

NATIONAL PRESS CLUB LUNCHEON WITH TED LEONSIS AND GARY BETTMAN

SUBJECT: NATIONAL HOCKEY LEAGUE COMMISSIONER GARY BETTMAN AND
MONUMENTAL SPORTS CEO TED LEONSIS WILL DISCUSS THE GROWTH OF THE NHL AND
THE 2015 WINTER CLASSIC

MODERATOR: MYRON BELKIND, PRESIDENT, NATIONAL PRESS CLUB

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MYRON BELKIND: (Sounds gavel.) Good afternoon, and welcome. My name is Myron Belkind. I'm an adjunct professor at the George Washington University School of Media and Public Affairs, a former international bureau chief with the Associated Press, and the 107th President of the National Press Club. The National Press Club is the world's leading professional organization for journalists committed to our profession's future through our programming with events such as this while fostering a free press worldwide. For more information about the National Press Club, please visit our website at Press.org.

On behalf of our members worldwide, I'd like to welcome our speakers and those of you attending today's event. Our head table includes guests of our speakers as well as working journalists who are Club members. And so if you hear applause in our audience, I'd note that members of the general public are attending, so it is not necessarily evidence of a lack of journalistic objectivity. I'd also like to welcome our C-SPAN and Public Radio audiences. You can follow the action on Twitter using the hashtag NPCLunch. After our guests' speech concludes, we will have a question and answer period. I will ask as many questions as time permits.

Now it's time to introduce our head table guests. I'd like each of you to stand briefly as your name is introduced. From your right, John Doman, coach of the National Press Club's Division Champion Softball Team, who also happens to be a reporter for WNEW-FM. Jennifer Berlin, Deputy Political Director for Every Voice. Jonathan Salant, Washington Correspondent for the New Jersey Advanced Media Reporter, former

National Press Club President, and a former coach of the Championship-winning National Press Club Softball Team. Jason Anthony, Strategic Partner at Clear Channel and a member of the National Press Club's Broadcast Committee. Pat Host, of Defense Daily and the Speaker Committee member who helped organize today's event.

I will skip over our guests of honor while I introduce the rest of the head table. Jerry Zremski, Washington Bureau Chief for the Buffalo News, Chair of the Speakers Committee, and a former National Press Club President. Kevin Wensing, U.S. Navy Retired and the other Speaker Committee member who helped organize today's event. Frank Brown, the National Hockey League Vice-President for Media Relations and a guest of Mr. Bettman. Bob Cardin, freelance writer and the head of Cardin Communications. Ann Ludwig, National Association of Home Builders, Communication Manager. And Frank Maisano of Bracewell and Giuliani, a member of the National Press Club's Newsmakers Committee, and a hockey referee for the past 25 years.

[applause]

National Hockey League Commissioner Gary Bettman and Washington Capitals owner Ted Leonsis, are with us today to face off and speak about the state of the National Hockey League and the upcoming Winter Classic which will be in D.C. for the first time. Mr. Bettman has been the NHL Commissioner for two decades. Under his leadership, NHL revenue has expanded from \$400 million dollars to more than \$3 billion dollars. He also led the expansion of the NHL's National and Global Reach with six teams added during his tenure, bringing the total in the NHL to 30. He has navigated the waters of three labor lockouts to include the cancelation of the 2004 to '05 season.

Mr. Leonsis is CEO of Monumental Sports and Entertainment, which operates the Washington Capitals, the Washington Wizards in the NBA, and the Washington Mystics in the WNBA, and the Verizon Center. He has several other business interests. And he's a leader in the D.C. philanthropic community, supporting charities with an emphasis on military families.

We're interested to hear details of our guests, details from our guests that they can share about the Winter Classic on January 1, when the Chicago Blackhawks take on the Washington Capitals at the Washington National Stadium. Of course, we're also interested in hearing about other issues facing the NHL and professional sports in general. We're very pleased that our guests have brought with them the Stanley Cup, which one day perhaps will reside in Washington for longer-- [applause]-- which one day, we hope, will reside in Washington for longer than the length of this luncheon. [laughter] Please join me in welcoming Gary Bettman and Ted Leonsis to the National Press Club. And they will have, instead of our traditional format of one speaker talking until 1:30, they will have a conversation between them. And then, at 1:30 we will start the Q & A. Mr. Leonsis and Mr. Bettman, the podium, the chairs are yours.

