

Pac-12 Conference Football Media Days

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Larry Scott

Pac-12 Commissioner Q&A

COMMISSIONER LARRY SCOTT: Hello, everyone. Before I take questions and answers, we have a special presentation. This year, as many of you know, as I mentioned earlier, special for football on the West Coast in that San Francisco Bay Area, Levi's Stadium is going to be hosting the College Football Playoff championship game in January. It's great news for football here on the West Coast.

One of the important initiatives with the College Football Playoff is the CFP Foundation that was created, and a program called Extra Yard for Teachers.

In all the communities where the new year six bowls are played, and every year, around the College Football Playoff Championship Game, there is a major commitment made to support K through 12 teachers and the various needs that they have as one of the big beneficiaries from the College Football Playoff.

So there are going to be a lot of efforts that go into supporting teachers in California and in the Bay Area leading up to and around the championship game.

We're going to kick it off here today by honoring one deserving teacher and some of his students here that are doing great work in their school with a \$5,000 donation on behalf of the College Football Playoff Foundation Extra Yard For Teachers program.

So I want to invite onto the stage Miguel Darcy and some of his students from the Leconte (phonetic) Middle School, along with representative of the Pac-12, Academic All-American, Justin Herbert.

And on behalf of the College Football Foundation Extra Yard for Teachers program, it gives us great pleasure to present this check for \$5,000 to Miguel and his class to support all of your efforts.

DAVE HIRSCH: Questions for the Commissioner.

Q. With the Pac-12's initiatives to expand internationally and including the basketball game in China and the recent football games in Australia, how would you assess how that's gone, and do you anticipate the conference continuing to try to push the brand out to other countries in the next half



decade or so?

COMMISSIONER LARRY SCOTT: Yeah, we've gotten a great reaction to some of our international initiatives. Basketball, we've been playing a regular Pac-12 China game now for a few years, featuring a Pac-12 team against a non-conference opponent to kick off the basketball season.

As you mentioned, we've had some successful football games in Australia. Based on the reaction from our schools, the experience for the student-athletes has been incredible, our coaches have responded well, and they've asked us to do more of that.

So, yeah, there are plans in the works to have some more football games overseas in the coming years, and through our partnership with Alibaba, in other words, in China I expect the Pac-12 China game to continue for a while, and looking at other sports as well.

Q. Is there anywhere in particular with football that you're looking at trying to host another game or maybe expand the telecast coverage?

COMMISSIONER LARRY SCOTT: Sorry, I didn't understand.

Q. Is any country outside of maybe Australia that you're looking to expand the international football game?

COMMISSIONER LARRY SCOTT: Yes, yeah. We're looking at some of the countries where the NFL has had great success playing overseas, and we're in conversations in a lot of those countries.

Don't have anything more specific to announce at this point, but there is a growing interest in American football overseas. There is a growing international community of alumni and other stakeholders from our schools.

So I think first and foremost we're focused on football-loving -- American football-loving -- countries, so Australia, U.K., Mexico, Canada as likely places for more football.

Q. Las Vegas exists for events like this. The Raiders stadium will be ready in two years. It would be a great venue for the Pac-12 title game. I know you're already there for the hoops

tournament at T-Mobile in March. Any thoughts about moving this event and in a couple of years the football title game to Las Vegas?

COMMISSIONER LARRY SCOTT: Yeah, we've had a great experience with the events that we've done in Las Vegas. We have a bowl game there currently. As you pointed out, it's been a tremendous success moving our Pac-12 basketball tournament, which was in Los Angeles, to Las Vegas. Our fans have responded in a terrific way.

So we're at the beginning of a process right now where we're looking at all of our bowl arrangements, and undoubtedly, as part of that process, there will be interest in elevating what we know today as our Las Vegas Bowl perhaps further up our lineup, looking at possible opponents.

I've had a chance to visit the stadium, spend a lot of time with the leadership of the Raiders, and it is going to be a remarkable new stadium, truly state-of-the-art.

There's also a lot of excitement in the marketplace, based on the success of the Golden Knights, in addition to the success they've had with the Pac-12 Tournament and other tournaments. I think you'll be seeing more championships there generally.

So I think the future looks bright for events in Las Vegas. And given that we have a foothold in relationships in basketball and football, I'm sure you'll see us do more there.

Q. Just wondering if we could get an inside look on the Pac-12 Networks, how they are right now in terms of where their revenue streams and projections might be at, and what the roadmap kind of looks like for them in the next six months to a year, also in regards to the conference's current partnership with AT&T?

