



MEDIA ADVISORY



APRIL 15, 1998

**MEDIA ADVISORY
NHL COMMISSIONER BETTMAN ADDRESSES FUTURE OF HOCKEY IN CANADA
TO CANADIAN CLUB OF TORONTO**

TORONTO (Apr. 15, 1998) – National Hockey League Commissioner Gary Bettman today addressed the Canadian Club of Toronto on the future of hockey in Canada.

Mr. Bettman's address prefaces a presentation to the Canadian Federal Government's Parliamentary Sub-Committee on Sports by the NHL and the six Canadian teams on April 28 in Ottawa. The Canadian Government has appointed the Sub-Committee to study the business of sports in Canada both at the professional and amateur level.

A complete copy of Mr. Bettman's address is attached.

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Thank you all, very much. Thank you, Nalini, for your introduction, and for becoming a fan of our game. I can't give you a prediction on the Leafs. I'll leave that to Ken Dryden for the playoffs or the Stanley Cup and beyond. That's the beauty of sport. Each year we keep coming back for more because you never know how it's going to turn out and what's going to happen. Each year hope springs eternal, so begin hoping. I would like to thank the Canadian Club of Toronto for the invitation to be here today. I'd also like to thank Isabel Bassett, past president of the Canadian Club of Toronto and the Ontario Minister of Citizenship and Culture, for your interest, thank you. I'd also like to thank the Honorable Ernie Eves, Deputy Premier of Ontario. Thank you all for coming, especially members of the media and some of the NHL's marketing partners who are here today for taking time out of your busy schedule. I'd also like to thank Reverend Bassett for your warm, gracious, and inspirational invocation.

One week from today, 16 teams will begin competition in the Stanley Cup playoffs. That competition may take as long as two months, and it will electrify and entertain millions of people. The 16 teams competing will be going for that, the trophy you see sitting here today, the Stanley Cup, which is the toughest trophy to win in all of sports.

A little bit of history. As I think many of you know. In 1892, Lord Stanley of Preston first put forth the idea of a challenge cup to determine the champion hockey team in the Dominion of Canada. No one could have predicted how the sport of hockey would grow across Canada and around the world, and no one could possibly have known how Lord Stanley's gift would come to symbolize Canada's gift to the world, and that is the great sport of hockey. As a hockey fan, I can only marvel at Lord Stanley's vision for the game and for the trophy, and I'm also thankful that I get the opportunity to present it each year.

When the Stanley Cup was first awarded to the Montreal Athletic Association in 1893, 105 years ago, it was a silver bowl, valued at \$48.67 Canadian, although the dollar may have been worth more then. That bowl now resides permanently in the Hockey Hall of Fame just down the street. That cup and its successor, which is on display before you today, has been the object of competition for thousands of players for the right to be called the champion hockey team. Although the Stanley Cup was once a competition that determined the champion of Canada, I think it's fair to say now that the Stanley Cup determines the champion of the hockey world.

It's very special. There's no doubt about it. This Stanley Cup and the sport that it represents we believe, I believe, is the most special in all of sports, and I think that no sport so symbolizes one country as hockey symbolizes Canada.

I've always understood what this game means, our game means, in Canada. But with each passing day, it never ceases to amaze and astonish me about how truly special this game is and how it renews itself day by day.

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So I am delighted to have this opportunity to talk to the Canadian Club of Toronto, and to this audience, about a subject that is dear to all of our hearts, and that is the future of hockey in Canada.

I'm here to tell you what I have repeatedly said for more than five years. I firmly believe that the future of hockey in Canada is strong, and it is vital. But that future does not mean that we can take our sport for granted. It must be cared for, it must be culled, and its problems must be addressed. We cannot allow, I will not allow, Canada's gift to the world to diminish right here in its home country. We must work to strengthen the game from its smallest grassroots to its mightiest franchises.

Given today's opportunity to be here with you, I wanted to spend some time discussing the economic, the social and cultural contribution of professional hockey to Canada.

Accepting that the game needs our ongoing attention and that we all deeply care about the game, I want you to know that we at the league level will work tirelessly to assure that the game remains strong and grows. We may need some help along the way, and I'll talk about that. But we are committed at the league, and I speak for all of our teams, both north and south of the border, to maintaining and growing the game in the country that gave birth to it.

Hockey is undeniably Canada's game.