GARY BETTMAN: Thank you very much. I'm Gary. That's Ted. So there's no confusion. Actually, I want to give a shout out to the Canadian Ambassador to the United

States, Ambassador Doer. It's great to have you here. [applause] He happens to be a big fan of hockey and was very interested in the Jets returning to Winnipeg. So it's good to have you.

Ted, let's talk for a second about what the Stanley Cup means to an owner in the NHL. And without attempting to embarrass you, we had to have a discussion about where we sat so you would be further away from the Cup at this point in time. [laughter] What goes through your mind? And I think on your 100 bucket list, winning the Cup is one of it. What does it mean when you're an owner, and you're thinking about the Cup?

TED LEONSIS: I think it creates lifelong memories for every member of the community, to be able to craft and build the winning sports team and win a championship, it's a bit of immortality for people. And I'm involved in lots of businesses. But there's really no higher calling than that, to have that collective psyche of all of the people in your community in the palm of your hands, also no bigger risk and danger of, when you disappoint people on that. Because scratch any individual, in especially a sports-crazed town, and you'll find an expert who can do it better than you. And so I'm going to continue to try, as hard as I can, with the Caps, with the Wizards, with the Mystics, to make a team that's as good as the community we serve, and bring a championship here to D.C.

[applause]

GARY BETTMAN: Let's take a step back. You bought the Capitals in 1999. You subsequently acquired the Wizards and the Verizon Center. In 1998-99, or even before that, what was going through your mind when you said, "I want to own a sports team. I want to own the Capitals. I want to be a hockey owner"?

TED LEONSIS: Well I had made a-- I had a life reckoning when I was a young person and ended up making a life list things to do before I died. And it was amazing, looking back at how many had to do with sports. I grew up playing sports, the Commissioner in the NHL. And we just dedicated a rink in the Southeast part of our community, Ward 6. And it just reminded me, as a young man, of leaving school at three o'clock, and then going and playing roller hockey or basketball. And it became so central to the person I became, competitive, wanted to be a part of teams, trying to accomplish things collectively. And so sports played a big role in my life.

And I wrote down, "Own a sports team, win a championship as a hockey player." And all of a sudden, you have the opportunity to do that. And I initially passed when Dick Patrick approached me to buy the Caps. I was President of America Online, married. I had young children. Thought it was a lot of money. I thought it was a lot of work. I frankly didn't want the notoriety and the spotlight that that would be a tough environment, because I knew what I would get into in running a public trust.

And I went home that night, and my wife said, "What's new?" I said, "Oh, I met this guy. He's trying to sell me a hockey team." And she said, "What'd you say?" And I

said, "I passed. I couldn't do it." And I gave her the reasons. And, right before we went to bed, she said, "What if you get 99 of the 101 things done before you die? How will you feel?" [laughter] "Well I love you. I got to buy the team."

And so it's been a family endeavor, family labor of love. Commissioner has been great in teaching us how to do it. And it's really funny. As an owner, we take stupid pills.

GARY BETTMAN: No. Really?

TED LEONISIS: We think because you've been moderately successful in one field that you know what you're doing instantly in sports. And now that I've been in pro sports for a long time, I see it. We laugh together. "Here comes the new owner. I know what he's going to say. I know what he's going to spend. I know what he's going to do. This time it's going to be different." And so the leagues are very, very responsible for creating an environment where you can not do a lot of harm, but you can do a lot of good.

And I'm very grateful to Gary for coming here today. But I'm really grateful, not only for the guidance what he's done with the league, but he gifted the Winter Classic to D.C. This is not-- Hasn't been considered a traditional hockey market. And we have been working, night and day, to craft a great team, to build youth hockey, to kind of connect with the consciousness of the community, to make them fall in love with hockey. And we've been fortunate. We have a good team. We have superstar players. We sell out every game.

And, when I saw the Winter Classic, very first one on television, and we can talk about the relationship, I literally sent an email to Gary, before the puck dropped. And I said, "I think I'm in love. [laughter] This is the greatest visual I have ever seen on television." It looked like a snow globe. And to see so many people outdoors at a hockey game, and I pretty much spent the next several years, every day, saying, "Now don't forget about Washington."

