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An interview with:

BIG TEN CONFERENCE COMMISSIONER JIM DELANY

JIM DELANY: Good afternoon. It's nice to see everybody. A lot has transpired since we last spoke last year. Dave Parry has gone on to become the director of the NCAA officiating, Bill Carollo has taken on that role, and we look forward to working with him.

BCS changes and controversy continue. ESPN and ABC started with the BCS a number of years ago. Fox successfully wrestled that property away, and ESPN has successfully regained control of that going forward. Bowl negotiations are ongoing. The Congressional hearings, there were two of them this spring, which really occasioned our institutions. We were asked to look at the Mountain West proposal, and so all of our groups did, and essentially reaffirmed their support for the BCS. That's presidents and athletic directors and coaches and faculty. Not unanimously, but the really strong majority in each group.

So not only have the conferences signed off on the BCS agreement, but as a result of the Mountain West proposal which we were asked to review and study internally, we did, and I think it was a good opportunity to review where we've been and where we may be going.

The other thing that's interesting, the litigation in and around intercollegiate athletics continues to turn heads, whether it's the NCAA and the pro leagues challenging Delaware and its desire to promote sports gambling, or whether it's the most recent lawsuit filed against the NCAA on images and likeness of players, which continues to be a high level of litigation in and around college sports.

I think the positive development is not only did the BCS grow in value, but I think the SEC rights deal and other rights deals that are coming

forward in the coming years indicate the growing value of college sports, even in times where there's a good bit of economic turmoil, college sports continues to grow in value.

It's been our position for a long time that college sports were undervalued, and it's good to see competition, whether the competition comes from the Big Ten Network or comes from ESPN vis-à-vis Fox with regard to the BCS, or whether it comes because aspirant cities and aspirant bowls want to improve their lineup or improve the teams playing in their communities.

It's apparent that there's continuing growth, especially in and around college football. Not to go too long on about it, but it seems to me that the regular season in college football over the last 15 years has grown. If you look at the growth curves on attendance around the conferences who haven't changed their membership, whether it's the Pac-10, the SEC, or the Big Ten, you see that curved line on the graph going in the right direction.

It's a little harder to track those conferences that have changed a good bit, but they're also continuing to grow. And it seems to me with ABC, NBC, CBS, the Fox regionals, Big Ten Network, and a number of other outlets continuing to cover more and more and more college football games, at the same time the attendance at those games continues to grow. It's apparent to me that these games and these competitions and rivalries continue to grow in value, and that's good for the college community since college football is such an integral part of funding and supporting the programs.

With regard to the '09 season, I'm really looking forward to it. We've got some great players coming back. We've got 26 first- or second- team All-Conference players. We've got 10 of the 11 institutions returning more than half of their starters. We've got some outstanding play at quarterback, and it's just obvious to me as time goes on that it's very difficult to be an elite team without great quarterback play. I think with some of the players we have coming back leading teams



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at that position who should assist and help us.

As far as Bowl opportunities are concerned, our athletic directors and other administrators have been meeting today and will meet tomorrow with a number of bowls from around the country. We have a great group of incumbents, and as I mentioned earlier, there's a lot of interest in our teams in terms of playing in bowls around the country.

The attendance continues to be strong. We went over 5 million for the fourth year in a row last year, and we look forward to continuing to grow the attendance. And really, the early signs on renewals that I've heard about anecdotally are quite good. I think Major League Baseball is down maybe 4 or 5 percent, and I know that people that are opening up new stadiums in some of the major media markets were struggling a bit. But the anecdotal information we're getting back with regard to season renewals has been quite positive given the discussion about what it could have been.

With regard to the BCS, it appears that there is going to be a contract. All conferences have signed off on that. We're in the last year of the cycle with Fox and ESPN. Pasadena will be an interesting place hosting the Rose Bowl as well as the BCS National Championship Game, and then we'll enter into the new cycle. ESPN will telecast all BCS games going forward. I think that will be great. They're a great company. They're the worldwide leader for a reason.

And so it looks like, at least through 2014, the BCS will continue to hold its position, like I said earlier. It continues to be controversial, but there's no question that it's also very successful.

It as a five-game package has out-rated the World Series, the NBA Finals, and the Final Four. So only the Super Bowl and the AFC and NFC Championship games have produced higher ratings over time. You know, it was great to see ESPN be so interested and successfully gain control of those rights.

