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Sen the Hon Stephen Conroy
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Australian Anti-Siphoning Legislation

ESPN welcomes the opportunity to comment on the proposed legislation intended to implement the Australian Government's anti-siphoning scheme.

ESPN is the world's leading multinational, multimedia sports entertainment company featuring a portfolio of over 50 multimedia sports assets. The company is comprised of six US television networks (ESPN, ESPN2, ESPN Classic, ESPNEWS, ESPN Deportes, ESPNU), multiple HD simulcasts worldwide, ESPN Mobile, ESPN Radio, ESPN.com, live and on-demand broadband services in multiple countries around the world, ESPN The Magazine, ESPN Enterprises, ESPN PPV, ESPN Zones (sports-themed restaurants), ESPN on Demand and ESPN International.

ESPN International has grown to include ownership, in whole or in part, of 46 television networks outside of the United States, as well as a variety of brand extension businesses, which allow ESPN to reach fans in over 200 countries and territories. ESPN International business entities include television, radio, print, Internet, broadband, wireless, consumer products, and event management.

ESPN is an 80 percent indirect subsidiary of The Walt Disney Company. A subsidiary of The Hearst Corporation holds a 20 percent interest in ESPN.

ESPN in Australia

In Australia, ESPN operates three networks with both Foxtel and Austar; ESPN, ESPN 2 (both in standard and high definition) and ESPN 3.com. In addition ESPN has a comprehensive range of digital media assets including ESPN Cricinfo.com, ESPN Soccernet.com and ESPN Scrum.com. We have recently expanded this range with the acquisition of Footytips.com.au which offers social tipping and fantasy competitions across 20 of Australia's favorite sports, most notably AFL and NRL.

General Approach of ESPN to anti-siphoning

ESPN believes that in the absence of market failure, or competition law considerations, the general principle should be to intervene less, not more. We further believe that the fostering of a competitive market both at the Pay-TV and Free-to-air TV level benefits viewers as well as the sports bodies that own the rights in question. The sports bodies themselves are best placed to determine the appropriate way in which to exploit their rights, to identify the best mix of rights income, sponsorship revenue and exposure to enable them responsibly and effectively to manage their sports at all levels.

Implementation of Government Reforms

However, ESPN acknowledges the Minister's anti-siphoning reform announcement of 25 November 2010 and trusts that the legislation will be implemented accordingly. ESPN also notes what appears to be unnecessary complexity and wide ministerial discretion in the current exposure draft that could affect future sports rights negotiations. Uncertainty is never good for commercial operations.

Kind regards,

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