GARY BETTMAN: Actually, I don't know that I would have called it a gift. [laughter] It's like the kid who, for Christmas, gives his parents his list every day for four years. [laughter] And is going to throw a temper tantrum if he doesn't get-- no. That's an overstatement. Ted, as you know from following the Wizards and the Caps, is a passionate owner. And that's-- He says it's stupid pills. I think you're passionate when you first come in to buy a team, there's something that drives you in ways that you wouldn't have in any other business. Because no matter what other business you buy, you're never as passionate as buying a sports team.

So what's it like, day to day, being an owner? How high do you get on the wins? How low do you get on the lows? And does it affect you in ways you never imagined?

TED LEONISIS: It can be wearing. It can be joyful. The social responsibility of owning these teams, because they're small businesses. I've run really big businesses. And employ hundreds of thousands of people, and 25,000 people at AOL, and companies that

go public and create a lot of value. And you own a sports team, and there are hundreds of millions of dollars. And we employ hundreds of people. Yet, because of the media, I mean I'm here for the Press Club, I could come to the Press Club like weekly, I think, you would have me, because I own sports teams.

When I was President of AOL, wouldn't give me a sniff. [laughter] I mean I think that kind of-- Right. I mean we'd launch a new piece of software that would do \$4 billion in revenues in its first year, and you'd get like a write-up like this in the *Washington Post*. And we trade a third line player, and there's a columnist writing about it. And it's news and AP. And so sports has become such a defining element in all businesses.

And when you look critically at the demography of our country, 65 percent of our population is now coagulated around 32 big cities. And that phenomenon continues. It's one of the reasons that D.C. has become such a magnificent place to work. Great kids come to our universities. They're introduced to how great the city is. They want to stay here. They get jobs. The IP stays here. The innovation stays here. And it starts to feed upon itself.

And there's very few iconic institutions that define a major metro area. It's universities. Got Georgetown, George Washington, American, Catholic, Maryland, I mean on and on, we have unbelievable universities. It's iconic real estate. No one has iconic real estate like Washington, D.C. The Lincoln Monument. I mean just go down the Mall, it's breathtaking. It's public space. Manhattan was unlivable. Watch *Gangs of New York* if you want a reintroduction to what Manhattan was like until they built Central Park. We've got the most iconic gathering space. The "I Have a Dream" speech was delivered here. You know, for my kids, it was walking from Virginia, because they closed the bridge to go to the first inauguration of President Obama, five million people on the Mall. Public space.

Fourth is a defining business community. Silicon Valley, Hollywood, Wall Street, this was the Federal city, where we were created to be the people city. And then last is sports teams. You close your eyes and think Chicago, you'll think of Blackhawks or the Cubs. You think Boston. You think Montreal, you think of the Canadiens. And so here we have the most important economic and social centers. And sports teams play this pivotal, defining role. And that responsibility can be daunting, because there can only be one team that wins, right. And that means there's 29 losers every year. I mean it's true.

And business isn't like that. I mean you can take a company public and create billions of dollars of value and wealth and have the number two or number three market share, and you're a success, right. You can launch a product that's as good, has some features that are better, and you're a success. In sports, you lose the seventh game of the Stanley Cup, in overtime, and you're the loser. [laughter] Right.

GARY BETTMAN: Talking about cities and economics, one of my pet peeves is you get these academic economists who will tell you that sports teams don't have an economic impact. And arenas that publicly financed have no economic impact. I happen

to think that's absurd. Talk about the Verizon Center, formerly the MCI Center, and whether or not it had an impact on Washington, D.C.

TED LEONSIS: Well, it's had a defining impact on Washington, D.C. And Mr. Poland was a visionary and very brave. He also, you know, structured a deal that was not a great deal with the city, but it led the way for the city to see how great the economic impact would be. And that's why we have Nationals Park and a baseball team. But basically, when I went to Georgetown University as a student, I was told, "Enjoy the campus. Enjoy Georgetown. Go to the Mall. But whatever you do, do not go anywhere near 10th Street." 10th Street was adult bookstores, drug dealing, prostitution. Now it's the Shakespeare Theatre and the National Portrait Gallery and Rosa Mexicana.

And I don't think Verizon Center can take all of the credit. But it certainly can take the credit for being the first pioneer to believe in the city and to allow this development to go around it. And today, within a mile each way of Verizon Center, about 12 percent of the city's tax base is generated. So, I mean, we've been named Washington Business of the Year several times, because we bring two and a half million people into the community. And guess what. They come in to Washington, and it's become a living infomercial about D.C. The first couple years the Verizon Center was up, no one was coming to games because they were afraid of the neighborhood. And then someone finally came to a game. And they said, "Well, this is safe. This is nice."