Hockey in Canada is family life, school life, community life. At the Hall of Fame, there's a popular display honoring the families who wake up before dawn to make sure their children get to the rink on time. There's another display showing a family sitting together in front of a first generation television set watching Hockey Night in Canada.

I think those two displays speak strongly to one of the special parts of our game: families and tradition and the tradition being passed on from generation to generation. Our game is also about teamwork, whether it's mom and dad working to get the kids to the rink or Sanderson passing to Orr to win the Stanley Cup or Gretzky connecting with Lemieux to win a Canada Cup. This game demands teamwork.

As I'll talk about in a couple of minutes, to keep our game strong, it's going to demand another type of teamwork, that's between our communities and our franchises if we're going to keep this game healthy.

Talking about teamwork, I want to digress for a second. I want to take a moment to recognize two people who are here today who all of you I know are familiar with. Bobby Baun, Red Kelly, two of the greatest players in Toronto Maple Leafs' history, NHL history. When these guys played, the Leafs were in the playoffs.

Hockey is part of the folklore of this country. When Howie Morenz died, the fans lined the streets of Montreal to pay their respects. When Rocket Richard was suspended late in the '55 season, the fans showed their displeasure. Fans do that to commissioners a lot, with the decision in no uncertain terms. Bobby Baun's game-winning goal for the Leafs in the 1964 Stanley Cup while skating on a broken ankle has become a definition of courage. All Canadians above a certain age can tell you where they were when Paul Henderson scored the goal.

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But to make sure there are new memories for future generations to cherish, we must attend to business now. We have, as you all know, six NHL teams in Canada. I'm sure you don't need to be reminded that three years ago, the number was eight. For the Montreal Canadiens, the Ottawa Senators, the Toronto Maple Leafs, the Calgary Flames and the Edmonton Oilers and Vancouver Canucks to thrive as we head into the next century, we do have some work to do.

Many ask the question, I get it all the time, With player salaries rising, how can these Canadian teams compete with their American counterparts? I do not believe that salaries are the key issues in our Canadian teams' future. Three and a half years ago, we forged a Collective Bargaining Agreement with the Players Association that we believed at the time, and we still believe, will allow our teams to budget, draw lines as to what salaries they're prepared to pay, and then run a successful business. The teams have the tools, and some of them, but not all of them, are using them effectively.

Player salaries are rising, as they are in all sports. And if over time this Collective Bargaining Agreement doesn't work, then we'll get a new one, and we'll do what it takes to make sure we have one that works. But I believe over time this one will work.

And just keep in mind that salary doesn't equal team performance. Two of the highest payroll teams in the league this year are not going to be in the playoffs.

Well-run teams. One run by people like Ken Dryden are teams that build it right, grow it right, and do it the right way. So player salaries are not the key element in the health of the Canadian teams.

Sure, there's an issue of the Canadian dollar versus the US dollar, but our Canadian clubs will tell you that we are dealing with that issue in significant measure with the Currency Assistance Plan that we passed a few years ago.

Rather, there are, I believe, more difficult and more pressing issues of building control, taxation, community involvement, and infrastructure support that are more threatening to the health of the Canadian franchises in hockey than escalating salaries.

For example, we took strong notice recently of a study that showed that the number of young people participating in the sport of hockey in Canada has fallen to be the second most popular sport in the country behind soccer. The younger you are, the more likely you are to play hockey, but the study showed that the numbers dwindled as participants neared their teenage years. We must work hard to reverse that trend. And how will we do that? We need to make sure that there are adequate opportunities for children to skate and to have fun playing hockey. We need to maintain our support for youth hockey programs and encourage others to do the same. We need to teach the teachers to ensure that the coaches and the officials working in youth programs nurture the love of the game on and off the ice. We need to keep the game as available as possible on television and in person to the greatest number of people.

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All of the research that we do shows that young people are fans of hockey and will participate in hockey, at numbers that will equal or surpass all of the other sports, if the NHL game is available to them in some meaningful form.

We also need to do more from a league standpoint. We are deeply involved in grassroots programs.

Three years ago, as I said, the NHL Board of Governors voted unanimously to establish the Currency Assistance Plan to help several of our Canadian franchises deal with the disparity between the US and Canadian dollar.

We have recently signed new broadcast contracts with the CBC and CTV Sports Net, and have restructured our teams' television rights in Canada so that they will have stronger revenue streams and greater opportunities to benefit from the regional sports network phenomena that has helped the American NHL clubs.