COMMISSIONER LARRY SCOTT: So we're in year seven of the Pac-12 Networks, and with most of our distributors we've got 12-year agreements. We're very fortunate that we've got long-term stability in our contracts. We have over 70 different distributors of the Pac-12 Networks. All the major ones, aside from DirecTV. Most all of those contracts, if not all of those contracts, go through 2024.

So I would describe us midway through these agreements as in a period of stability, where you won't see big changes in terms of the revenue distribution up or down. On the one hand there is declining subscriber basis, given cord cutting and other dynamics in the industry, but that's made up for with increased rates that we get every year, that were contractually negotiated, as well as advertising and

other revenues. So we've got a very stable, secure business model through 2024.

You asked about AT&T, DirecTV. They're at various stages. We held out some hope that when AT&T purchased DirecTV that might help break the logjam we were at with DirecTV, but that did not materialize, and I'm not expecting at this point in time there to be any change in that for the current term of our deal. So I think we've got a solid model where we've got predictability in terms of revenue.

The networks -- use the opportunity to remind. The original purpose of our TV network is very mission based. The main purpose was to provide a platform and exposure that previously didn't exist. So we have 850 live events per year on that network, more than any other college conference network.

We own and control it ourselves, which gives us flexibility to prioritize those things that may be important one year to the next, in addition to the 850 live events, most of which are Olympic sports, we invest in that because that's the priority for our campuses.

This exposure to promote the Conference of Champions, as I said in my earlier remarks, what's unique about our conference is the broad-based excellence. We've got more Olympians, more gold medalists, more NCAA champions by far than any other conference. It's important to us.

The reason the network is mission based, we started it because it was important to this conference to have a platform to expose that that we excel at. So the value of that is really hard to quantify.

The feedback I get from our coaches, the impact on recruiting, the impact on exposure, the impact in terms of recruiting coaches is enormous. Harder to quantify in terms of revenue, but we measure success, certainly based on financial metrics. But the most important reason we start the network were non-financial.

The other aspect of your question is the strategic reason for starting the network, in addition to being mission driven, was to be future focused as well. That's why we placed such a premium on our ownership and control. The easier path would have been taking a partner at a media company that's got more leverage, could guarantee some revenue. But that comes with commitments of 25 years that they're going to be your partner.

On the heels of doing our Tier 1 deals with ESPN and FOX, strategically, we really liked the idea that we can own and control and have the flexibility when our

contracts come up to adapt to a rapidly changing environment.

So when we did that, we didn't know the market would change as rapidly as it is, but sitting here in 2018 with the emergence of Amazon, Facebook, Google, Twitter as legitimate platforms and potential purchasers of live sports rights, to see the increase in value in college sports, to see the consolidation happening in the industry where ESPN and Disney are going to have more resources to buy sports rights, that FOX is going to have more resources to buy sports rights, that Turner, now that it's owned by AT&T, is going to have more resources to buy sports rights, couldn't be more delighted than where we are strategically in the fact that we're the only conference in the country that, come 2024, is going to have all our rights back, complete control, and we'll be able to adapt, react, and take advantage of this new world media order that's coming in a way others can't.

Q. It seems pretty likely that sports betting, at least legalized sports betting, will be on the horizon here in the next couple years. In terms of the Pac-12, what sort of concerns do you and the conference have, and what have you talked about, I guess, up until this point?

COMMISSIONER LARRY SCOTT: Yeah. So we've got concerns going forward about kind of a state-by-state approach, and the proliferation of it. But we come at it from a perspective of having a lot of experience in this space. Sports betting has been legal in Las Vegas for some time. Kind of in our footprint. As was mentioned earlier, we have events there.

So we've had deep relationships for some time with consultants and other entities in Las Vegas that had a very serious interest and commitment to protecting the integrity of sports.

It's somewhat counterintuitive when I talk to people about this; that there would be entities around the gaming environment that would care about making sure the competition is on the up and up, but their survival is based on it.

So there is a great infrastructure and regulations around gaming in Nevada and a relationship we've been able to have with them to monitor any issues that are a potential concern that have given us confidence that we haven't had significant issues or problems.

Our concern going forward is really about the types of regulations, infrastructure, and commitment to integrity that other states might have, as states might adopt this, whether we can have the kinds of relationships with entities to know if there's some unusual action on a

game or some strange movement and timing around the game or reason to be concerned to conduct investigation, which we do from time to time.

That's why we are supportive of the NCAA's efforts with the NFL and others to advocate for national legislation restrictions and standards around this area. Because my first and foremost concern is protecting our student-athletes, those around our programs, and the integrity of the competition.