And there's lazy thinking and reporting everywhere. Not that the media would ever do anything.

GARY BETTMAN: And nobody here.

TED LEONSIS: Certainly nobody in this room. So some would say, "Well, it's unsafe. Downtown can be unsafe." Washington is the safest city in the world. [applause] It's not unsafe. We held a concert for half a million people and a game for 20,000 people at the same time. Not an incident was reported, mostly because we have nice people, but also because everyone kind of knows there's probably more cameras and more interagency cooperation in this community than anyplace on earth.

And so the economic benefits are important. And they show up in stats, right. We have the most PhDs of any community in the world. We have the most fiber and bandwidth of any community in the world. We speak the most languages of any community in the world, 170 languages are spoken in D.C. Twenty percent of the population is foreign-born. And this dynamic-- Almost 80,000 people have moved back into the city. There was this trend of people moving out of cities to ED. cities. Baby boomers, they're all moving back. And so just go around, now, Nationals Park. I just drove by there today as we were going to dedicate the playground. And there are more cranes up here than any city on earth.

It's like people used to brag about Beijing and Shanghai. That is happening here. This is the greatest place. And I think the first pebble that was thrown into this pond was

the belief that downtown could be thriving and safe and be a place for the creative class. And that's a central role that we play in the city's economy.

GARY BETTMAN: You touched on technology, your background from where you really made your money is in technology. Talk about the intersection at this point in time of technology, sports, what this over the top stuff means that people are hearing about, and why you started the Monumental Network.

TED LEONSIS: Well technology is like oxygen. And so we all better get used to it. We're living in this world where these phenomenons of Moore's Law, faster, better, cheaper until it's free, and the network effect, where the more people that I communicate with, and that they communicate with, and we create these networks, the more productive we become. And those are two self-evident theorems that our generation and the next generation are privy to. So, because of that, there's just more technology being introduced on an annual basis than in the 50 years previous.

I worked my first computer at Georgetown University in 1976. There was one computer on campus, an IBM 360 Mainframe computer in the Registrar's office. My iPhone 6 has more computing power than the whole campus had when I was a junior. I mean that's unbelievable progress, right. And that costs \$500 bucks now to do that. And we have six million mobile subscribers around the world and three million people connected to the web.

Oh, by the way, we in the United States have less than 300 million. We're now less than 10 percent of the world's internet traffic. So we can't claim that anymore as our resource, because the internet is so ubiquitous and available, it will activate creative classes all around the world. Young people-- And it's fantastic, right. Thousands of flowers blooming. That's what we imagined.

It also is a huge threat to us, in our competitiveness. So there's no field that isn't being transformed quickly by technology. And sports is going to be no different. And obviously, we have a lot of work that's going on in being able to algorithmically study performance of players, how we market our teams, how we deliver information, you know, algorithms rule. We teach our children math and Mandarin is probably the two most important subjects.

But I see, right now, that everything is an internet device. And you've got your FitBit on. I left my little FitBit there. I've already done, by the way, for those counting, almost 10,500 steps today. [applause]

GARY BETTMAN: I ate that many calories. [laughter]

TED LEONSIS: And so I really do see that we will be big data generating machines. Our physiogamy, our vision, what we see. Someone interviewed me outside in the hallway where Google Glass is at. And you know, your glasses, your watch, your

wallet, your belt buckle, it's all going to be connected and wired. You'll have cameras on you. And that'll be tremendous for sports and athletes and the data that it generates.

The way we deliver information is changing dramatically. You know right now, there is a couple of million homes that pay for cable. And there are six billion homes that pay for some kind of mobile subscription. And it's a huge business to be connected to television. And sports is proving to be the only programming on pay television that can convene in real time large audiences of people. And that's very counter to, if you asked ten years ago somebody, what was more valuable, produced television or sports.

I saw this five years ago. My daughter was a freshman in college. And she came home with some girlfriends. And they binge-watched *Gossip Girl*. And I remember walking downstairs, and they were all in their sweatpants. And I said, "What are you guys doing?" And they said, "We're watching *Gossip Girl*, all four seasons of it." And I said, "What network was *Gossip Girl* on?" And she said, "Apple TV." Didn't know I was paying \$1.99 to watch what was on free television on the CW. You can't do that with the game last night.

