

Statement: “Examining the Sports Broadcasting Act”

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Thank you, Chairman Fitzgerald, Ranking Member Nadler, and members of the Judiciary Committee. My name is Jim Hallers, and I am the founder and managing partner of Tailgators Pub & Grill and Citizens Grill in the greater Houston area. Since 2009, I have built, acquired, or sold more than a dozen restaurants and bars. I want to thank you for allowing me to testify today on behalf of my businesses, the National Restaurant Association, and the Texas Restaurant Association.

My path into the restaurant industry was not traditional. I spent 25 years in Information Technology, working in software consulting and technology infrastructure. Like many Americans, I loved watching sports with family and friends, but I was frustrated by the lack of neighborhood places where people could gather, have good food and drink, and watch competitive games together. So, in the middle of a recession in 2009, I opened the first Tailgators Pub & Grill.

It was risky, but the demand was there. What started as a side hustle became my full-time passion. Over the last 17 years, I have built a business around bringing together two things Americans love: good food and sports.

From the beginning, our goal was simple: create a neighborhood-focused sports bar experience that was not cookie-cutter. We serve quality food, local flavors, good prices, and big portions in a relaxed atmosphere where customers can cheer, holler, and most importantly, enjoy the game together.

For years, that model worked smoothly. We subscribed to the commercial version of NFL Sunday Ticket through DirecTV and showed the full Sunday NFL lineup on dozens of big screens. It was expensive, but in a large sports bar it made sense. Sunday Ticket was not just entertainment for our customers. It was an economic driver for my restaurants, my 400+ employees, and the local suppliers we depend on.

In Texas, we also see a lot of domestic migration from other states. My suburban locations serve customers from all over the country. On any given Sunday, I may have fans of the Texans, Cowboys, Steelers, Packers, Bears, Bills, Eagles, and many others sitting in the same building. For that business model, offering the full slate of NFL games is not optional. It is part of what our customers expect.

That is why my all my locations were built around the assumption that DirecTV would continue to be the commercial Sunday Ticket provider. We invested heavily in that system because it was the standard way restaurants and sports bars delivered NFL games.

But the television landscape has changed dramatically. Sports programming has been split across Prime Video, Peacock, Netflix, YouTube, and other platforms. For a home viewer, that may mean downloading another app. For a restaurant, it means more streaming devices, more remotes, more logins, more video inputs, more switching equipment, more cabling, and more Internet bandwidth.

Because we promise customers every NFL game, we now have to figure out how to deliver multiple simultaneous streams across dozens of televisions. One commercial video switch with enough inputs and outputs can cost in excess of \$15,000. A full upgrade including equipment, wiring and the labor will cost \$30,000 to \$40,000 per restaurant.

And then there is the bandwidth problem. It is one thing to stream a game at home. It is another thing to stream ten noon games at once while also running point-of-sale systems, credit card processing, security cameras, online ordering, music, office systems, and customer WiFi. When a game freezes during a key play, the customer does not blame the provider. They blame the restaurant.

Now we face another major transition. Beginning with the 2026 season, EverPass is the commercial provider for NFL Sunday Ticket. But EverPass does not replace the rest of the programming my customers expect. I still need DirecTV, cable, or another provider for the in market football game, and all the other channels and programming that make a sports bar work.

So instead of simplifying the business, the transition is adding another layer of cost and complexity. I cannot simply replace 40 DirecTV boxes in one venue with 40 streaming devices. It does not work like this. The Internet capacity, hardware, control systems, and reliability are not there yet.

This is especially difficult because restaurants operate on very slim margins. Labor is our highest cost. Food costs remain high. Insurance, rent, utilities, and repairs keep increasing. Every dollar I spend on a major technology upgrade is a dollar I cannot spend on payroll, food costs, equipment, or improvements for my employees and customers.

My businesses in Houston depend heavily on two seasons: football season and crawfish season. Crawfish season depends on Mother Nature. Football season depends on the NFL, its media partners, and the technology systems that deliver the games. When that system becomes fragmented and expensive, it directly affects my bottom line.

I am not here to oppose innovation. Streaming may be the future, and I understand that technology changes. But for restaurants and sports bars, this transition is not as simple as changing the channel or swapping a box. It requires real money, real infrastructure, and real operational risk.

Restaurants and sports bars like mine are part of the game-day experience. We help turn football into a community event. We employ people, support local suppliers, collect sales taxes, and give fans a place to gather together.

As Congress examines the Sports Broadcasting Act and the modern sports media marketplace, I ask that you remember the commercial establishments that bring these games to the public every week. We need a transition that recognizes the realities of running a small business, protects customer access, and allows restaurants like mine to keep investing in our employees, our communities, and the fans who gather with us every Sunday.

Thank you for your time. I look forward to your questions.