Q. I know a couple of universities, I think it's West Virginia and Marshall, have already negotiated an integrity fee to get some revenue from sports betting. Is that something as a conference or even as the individual schools in the conference you would be open to that sort of idea?

COMMISSIONER LARRY SCOTT: That's not our focus at the moment, and I don't think that should be the primary focus of our universities right now.

I think more important than what's happening with the proceeds from gambling is what entities are going to be set up to monitor who is betting, how much they're betting, when are they betting, and are there unusual -- there is a lot of sophisticated analytics around us, but who is monitoring it to keep track of and identifying and giving red flags if there's anything that we as a league or school should be concerned about.

So I think first and foremost, focusing on where the revenue's going is misalignment of where the priorities should be right now.

Q. I've got a question about the East Coast bias that we experience here on the West Coast and if you're doing anything with the scheduling to combat the East Coast bias with some of your higher profile teams?

COMMISSIONER LARRY SCOTT: Yeah, the way I look at it, I'm a New Yorker, come from the East Coast. I think I've got a pretty objective vantage point on it. The way I think about it is there is great structural advantages our Pac-12 schools have, and there is also instructive disadvantages Pac-12 schools have.

The advantages we have are amazing cities and markets that we're in, like where we're sitting right now in L.A. We have big media markets, big attraction. Great quality of life that attracts the best coaches in the country, attracts the best student-athletes. California is one of the three biggest recruiting hot beds, and the ability of our schools to kind of keep kids home and recruit in the backyard, big advantage of the culture, diversity, inclusion, a welcoming environment for all different types of student-athletes and coaches.

The balance, the academic excellence, athletic excellence, pedigree of our schools, these are all things that really help our schools compared to others.

Disadvantages that we've got are the media concentration on the East Coast and time zone differences. Those are things we can't really do much about. As we've analyzed when we played games, hot topic has been our game times. Is it to our advantage or disadvantage playing Thursday and Friday night games in football. We play football games on Saturdays at all times throughout the day. We've got games that sometimes start at eleven, some mid-afternoon, but we've got about a third of our games on Saturdays that are in the evening.

While it's counterintuitive to some that have a sense maybe we're getting less eyeballs when we play nighttime games, actually we and our media partners play in that window because our schools are able to get more revenue by playing this important portion of our Saturday games at night. And we're getting more eyeballs.

What we've found is that our games on ESPN, for example, that kick off after 7:00 p.m. have rated 15% higher than games that take place in the afternoon. Games on ESPN2 that kick off 7 p.m. or later, rating over 50% higher than games that kick off in the afternoon.

What's so counterintuitive about that is there are less people on the East Coast. There are more people watching TV in the evening on the West Coast than would be during the day. But on the East Coast, we lose viewers as the night gets on. But what ESPN, FOX, and others that do the research have showed us, is the market share that we've got is huge on a Saturday evening, because there are a lot of football fans that are staying up and watching Pac-12 football, as opposed to any given Saturday afternoon there might be eight or ten football games going on on eight or ten different channels, and we're competing. It's a bigger pool, but it's sliced and diced in a lot of different ways.

What we found is the numbers don't lie. What we found is our evening games get us more exposure than the live viewership of our afternoon games. So that's how we've worked to address some of that as best we can, by looking at how we can maximize our exposure, maximize our revenue working with broadcast partners, and trying to be creative and flexible about when we'll play.

Q. Thank you. Very thorough answer. I appreciate it.

COMMISSIONER LARRY SCOTT: I hope I answered

the question you were asking.

Q. It was long, but, thank you, it was good. After the death of the Washington State quarterback, what has been done, or is anything being implemented, for more mental health awareness, mental health education for the players and the faculty itself?

COMMISSIONER LARRY SCOTT: Yeah, the suicide of Tyler Hilinski was a tremendous tragedy that was very impactful, felt deeply, not just on the Washington State campus and their family, but certainly throughout our conference. The increasing awareness about mental health issues on our campuses broadly, and within the microcosm of student-athlete community is something that I've seen in my tenure here become of increasing importance over the years.

I'd say in the last five years in particular there's been this real serious concern about mental health issues. And I think a focus on a need for more resources to be directed to it; more awareness, and a cultural change to try to minimize any stigma associated with having mental health challenges and reaching out for help. Like a lot of things, kind of a multi-faceted issue.

I know our campuses take it very seriously. Our athletics departments take it very seriously. On almost every one of our campuses, there is greater investment in support resources, education awareness, and help from the upper campus on a local level.