And so sports, in real time, has this unbelievable power. And it's become the economic driver on primetime television. I think eight of the top ten shows were NBA, NFL shows. I mean we helped launch a cable network with the NHL and NBC Sports. I mean the list goes on and on, on how important the programming is. But I want to bring our content around the world. And to do that, you'll hear a lot about over the top networks. It's being able to deliver content programming. It probably won't be live games to devices. You should be able to see highlights, see interviews, communicate. If you're in India, if you're in China, if you're in Russia, if you don't subscribe. And there's a whole generation right now of young people who may not get cable.

You know, again, I have two kids, two children who both just graduated college. Neither one of them, for the last ten years, has had a home phone number. They live in apartments. They don't have a home number. Can you imagine our generation, you know, "What's your phone number?" It's your cell phone. My son, when he went to college, didn't get local cable. He said, "I have my computer. I have Slingbox. You have cable. I have an Xbox. I have Netflix. I'm not really sure I need to pay those dollars." And they talk about cord cutters. You'll hear that phrase.

The next generation will be never on, right. They'll never have subscribed to a newspaper. I have *Sports Illustrated* is here. And they're following me today. And I agreed to let them do it. *Sports Illustrated* was the first magazine I ever subscribed to. I paid, and I'd wait for it to come. And I'd read every word of it. My son doesn't subscribe to anything. He's never filled out one of those cards. He reads everything online. And most of it's free. So there's going to be a whole generation that just go, "I don't need tethering. I want it over the top. I'll get as much as I can for free, and very selectively will I pay for some things that I see a lot of value in."

MYRON BELKIND: I thank both of our guests of honor for this new formatted conversation. Mr. Bettman, you have a future career as an interviewer. [applause] And perhaps *Meet the Press* will consider you.

GARY BETTMAN: Truth be told, I used to have a radio show.

MYRON BELKIND: Very good. Excellent. First I have a set of questions for Mr. Bettman, and then to Mr. Leonsis. And then we'll try to bring it all together to conclude by two o'clock. Mr. Bettman, how does the National Hockey League choose venues for the Winter Classic? And where do you see future games being held?

GARY BETTMAN: Well, the smartass answer would be somewhere between we throw darts and it depends on who's harassing me the most. [laughter] The latter is closer to the truth. Actually, we look to be opportunistic. We started this in Buffalo with a notion that maybe it would work. And then, once it did, we started looking for what would be the next place we could go to that would build upon it, that would continue the growth of the Winter Classic and all outdoor games as an institution.

And then, as we got more and more comfortable building it as an event, as it got a bigger and bigger following, we decided we could try things that some people thought would even be crazy. Last year, we did an outdoor game in Los Angeles. And it was great. For us to come to the Nation's Capital, there's a fan base here that Ted has really built through his organization and through his use of social media and through his commitment to the community, that made us, first of all, comfortable that selling out the venue would be no problem. And secondly, would have an impact in the community that we thought would be not just positive for Washington, D.C., but would reflect well on the league. And we thought the critical mass was there.

As we go forward, we'll be looking-- because every city, every club wants one, even in Florida, even in Arizona. They're, you know, "Why can't we have one?" Well, it's because it's 80 degrees at night in Miami. It doesn't work. [laughter] "Well you guys know how to make ice."

So what we do is we try, now, to move it around. And it's the same thing with the All-Star game and the draft.

TED LEONSIS: I told Gary it's never hot in Washington. [laughter]

GARY BETTMAN: And he also promised me we would never have weather like we did this morning, when we were dedicating the Legacy Rink. But we thought, what better place, at this time in the genesis of the outdoor games, than to be here, and to bring in the Blackhawks, which is a great team and a great draw. We think there's no better way for us to start 2015.

MYRON BELKIND: Full disclosure, we have a question from the representative from the New Jersey Nets who asks, we've already--

GARY BETTMAN: I happen to be a resident in New Jersey. I need to know whether or not I'm going to be canceling my subscription. [laughter]

MYRON BELKIND: We've already seen a Winter Classic at Yankee Stadium. When will we see one at the Meadowlands?

GARY BETTMAN: You know, we have played two outdoor games last winter in the New York/New Jersey metropolitan area. The Devils played in the game. We're going to be moving things around before we go back to a place that we've been. We have been given many expressions of interest by Met Life Stadium and the Devils. But I think, at least for the time being, having played, in effect, the round-robin with the Islanders, the Rangers and the Devils, playing in New York and New Jersey is a unique situation, because of the three clubs. If we had only played one game, the team that was excluded said, "You, in effect, would have driven us out of business." So we had to play two games to make sure everybody was included. But I've got a lot of other teams that want the game and a lot of other stadiums that want the game before we can come back.