We have built and strengthened the business of hockey in the United States, adding network broadcast deal where there wasn't one before, and building sponsor support for the game. Please remember that league-wide broadcast and sponsorship commitments, often from the United States, benefits all of our teams, and the income goes in US dollars to be converted directly to the bottom line.

It is generally accepted among the media, those in this room today and others who follow the sport a little less avidly, that hockey players are the best to deal with, the easiest to approach, and the most available. It's up to us to maintain this position and assure that our players are always seen as who they are: good, hard-working guys, role models for kids. We are committed to that.

But we have exceptional challenges as well. Despite hockey's importance to Canada, and despite the significant economic contributions made by professional and minor league hockey to Canadian cities, franchises face some difficult realities. There is no doubt that all NHL teams face similar challenges of building and maintaining a fan base, entertaining fans, developing grassroots programs, becoming a strong and important marketing vehicle.

These are the same issues that all franchises in all sports face. But Canadian teams do have specific problems, and I'd like to cite two recent news articles to talk about them.

In his column of March 31st, 1998, Jeffrey Simpson of the Globe and Mail contrasted the enormous support given by American cities for infrastructure for their professional sports teams with that in Canada, where sports entrepreneurs are expected to go it alone or at least with as little public financial and infrastructure support.

In short, in Canada, for the most part, arenas are built with private money, and in the United States, the vast bulk of the arenas are heavily subsidized if not outright built by the local communities.

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In a report in Quebec City's *Le Soleil* on April 3rd, it was noted that the Canadian franchises also face higher operating costs. Jean Beliveau said that he feared in the article for the future of Canadian teams because, as we discussed, their fiscal year begins at a 40 percent disadvantage in operating costs, primarily on salaries, but also with respect to travel and other costs which have to be paid in US dollars.

Interestingly, I've heard Prime Minister Chretien on at least two occasions say that a weak dollar is good for the Canadian economy. I understand it, I agree with it, but it does make it tough on the Canadian teams. While Canadian export industries thrive, Canada's NHL teams seeking to be competitive, not just survive, seeking to be competitive, are handicapped. We as a league have begun to address that with the Assistance Program, but it's not the only issue.

As Beliveau also noted on April 3rd, the Montreal Canadiens pay \$10 million in municipal taxes on the new Molson Center. The Ottawa Senators pay \$3 million. As an aside, the \$3 million that the Senators pay is more than all 20 US-based teams paid combined.

Beliveau also pointed out that while every Canadian team pays the municipal taxes, most US teams don't.

I've given you the parameters which I think are rather stunning in terms of the contrast. What we have is a marketplace in North America for professional sports teams, not just a phenomena for hockey. You see it in football, you see it in baseball, you see it in basketball. Cities are bidding to try and get franchises away. They're willing to build buildings, they're willing to give subsidies, they're willing to not tax because they understand that there is an economic and an intangible value to having professional sports teams in your cities, particularly if you don't have them.

What we've seen in a couple of instances, I'll use Montreal and Ottawa as the two examples, are instances where there have been substantial private investment, over \$230 million in Montreal for the new Molson Center, I believe the biggest construction project in the last decade in downtown Montreal, a boon we believe to the City of Montreal.

In addition to the fact that they paid \$10 million a year in taxes, which is unheard of in virtually every other place, while they were building the building, I am told, the parking meter division was billing the Molson Centre for the lost revenues for the parking meters while there was construction going on.

If it weren't so serious, it could almost be humorous because you can't lose sight of the big picture, namely these teams, in addition to what they may mean from a cultural standpoint, also represent economic vibrancy in the countries that they're in. It happened in Ottawa, the Senators built the Corel Centre, at considerable private expense. There was a little bit of infrastructure support, but when it came down to the final analysis, the highway exit ramp for \$22 million had to be privately funded. I'm not sure that I could or anyone could point to too many other instances where road construction had to be imposed upon the builder of a privately funded arena.

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Under the circumstances, such as the ones I've just described, Canadian teams start the season, start each year, at a disadvantage to their counterparts in the United States.

The teams can survive. They will survive. But I, like you, don't want them to merely survive; I want them to be competitive. And there are good reasons to make sure that our Canadian teams are competitive and can thrive.

Our six Canadian NHL teams are vital businesses that are run in six major Canadian cities, and they're important to each city, far broader than rooting for the athletes who take the ice.

