitable programming element played out as half the games were sold off to Fox Sports Net Chicago as the 1990s progressed. Harry Caray expressed mock indignation at playing second fiddle to "Buffy The Vampire Slayer" as WGN pushed off baseball to accommodate prime-time entertainment shows. Even more games, mostly prime-time, were farmed out to WCIU-TV (Ch. 26).

Starting in the 1990s, baseball rights fees exploded. Teams like the Yankees (YES Network) and Red Sox (NESN) set up their own broadcast arms. The Dodgers are about to garner \$7 billion over 25 years from Time Warner Cable. But WGN still has the Cubs for a fraction of the going rate. The latest reported rate was \$20 million annually, with WGN scheduled to air 65 games, farming eight more out to WCIU, this season. Comcast SportsNet Chicago will air 80 games.



WGN's profits on the Cubs were helped by Harry Caray's presence from 1982 to 1997.

Ricketts needs cold cash

Now, for the first time in TV history, the Cubs deal is not subject to a well-meaning, but eccentric owner (Wrigley) or an inbred arrangement (Tribune Co.) Team chairman Tom Ricketts is cash-hungry, given debt service on his \$845 million Cubs purchase in 2009 and his new plan to front the \$300 million cost of renovating Wrigley Field. He won't settle for a longtime-relationship or hometown discount from WGN.

In contrast, the station is not used to paying mega-millions for the Cubs. Tribune Co.

has just emerged from a long and tortuous bankruptcy. And a new sheriff, in broadcast dynamo Larry Wert, is running Tribune's broadcast operation.

It's a matter of degrees leverage on both sides. Ricketts has been long rumored to desire a YES-style Cubs network, but cannot proceed with CSN Chicago holding Cubs rights through 2019. The Cubs boss cannot sub-contract a partial network onto CSN Chicago. Through three previous incarnations, the regional sports cable outlet has had a 31-year relationship with the Sox. A partial Cubs Channel with gobs of non-game programming wouldn't dovetail too well on CSN Chicago, which is scheduled to carry 99 Sox games this season. WGN airs 30 Sox games and farms out 25 more to WCIU. Meanwhile, CSN Chicago isn't likely to buy out the WGN schedule. Too rich by Ricketts' asking price? Or short of an actual Cubs Network, the team may want to keep a decent number of games on an over-the-air TV outlet.

Even after its corporate parent's troubles, there are few competitors in Chicago as well-heeled as WGN. However, one colossus lurking over the horizon is Rupert Murdoch, master of Fox-32 and My50 (Channel 50). Murdoch has both the mega-bucks and will to more than compete with WGN for a glamour team like the Cubs. He can work a WGN/WCIU-type deal, airing some games on Fox-32, then farming others out to My50 to protect prime-time Fox network programming. The result of upcoming negotiations will balance profits against tradition and familiarity. In the cold, ruthless world of 21st Century business, we all know which has the greater weight. Nothing is forever. We've seen Oldsmobile, Pontiac, Mercury and Plymouth disappear. The Hostess Twinkie, too. The Cubs leaving WGN? Anything's fair game.

But if it ends, it was as good of a run ever as a full-color window to Wrigley Field and the far-flung points of the majors.