MYRON BELKIND: Clearly, your success as Commissioner is indicated in the fact that there seems to be a lot of interest in other cities that want an NHL team. And so I have a general question, and then a few specific questions I've been given about specific cities that would obviously like a franchise. And they expect you to announce it at the National Press Club. [laughter]

GARY BETTMAN: Okay, okay.

MYRON BELKIND: Okay, what is your forecast on the prospect of future expansion and having an equal number of teams in the eastern and western conferences?

GARY BETTMAN: Okay, let me take that in two pieces. One, I try not to be in the prognostication business. I don't like guessing about things. Yes, I am charged with leadership and vision. But prognostication is a little-- That's like being the weatherman. And we know how often they're not right.

We are probably stronger as a league. Our franchises are stronger as a group than ever before. Our ownership group is the strongest it's ever been. And, as a result, we are getting expressions of interest from a number of places that don't have franchises. It's gratifying. It's also, I think, helping to make franchise values higher and higher, almost on a daily basis. We are looking and listening, but we're not doing anything about it. Actually, we're not really looking, we're letting people look. And we're listening to the expressions of interest.

Yes, we have 16 teams in the east and 14 teams in the west. But that was by virtue of a realignment that we did a couple of years ago to try and fix what was wrong with our geography. Columbus and Detroit, Columbus from their inception, Detroit for more than 20 years, were in the west. And they're in the eastern time zone. Made it very difficult for

their travel. It also made it very difficult for their fans when they went on the road and had to play games on television back, because if they're on the west coast, it was late at night. We had Minnesota in the northwest. They wanted to be in the central, which was their time zone. Dallas was in the Pacific. They wanted to be in the central. So we realigned. And the only way that we could do it and get everybody where they belonged was to have 16 in the east, 14 in the west.

We're scheduling around that. We don't think it's a problem. However, we do understand that there are some people who do. But we're not going to expand just for symmetry. Somebody's notion of symmetry is not how you make an important business decision, as to whether or not you bring in a new partner, a new city. But we're going to continue to look. Obviously, if we were going to expand and somebody wanted a team in the east, it would make the evaluation a little bit more complicated, to say the least, because 17 and 18 in the east, and 14 in the west, exacerbates what some people perceive to be a problem. The good news is, since we're not in the expansion, formal expansion mode right now, I'm not worrying about it.

MYRON BELKIND: In the interest of time, I don't expect you to give the pros and cons about specific cities. But just to let you know, that the request I had came from persons who want to know about the possibilities of an NHL franchise in Seattle or Portland or in Oklahoma or in my hometown of Cleveland, Ohio, where I grew up watching the Cleveland Barons. If you want to announce any, go right ahead.

GARY BETTMAN: No, no. Seattle has expressed an interest previously, before actually the NBA went to Oklahoma. Oklahoma City tried to get an NHL franchise. You know, we're getting Las Vegas has solicited or given us solicitations of interest. We hear from Quebec City. We're just listening.

MYRON BELKIND: The Canadian Ambassador is nodding.

GARY BETTMAN: Actually, I was waiting for the Quebec City question. [laughter] But to me, he actually was helpful and responsible for getting a team back in Winnipeg after the Jets left in the '90s.

MYRON BELKIND: And we're pleased to have you here today, your Excellency. One or two more, and then we will move over to your colleague.

GARY BETTMAN: That's fine.

MYRON BELKIND: What are the challenges of working with the Players Union? And will fans be subjected to future NHL lockouts?

GARY BETTMAN: Actually, I'm going to answer that, and then I'm going to ask Ted a question about it. We don't like lockouts. And the fact that I've presided over three of them is not a matter of pride. But the fact of the matter is, we've had some fundamental problems that had to be addressed. And if you don't get the cooperation you

need in collective bargaining from the union, and you're prepared to do what needs to be done in order to get to a place where you think you can make your game and the business of your game healthy, you sometimes have to go through those.