I would just say that the regular season continues to prosper. It's great to be part of that, and I'm looking forward to this being a great season.

With regard to media news, I think Mark laid out fairly well the growths of the Big Ten Network. We're fortunate that we can have agreements with CBS in basketball and ESPN and ABC, the worldwide leader in football. Both ESPN and ABC deliver their games to over 100 million

American homes, and we have about 40 or 41 games each year on those two networks.

So that's pretty spectacular. For years our ABC arrangement was a regional arrangement with an occasional national game. But as you know, for the last two years the games, when they appear regionally on ABC, are also telecast nationally in the outer markets by either ESPN or ESPN2. So those are purely national games, as well as all the ESPN and ESPN2 games.

In our other agreement, former agreement with ESPN, we had great syndication deals and games on ESPN 360 and a variety of other less well-distributed networks, and there came a time and a place for us to try to determine what was the appropriate way for us to go forward.

So you know, we explored the risks and the rewards associated with being involved with an owned network. We spent a couple years thinking about it and exploring it, and we announced in June of '06 that that's what we wanted to do, and we launched in '07 with about 15 million homes. It grew to 30, and as all of you know, we struggled with distribution in year one, and then finally last summer we were able to achieve agreements with the major cable companies, major national cable companies.

So that's all to the good. I would say the thing that made a lot of weight possible was the high quality of the pictures, of the people who did receive it early on. They never complained, always loved the HD. So I think the content has been good, it's been compelling.

So as far as year two, their ability, the network's ability to grow this network into making it available to 73 million American homes, the international aspect to it, and then the depth and breadth of coverage as an example.

In our syndicated deals earlier, we would get three hours in a well-syndicated package, and then for the other 21 hours that network would go away.

This is a network that went on in August of '07 and will go off in August of 2032. It allows us to do things in the sport of football, as an example, that are so broad and deep in their reach to really -- it really challenges the imagination, the creative production.

But we had over 3,450 hours of football content in this past year from coaches shows to studio shows to Friday Night Tailgates, to pre- and post-game, as well as replays from this year as

well as archival material. So that is an opportunity that can only be afforded by a known network.

The licensing to ABC and ESPN is a great thing. I wouldn't want to go forward without the worldwide leader. But it's also true that Fox, as a joint venture partner on the Big Ten Network, has been an unbelievable proponent, an unbelievable advocate for this network in every way, shape and form from the funding to the distribution and the risk that we took when we launched it. I think we're just now at the very beginning of enjoying some of the rewards.

All media companies pay rights fees. ESPN pays them to the ACC and to the Pac-10 and to the SEC, and they pay them, as well, to us. But at a known network you have three elements of value. You have rights fees, you have dividends or profit shares as the company becomes more and more profitable. And as you know, we turned a profit in year two. And then also in asset value. And Kagan, which is an industry analyst, has valued this network going forward at close to \$2 billion.

So we have a significant interest in that as well as the revenue stream as well as the rights fees. So it's very difficult to compare deals. I am happy as a commissioner of a college sports conference to see the ACC do well and the Big East do well and the Pac-10 and the SEC do well. If we don't all do well and if the media market doesn't continue to grow and if people don't come to our games, we are not going to be able to afford the broad-based opportunities, because we have two sports, men's basketball and football, that support a broader array of offerings.

I know, for example, this year our scholarship costs are above \$10.5 million and we have 8,500 athletes. Those are great opportunities, but they're only possible for our conference and others when we're as successful as we've been in marketing men's basketball and football.

So we feel great about what others have accomplished. We feel very good about what we've accomplished. Let me stop there. I'm sure you probably have some questions about the season or the BCS or the networks. Thank you.

Q. Earlier today we heard Coach Brewster of the University of Minnesota pretty emphatically declare his support for expanding the Big Ten to a 12th team, dividing it into two divisions and adding a championship game. How does it make you feel when you hear a

coach in your conference say that? And what is your position on expansion moving forward?

JIM DELANY: I had a good meeting with our football coaches last spring, and, you know, I think as a group they are very open to expansion. Ultimately the decisions are made by the presidents with the advice of athletic directors and faculty. But that's an important issue, and you would never want to do it over the objections from a group as important as our football coaches or our basketball coaches.

Any kind of expansion always has profound effect on competitive structures and who you play and where you play and when you play. Ultimately it's always been a presidential decision. It always will be. Certainly if they decided at a certain point in time that expansion was appropriate with another institution if the fit was right, it's good to know that we would have Coach Brewster and the other coaches' support.