During the recent winter break for the Olympics, the Stanley Cup made a charity tour of 29 cities. In one day, in Toronto alone, the cup raised over \$100 thousand for Maple Leaf charities. The total raised across North America was more than \$2 million. This is only a small example of what a difference the game and the Cup can make. One of our players, Alexei Yashin of the Senators, recently made a contribution to the National Arts Center of Canada totaling over a million dollars over five years, the most generous gift the NAC has received in over five years.

Calgary Flames Foundation supports literacy programs, sports drives, wheelchair hockey and other charities. The Edmonton Oilers support a scholarship program for university students, the Kidney Foundation, the Canadian Cancer Society. The Montreal Canadiens help fund Big Brothers and Big Sisters, the United Way, Children's Hospital. The Ottawa Senators support children's hospitals in eastern Ontario, local school programs, Ronald McDonald House. The Toronto Maple Leafs support the Hospital for Sick Children, Easter Seals, and the Ontario Special Olympics. Vancouver Canucks help fund Canuck Place, Ronald McDonald House and the Canuck Cares for Kids telethon.

I give you those as examples. They're not one-shot deals. These aren't occasional efforts. They are a vital part of the day-to-day operations of our clubs and why our clubs are vital in their communities.

We also support as a league our annual television awards show here in Toronto, and we support the Canadian Diabetes Association trying to find a cure for juvenile diabetes. There's more. Throughout Canada, one of the most important parts of life in many of the smaller cities, is the Quebec Major Junior League, the Ontario Hockey League, Western Hockey League, comprising the Canadian Hockey League, hockey at all organized levels is a vital part of what goes on in their communities, and we understand and we know we have a responsibility because it all flows from the top.

We provide over \$4 million each year to assure the viability of these leagues and to ensure the continued growth of the game.

The Canadian Hockey Association has developed Centers of Excellence across Canada, dedicated to teaching and development of the game, and the NHL has contributed considerable sums, as have our teams, to the growth of these centers. NHL

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clubs have also provided some \$15 million to support, build and grow the Hockey Hall of Fame right down the street. But there's more.

The six Canadian NHL teams employ almost 12,000 people, including 8700 in direct full-time jobs. The direct payroll alone is over \$300 million. Add to that the hundreds of restaurants, hotels, and small businesses that depend on NHL hockey for a good portion of their business, and it is clear that our Canadian teams generate huge economic benefits for their local communities.

In the last few weeks, we have worked very hard on the future of the Oilers in Edmonton. Here is a team that is rich, if not long, in history in the NHL, five Stanley Cups and the development of the man voted greatest player in the history of game, Wayne Gretzky.

Fortunately, and I believe in large recognition of the factors I just alluded to, local investors have come forward to address the future of this franchise. We couldn't be happier, and I couldn't be more optimistic, because the NHL's health in Canada is vital to its health, period.

I am optimistic about the Oilers' future because I believe with the local commitment, with the local partnership, with the outstanding management they have, they can make it work.

Every Canadian hockey fan, meaning the vast majority of Canadians, wants and expects hockey to flourish in Canada. It is difficult to believe that the NHL can be strong, let alone flourish, without healthy Canadian teams in the NHL, the minor professional leagues, and the CHL.

60 percent of our players come from Canada. We would be silly as a league to have any other view of the game. The NHL is absolutely committed to Canada, and to continuing to grow. All of the owners in the NHL, both in the United States and Canada, realize how important it is for the NHL and for hockey to be strong and healthy and thriving right here.

The NHL together with our six Canadian teams will be making a presentation on April 28th. In that presentation, we have to outline the contributions that we believe NHL hockey makes to Canada and we'll talk in detail about the challenges facing our game, going forward, how we have to meet those challenges.

We look forward as a league, and I know the six franchises look forward to discussing the future of the game with the parliamentary committee. We hope that in doing so, we will encourage Canadians to acknowledge the contribution of NHL teams across Canada and to reflect on the future of professional hockey in Canada. The commitment of the NHL does not and cannot take Canadian hockey for granted. We simply will not.

Over the next eight weeks, I will have the honor and pleasure of attending many Stanley Cup playoff games. It is one of the perks of the job. I am often asked what is the

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best part of being commissioner? And the answer is in an easy one, it's presenting that each year to the winning team.