We have had issues relating to the union after we took a year off, I think the union went through four or five executive directors. And the last round of negotiations, we had a brand new executive director. But there were things that had to be changed. And I get asked the question a lot, "Was it worth it?" And I never like to say it was worth it, because it makes it sound, on some level, that I was happy to go through it. The fact of the matter is, we had no choice. We did what we had to do. And the game, for the last ten years, every successive year, has never been healthier, never been bigger, never been more popular. And the game on the ice has never been better.

From an owners standpoint, how do you view work stoppages? And, by the way, if I didn't have the support of ownership, we couldn't have gotten through it and achieved the objectives we set out to achieve.

TED LEONISIS: I think I've been an owner too long, because while the Commissioner was speaking, I noticed that there's a light out, up there. [laughter] And if you owned a team, you'd probably get about 30 emails from people saying, "You got a light out." [laughter] Fans deserve the opportunity to have hope and dream and believe that their team can be competitive. And the system that the NHL has implemented now has proven out that every city enters the year thinking they can, the fan base, they can make the playoffs and compete for Stanley Cup.

And we've seen, in our league, teams that just make it. They finish in the 16th spot. And the eighth. And then, they end up winning the Stanley Cup that year. And so one of the great things about the system for the fans is that, if you're a really, really big market, you can't outspend someone in a really small market. And the competitiveness there, so you'd come to the sprint for the playoffs, and your team is in it. I mean we didn't have a very good year last year, and we didn't make the playoffs. First time we hadn't made the playoffs in seven years. And we missed the playoffs by three points.

And I look back, you know, you look at the schedule, and you go, "Oh gosh, we lost in a shootout here. We lost in overtime. We should have made the playoffs." And it's so healthy, and the players all want to be on winning teams. And I look at some other leagues that don't have a system like that. And usually, there's markets that go, "Well we're going to spend \$40 million dollars in payroll. And this other team is going to spend \$200 million dollars in payroll. And, as soon as my player who's young and I develop gets good, he's going to go to another market."

And so what happens, the scar tissue builds up in the fan base, because they just feel disadvantaged. They don't want to fall in love with the young player. I believe, firmly, that the day the Washington Capitals took off was when Alex Ovechkin became this great player and an MVP. And he announced, "I want to stay in Washington, D.C." and we signed him to a 13-year contract. I honestly believe that the fan base said, "We

can believe. We can trust he's not going to, the first day he can, go to a big market or go to a Canadian team." It was like a verification to the market, to the community, that this is a great place, and that we can have a great team.

And so I like the system for the benefit of the fans. And it starts to put an emphasis on how good are you as a leader and a manager and an owner, because you just can't outspend everybody. You got to have good AHL system. You got to draft and develop well. You have to make a few trades. You have to manage the cap. A lot goes into it. It, frankly, even makes it more fun to manage.

GARY BETTMAN: How painful are work stoppages from an ownership standpoint?

TED LEONSIS: Like you can't believe. I didn't lay off a person, right. I mean I paid everybody during all the work stoppages. And so financially, it's really painful. The bank didn't say, "Oh we don't-- You don't have to pay the mortgage on the building now. It's okay." But emotionally is where it hurts the most, because again, that ebb and flow-- and that's the great thing about leagues and sports teams. The other day, I was coming to a game with a very important person. And we were a little late. And he said, "What time does the game start?" And I said, "The game starts the same time every game. It's not like I'm going to call over and say, 'We're running late. Can you wait to drop the puck?'"

But there is a trust embedded in that, that you play this many home games. And the season starts this week. And it ends that week. And the playoffs begin this week. And when that gets taken away, it feels like death. I mean you're like a zombie. You're walking around, there's nothing to do. And you feel terrible for the fans, for the workers, for the-- for the players. I mean there's nothing good. So, when you make that decision, it's a really difficult decision. And you have to make sure that you come out of it as much stronger, which we've proven, right. The league's never been stronger. The competitiveness has never been better. The quality of play has never been better. The ratings have never been better. The revenue growth hasn't-- And I think a lot of that comes from the core deliverable of the CBA, that all teams can be competitive.

MYRON BELKIND: Mr. Bettman, I'll ask a few questions now.

TED LEONSIS: Fix the light too.

MYRON BELKIND: Thank you. Okay. [laughter]

TED LEONSIS: I'm not paying dues here and have-- This is the kind of email I would get. [laughter]

MYRON BELKIND: Sir, we're going to switch the topic, not from lights but to a-- So you're involved in the effort to bring the Olympics to Washington, D.C. in 2024. What do you think the prospects are? And how would the Olympics change our region?