Q. You said that the league reviewed the Mountain West proposal for a playoff and it was rejected, at least through a super majority within the league. Were there some parts of that proposal that were better received than others, and can you say what those were?

JIM DELANY: I would say that there were certain parts maybe that had a little bit more -- I don't know, had a little bit more support. Clearly the idea of a playoff in any form or shape is not something that is very welcome in the Big Ten Conference. We feel like maybe in the governance area maybe we're not hearing everything we need to hear from all the parties. So perhaps there could be broader governance of the group.

I probably haven't mentioned this before, but you've probably read the fine print around the BCS going forward. There will be a little bit more access for what some people -- the non-automatic qualifying BCS conferences. Some people call them coalitions, some people call them non-automatic qualifiers.

But under certain circumstances, they can play their way into the Rose Bowl, which hasn't been true in the past. It would take two variables to come together simultaneously. But if there were a Big Ten or a Pac-10 team that advanced to the championship game, and if in that year a coalition team was also eligible, on one occasion in the four-year period a coalition team could go to the Rose Bowl.

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So that's additional access. The standards have, I think, been lightened to access the BCS. There's been close to \$100 million of revenue that has been distributed to those conferences and really greater access to the major Bowls.

I think on the governance side that's something we could look at. I think on the aspects that relate to playoff, there's really not any support.

Q. Your non-BCS bowls, are they all coming due now, and do you anticipate some changes in those bowl games?

JIM DELANY: There's one that is not really coming due. We have an eight-year agreement with the Insight Bowl, but the Insight is aspirational. They would like to improve their circumstance but stay in alignment with the Big Ten.

We've got some games that we've been -- some cities we've been involved with for pretty close to 20 years, and others have been for shorter durations. They've all been successful in one form or fashion, and that's why they continue to grow in value in a lot of ways.

But there are probably three or four bowls that have visited with us that would like to break into the alignment and would like to -- and there are many within the alignment that would like to move up. So there is a good bit of competition, and we'll have to kind of figure out what was said today and what will be said tomorrow and determine where we go from there.

But there are a number of cities that are interested.

Q. Is the prospect of playing a ninth conference game still alive, and what's the process now?

JIM DELANY: Yeah, that's an issue that I would describe as alive, but it's not one that I can report that there's a clear majority. But there is a clear majority that has been willing to discuss it.

The issue that it revolves around is the five -- I think one problem is the five-four mix, the five home games, four away. For some institutions like Iowa with Iowa State and then Michigan, Michigan State and Purdue with Notre Dame and a couple of other cases where you have a long-standing home and away rivalry, those would have to be sequenced.

I think the other really -- honestly really think about the impact of the six and six rules, because the 12th game, probably too often, has gone to an opponent that is a home game and one

that you have a really good chance of winning against to be honest about it. A lot of the programs that do that are trying to get to bowl eligibility, and I understand that.

But I'm starting to think in my own mind -- and I haven't concluded one way or the other -- but I'm starting to think in my own mind that while six and six and going to a bowl is a good thing for some programs at some times, in other cases it's really not a welcome development at all because it's not what the school's aspirations are. It sort of bogs down the idea that when they have a great season, people might be bowl fatigued because they went in a year when they didn't have a winning season.

So for every good news story for somebody who hasn't been to a bowl in a while, there are also 6-6 bowl teams which I think maybe aren't good for that school and good for the system. It's just something that we're going to continue to discuss.

Unfortunately as you discuss these things, if you don't get firm majorities to change, it's pretty easy to put them off to the side for a while because it's not like basketball where you're dealing with 10 or 11 nonconference games. You're dealing with four, and you know, you can't change -- I guess the scheduling freighter or ocean liner that exists in football is much harder to turn, and it takes a little more time to turn it than it does in basketball.

If we were to go from 11 nonconference basketball games to nine, it wouldn't be that hard to do, or from nine to 11. But in football, because of the scheduling and the impact of a home gate, and some of the home gates in our conference are worth \$3 million or \$4 million and it has a dramatic effect. By losing a home gate and going from eight to nine games, you actually lose four home gates in an eight-year period. So that's \$12 million of revenue if you're averaging \$3 million a game. If you're averaging \$5 million it's \$20 million of revenue.

So it has a profound effect on budgeting, and you've got to figure out exactly how you're going to manage that.