At the Pac-12 Conference level there has been a significant investment in this area. In 2013, we started something called the Pac-12 student-athlete health and welfare board. We've got leading doctors from each of our 12 universities that represent some of the best university hospitals and medical infrastructures in the country. They're on a board. We commit \$3.6 million per year from the conference for that group to decide what are priority issues in terms of student-athlete health and welfare, and to give grants to address these things.

In the first few years, the focus was on head trauma, concussions. We launched some very impressive, longitudinal studies that never existed before contracting concussions. Lot of work going on head trauma, monitoring concussions, changing the culture around it, doing more research around it, and other types of injuries as well.

In the 12 months surrounding the Tyler Hilinski tragedy, some important initiatives coming from schools like Oregon State with their Dam Worth It campaign and others, we've decided to elevate mental health as a priority area for our student-athlete health and welfare

board. So significant investments from the \$3.6 million that we contribute annually will be dedicated to mental health awareness, education, and other research initiatives.

I'd say it's still early. The knowledge and the understanding of all the issues and the stressors and the markers that identify potential mental health and the changing of the culture is still evolving. But our conference is deeply committed to being at the forefront and providing leadership and supporting our schools in this effort.

Q. This week Jim Delany -- I'm getting back to the gambling issue. Jim Delany talked about the idea of a weekly injury report or awareness report or availability report he called it. Has there been any discussion of that in the Pac-12? Would you like to see it something that's standardized at least across the power conferences?

COMMISSIONER LARRY SCOTT: Yeah, we've had some initial discussion. I've had discussion with Jim and with other conference commissioners. We've started some conversation internally within our own conference. It's a complex issue, and one we're going to have to spend more time thinking about and studying.

But we don't default to injury reporting like the NFL does it as making sense, necessarily, for college sports. There are some fundamental differences. These are students living amongst other students. They're not living in a cocooned bubble the way professional athletes might. There are certain federal laws regarding privacy related to health issues, not just physical health issues, but the mental health issues that we just talked about.

And there's other campus policies, not just from their athletic department, but campus-wide policies informed by their medical leadership that impact ethically and otherwise what's appropriate to disclose about a student-athlete, and then there are policies of athletics departments.

So what we know is that we're committed to doing everything we can to protect the integrity of the competition. We know that education is an important part of that. Educating student-athletes, coaches about the sharing of information about availability or readiness, or there may be more people trying to capitalize on it from a gambling perspective. But we don't necessarily believe that mandatory injury disclosure is the right answer for college sports.

The last thing I'd add is that we have to think about this question beyond football. The opening up of gambling

state by state is not just a football issue. Football may be the most popular collegiate sport, but gambling potentially can be opened up across a whole array of sports, which has got a lot of consequence.

So we've got to think about policies that could apply across the 24 sports that we play, not just football.

Q. You talk about the revenue stream for the Pac-12 staying kind of stable through 2023-24 with no big changes. How does the Pac-12 stay competitive with conferences like the Big Ten where it's not stable and by next year it looks like they may be \$20 million per team to the good compared to the Pac-12 per team? By 2024 that you're talking about, maybe a billion and a half dollars more in the Big Ten than in the Pac-12 will take in. How does the Pac-12 stay competitive in that environment?

COMMISSIONER LARRY SCOTT: Well, we're incredibly competitive. I feel great about where we are from a competitive standpoint. You heard me mention earlier, we had more than twice the NCAA Championships of any other conference last year. For the last 13 years in a row, our conference wins more than any other conference across the board.

So we've had teams in the College Football Playoff, Final Four. By the metrics our schools look at, which is competitiveness, support for student-athletes, and ultimately excellence, our conference continues to be at the top of the pyramid from a winning and competitiveness standpoint.

So that's kind of one macro perspective, vis-à-vis money and its role contributing to that.

Obviously, money is not the only contributor of success, our conference has never had more money than some of the other leagues you mentioned. Going back 20, 30 years. Fortunately, our conference has a lot of baked-in advantages over other conferences -- the location of our schools, the academic reputation of our schools, being in access to California, some of the other things that I mentioned -- that allow us to achieve success well beyond if you're just looking at money, what that would indicate.

I think the other -- and I'm confident our schools have the resources they need to continue to win championships more than any other conference. I see no sign of it slowing down. I think the next highest conference won five championships this past year, and we had 12.

Let me comment on football and basketball. I know there are some fans that maybe don't care about

Oregon State winning the baseball College World Series or USC winning the women's track and field or how we do in softball. That's what our schools care about. But I understand fans and some in the media might only focus on football best.