The first time I did it was in '93, to Guy Carbonneau, on the ice of the Montreal Forum. If that wasn't the thrill of a life, I don't know what is. The most recent presentation was last June at Joe Louis Arena where I gave the cup to Steve Yzerman of the Detroit Red Wings, grew up in Vancouver and Ontario, represented his country and his team and his sport for so long.

I have a bit of an edge on Lord Stanley. Some of you may not know this, but Lord Stanley never got to see a Stanley Cup game as he returned to England before the first cup was awarded. He never knew what he missed.

I never want to be in a position to have to look back and say we missed an opportunity to keep our game strong and vital in Canada. I assure you of our diligence in that regard. Thank you for attending today. Thank you for listening. I'll be happy to take questions.

Q. What other obstacles do you see from a Canadian perspective other than escalation of the players' salaries that the NHL will have to deal with over the next few years to make the league viable from a Canadian perspective?

COMMISSIONER BETTMAN: As I said, we believe that the league, and we believe the six Canadian franchises are viable. What we want to do is see them be as competitive as possible, because that will make the game as strong as possible and will create the most interest.

As I alluded to in the speech, our clubs start, our Canadian clubs start at a distinct disadvantage by virtue of the taxes, infrastructure limitations that are imposed upon them.

For example, most of our US teams are either in free or heavily subsidized buildings, most of our US teams don't pay taxes. Our Canadian teams, as I said the Ottawa Senators, which pay a third of what the Montreal Canadiens pay in taxes on their building, pay more than the 20 US teams. Coupled with the currency differential, and the currency differential is good for the economy in Canada, there's no question about that, it helps keep employment strong, it's good for exports, but it does put this industry, one that has 12,000 jobs, one that goes across the country, at a distinct disadvantage. I think we need to be looking at ways to making sure that this industry is being treated fairly.

A lot is being done in other industries to attract business up here, to make sure that the value of an industry is being recognized. I think we need to look at whether or not that is applicable here. I mean, you can even look at something as simple as the lotteries. Tens of millions if not hundreds of millions of dollars have been generated off the results of our games. That's great. I'm not a big fan of sports betting obviously. There's nothing apparently we can do about it legally.

The fact is, why, if the teams are doing so much good, are they being placed environmentally in a position where they're being imposed to deal with so many hardships? That's what we've got to look at.

Q. Mr. Commissioner, you made a great case, you have a great case to present to the committee about the benefits that hockey brings to Canada. Do you have any specific recommendations that you'd be willing to share with us that you may present to them?

COMMISSIONER BETTMAN: I think it would be premature and presumptuous to do that today. I think that's something we need to talk about with the committee.

My belief is that what we need to do through this process, starting even today, is to do some consciousness raising on what the issues are. This game is strong, isn't going to evaporate. But it could be stronger at all levels.

There have been a whole series of articles recently written about the game in general. And what we want to do is make sure that the issues are focused on. I think well-meaning people working together, when they all understand the issues, can come together on joint solutions.

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Q. Given all of the concern that Canadians are feeling about the possibility that our youth hockey system isn't developing players with sufficient skills to excel in the NHL or in the international arena, and given what I'm sure every hockey mom or dad in this room knows is the unbelievably complex layers of politics that are part of youth hockey itself, what can the NHL do to make youth hockey, the experience, fun, pleasant, uplifting for kids in Canada?

COMMISSIONER BETTMAN: We can't and we don't intend to rule the world. What we have to be is a good role model.

We've got to be as active and as constructive as we can be on a grass-roots level. We do some of that. We need to do more. We need to be good citizens in the hockey world.

From reading the articles on the plane coming up that have been running recently, this isn't just about winning at all cost. This has to be teamwork, sportsmanship, tradition, culture, values passed on from generation to generation. We've got to make sure that we do our part.

I know the bureaucracy of dealing with hockey -- I know the bureaucracy of dealing with the NHL hockey world. It was never more apparent to us than when we went through the machinations of organizing ours to go to the Olympics. It was difficult, an ordeal. If we do it again, it will be a similar ordeal. We have to work as closely as possible. We do it with the Major Juniors, we do it with the CHA, and USA hockey.

But we've got to do more because if what we're all reading in this recent series of articles is 20 percent true, I'm sure it is more than 20 percent true, we have a lot of work to do. I pledge us to be cooperative and helpful and constructive in the effort.

Thank you all, very much.