Q. With an extra year to sort of reflect on everything, did the extra attention paid to Terrelle Pryor's recruitment, do you think that had a positive development for the conference? Did it increase the Big Ten's profile in any way do you think?



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JIM DELANY: Well, he's a great player, a great athlete. He was one of the top recruits, if not the top recruit, of the year listed by the people who evaluate that kind of thing. I don't really think that one player, even one team in one year, changes a lot. I guess if you go out and win a National Championship it does.

But he's a great player and highly recruited, and for him to be in the Big Ten is a great statement for Ohio State and for the Big Ten and he's really one of the more talented athletes I've ever seen at that position and certainly in the Big Ten.

Q. Another question about expansion. What are your thoughts about adding a 12th team in light of the fact that the teams that have championship games, championship playoffs, get all the publicity after Thanksgiving and the Big Ten kind of just doesn't get it?

JIM DELANY: I would say that there is a lull there, and I think it was just like when we didn't have a men's basketball tournament and others did. While we did have regular season play, the attention was on the Big East or the ACC. I get that. I understand that. And certainly if you went with expansion and you had two divisions and a championship game, you would fill that vacuum in a marketing, in a public affairs way.

But the reality is you would not expand just so you could fill that vacuum. That would be a positive that would be associated with expansion if you felt expansion on its own merits was the right thing to do. But I wouldn't think that you would expand unless you had a whole other series of reasons to do so. I understand that we're out of the mainstream for that week to ten days, and I don't think it's good. But I don't think it by itself is the reason why you would go forward.

Q. A number of prominent Division I teams have had to cut scholarship programs and even some teams have stopped printing media guides to save money. Does that place even further burden on football to be the cash cow?

JIM DELANY: Yeah, I don't see losing programs. I mean, we've added 2,000 opportunities in 24 years. We were at about 6,400 20 years ago. We're at about 8,600 now. We've lost a couple of programs. Wisconsin lost its baseball program, and maybe there's another program or two. But for the most part, our gains

have all been on the side of equity and providing opportunities for women.

To the extent we make changes in the funding model, I think our efforts will be to take out costs that aren't really relevant to being competitive and providing opportunities. I mean, with everything that's online, I think the idea that the ACC and the Big Ten had on media guides makes quite a bit of sense.

I think some of the costs were as much as a couple hundred -- \$250,000. So before we saw a scholarship lost or a team lost, it seems to me those kinds of changes with all the digital media and online media that's out there, when you times it by 11, you're talking two and a half, \$3 million that those are the kinds of costs you want to get control over.

I don't see in the short-term any kind of a threat to opportunities and to teams. I'm assuming that the economy will turn around, that we'll come back to a more sense of normalcy, and that we'll be able to see growth in the economy just generally speaking, and that we would then be able to maintain what we have.

I don't think we'll grow what we have. I don't think we'll see another 2,000 opportunities created over the next 20 years. But I do think that we have a good shot at maintaining what we have as long as we have a product which is appealing, and right now certainly we do.

Q. When you mentioned the expansion of the ability for some non-BCS teams to get into the Rose Bowl, I think of -- it seemed like a couple years ago you were touting the fact that it was going to be easier for Big Ten teams to get into the Rose Bowl even when you played up. I'm wondering if you see that as a negative for the Big Ten and kind of why that change was made.

JIM DELANY: There was pressure on us to make that change, to be honest with you. I think that the Sugar Bowl has had a couple of coalition teams, and I think the Fiesta Bowl has had one. So I think there was -- we were very -- we believed very strongly that the Big Ten and Pac-10 champions should always be in the Rose Bowl if they're not playing for the championship.

And there is the opportunity under certain circumstances to play up as Illinois did, and maybe even the Pac-10, I think. Did Washington State play up once when SC went to the championship

game? I think they may have.

Anyway, that opportunity is still there, but I think there was a desire by others to see us share that, whatever that is, if you consider it an issue. We agreed to share it for the next four years. It's only a one-time occurrence. It could happen to the Big Ten; it could happen to the Pac-10. But it only happens if we have a team move up and they have an eligible team.

Q. A question regarding the coaches' ranking polls. I think the coaches have said that they would like the final regular season poll to be private after this year. Do you have an opinion as to whether it should stay public?

JIM DELANY: I do have an opinion. I think it should be transparent. I think it should be -- I think if you vote on it-- I understand the arguments about not having it be transparent, but I think it should be transparent. I think it's important that it be transparent.

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