So let's talk about football. Our schools have been able to invest \$1.5 billion in the last decade in facility improvements. Every single one of the 12 Pac-12 schools has had a major, major capital improvement to their football facilities. Whether it's their stadium, football performance center. That didn't just happen at the time we did our new TV deals.

Just this year alone, UCLA has the new Wasserman high-performance football training facility. Arizona State is going to enjoy a completely refurbished, new football stadium. USC is in the middle of what I think is about a \$300 million renovation of the L.A. Memorial Coliseum.

The investments that are being made by our schools in football facilities are tremendous. The investments that are being made in having the best coaches is tremendous.

You're all aware, we've got five new coaches in our league. Some of those coaching changes required a significant investment in terminating contracts and going out into the market and paying what it takes to recruit.

I think it's fair to say the Chip Kelly derby was one of the most watched national coaching searches. And Chip could have wound up in any league in the country if he wanted to. He wanted to be in the Pac-12, he wanted to be at UCLA, and they were able to pay competitively.

So there is no other example I can point to where in football or basketball our schools have not been able to invest what they wanted to or needed to to continue to excel at the highest level. So that gives me confidence.

Last thing I would say, because I think sometimes the narrative is -- or the focus is incomplete, at least the difference in how our schools look at it, when people talk about revenues, comparing conference revenues is important. What a conference generates is an important source of revenue for the schools, but it's not the most important source of revenue for the schools.

In the Pac-12, in the most recent filing -- I think "USA Today" does a great job of documenting this every year -- you would have seen for the 2016-2017 year Pac-12 schools about \$140 million in revenue, and Pac-12 schools at about \$80 million in revenue. There is a wide gap in the resources our individual schools have.

So I always find it somewhat incomplete when I hear someone asking a question comparing conference revenues, because the revenues generated by the conference of the schools is the smaller portion of the total revenue of the athletics department. The largest source of revenue for athletics departments comes from ticket sales, football ticket sales and football donations.

And our conference isn't unique in having that wide gap from 140 million, 80 million. Big 12, SEC, Big Ten, they have schools at about \$200 million in revenue, and they have schools under \$100 million in revenue. So this dynamic exists everywhere.

And the resources individual schools have has something to do, of course, with what conferences are generating. But it's actually got more to do with their ability to sell tickets and generate revenue off ticket sales.

So the difference within conferences often gets lost. So sorry for the long-winded answer, but there is a lot more context to the discussion that I usually hear when I get asked about it.

And there is a great forum to kind of add some further context, moreover to convey that money is important, and we stay laser focused on it. But it's certainly not the only ingredient to our success, and all the metrics we're looking at look very, very positive, and give me and my schools optimism about the future in all these sports.

Q. Last week at the ACC Media Day, North Carolina coach Larry Fedora seemed to indicate that he was not convinced on the connection between concussions and CTE. Does the Pac-12 ever have any intention of getting granular and monitoring coaches and how teams treat athletes with concussions and getting involved on a very specific level, monitoring the athletes and the coaches?

COMMISSIONER LARRY SCOTT: I think the short answer is yes. The area of head trauma, concussions, and the related issues is of great importance to our schools, to the league. It's an area of real concern. So we're addressing that on a bunch of different levels. Our schools do a lot on a local level to monitor our coaches.

We had a coaches meeting yesterday where we talked a lot about this. I leave that meeting feeling very comforted that the coaches around our league take this issue quite seriously. They see themselves as teachers. They see themselves as guardians. They

see themselves as stewards, and they want to do the right thing by the young men that are under their authority. And the Pac-12 has been a leader in looking at things like rules reform.

We were one of the first to limit the amount of contact in practice. There have recently been changes to move away from two-a-days. So I think we've been supportive and at the forefront of some of the national rule changes. There have obviously been significant changes to targeting rules and other rules that lead to concussion, and vis-à-vis football.

By the way, this isn't just an issue limited to football. I know you're aware the issue of concussions is serious across a lot of sports. But in football we are studying the incidents of concussions. That's where some of that \$3.6 million a year goes to with our student-athlete health and welfare group.

I think we're the only conference in the country that's launched this study and working with the NCAA to track every concussive incident and track it. We only have a few years under our belt. It's going to take some time to lead to some conclusive results, but that's underway and a significant investment around that.

And the idea of monitoring student-athletes. Schools monitor, the conference monitors, there is now communication that can happen with the sideline, if you see a student-athlete that doesn't look right.

So we are, I think, appropriately focused on the concern. I think there is a lot, however, that's taken place over the last few years, I think demonstrates a serious conviction at the national rules level and at our conference level in terms of investment and focus that shows the seriousness with which we treat the issue.