TED LEONISIS: You know, our country and our community is so in need of big mission-based projects that we can rally around. I mean I just came back from a week overseas. And many organizations the people here represent are partially responsible for how the world sees us. You watch Sky TV or BBC last week, and the TV shows that get shown there, you would think everyone has Ebola, that every city is closed down because of riots, and that there's a race war going on in America. I mean that is the imagery that is basically being delivered to the world.

And every media outlet has headlines that talks about the dysfunction of Washington, D.C., how broken America is, and how dysfunctional D.C. is. And we live here in Washington. This is the greatest city in the world. And doing something like the Olympics, our theme is unity. Russ Ramsey is our Chairman is here, in part doing with Russ and in service to Russ. And we have an opportunity, I think, a once in a generation opportunity to accomplish a lot around this big mission.

On the small level, we can re-imagine the city. When I was in London last week, I got goose bumps in seeing how the East End, which looked like the area around Verizon Center, and now looks like Ward 7 and Ward 8, were totally transformed by the Olympic Games. And some media write things. And I go, "Well, have you been to London? Have you walked around and seen? Have you talked to anyone?" They made a profit on the games. They created a community where public transportation united a disconnected part of the city. They cleaned the river. They turned the Olympic Village into low-income housing. The data centers and the fiber that was laid created silicon roundabout, which is now their thriving number one job creator for their venture capital and tech center.

We're going to do that here. We can deal with the scar tissue and the birth defect that we have in Washington, D.C., that we haven't been able to embrace and go across the Anacostia and make that community a part of us. For the world, we are in desperate need to show a united front that we stand for something good. And nothing-- honestly, nothing is more transformative and healing than the power of sport. I mean, do you believe in miracles? Yes. [applause] Right. That is representative.

MYRON BELKIND: Let me ask a follow-up question.

TED LEONISIS: So yes, I'm passionate about this. [laughter]

MYRON BELKIND: Sir, leading on from your comments just now, hockey is a rather expensive sport, in the cost of gear and ice time-- with the cost of gear and ice time. How can the NHL and the Washington Capitals and other teams help kids get involved and afford hockey and further diversify the makeup of players in the NHL? Either or both.

TED LEONISIS: Well the Commissioner should talk, because the league has done an unbelievably good job. And a lot of times, and this goes to the media reporting, it's not front page news to talk about the Commissioner's work with black colleges and scholarship funds. Why would you want to write about that? We just went to Ward 6 in

the rain and the cold. And, you know, I'll be honest with you, I'm disappointed. Not a senior city official was there, because it doesn't make big news, right. But we built the playground and gave equipment and built the rink for kids that will have that for decades. And we train kids. And a Hall of Fame player was there. And you know, sports teams, we really are in pursuit of a double bottom line. We have kept the Capitals' ice plaques. And we give 1,200 hours a year or something away to sled hockey and youth hockey and the like.

And I won't be disingenuous, it's the right thing to do, but it's also good business. Introducing young people across all economic strata, making the tent as big as possible, is smart business. They're the fans of tomorrow, right. They're the next great defensemen. The number one or number three pick in the draft a couple years ago was the son of a basketball player who once played for the Washington Wizards. Popeye Jones. And he got traded to Dallas. And, while he was in Dallas, Dallas had a really good hockey team. And there was a boon of rinks that were being built. And he started to play ice hockey. And he could end up being one of the best defensemen in the league, right. So it's how we will expand the game. And the bigger the tent, the better. But we're very active in trying to--

MYRON BELKIND: Did you want to add any comment there?

GARY BETTMAN: Well, I remember-- No. The fact is, we spend millions of dollars in support of USA Hockey, which is the grassroots organization that manages hockey across the United States. And we have programs, learn-to-play programs, "try hockey" programs. And also, we have a number of our clubs that support economically disadvantaged programs, inner city programs, whether or not it's Fort DuPont here, or ice hockey in Harlem in New York, or Snyder Hockey in Philadelphia, where, in fact, Ed Snyder's foundation-- he's the owner of the Flyers-- has taken over from the city all the rinks that had been dilapidated and were either shut down or about to be shut down.

And for me, and this may not make an owner happy in terms of the bottom line, but in Ted's case, the broader objective is something that I know he's supportive of. Hockey, as a vehicle for disadvantaged children, to learn life lessons, be a good student, hard work, team work, diligence, physical fitness, getting the education you need so you can do anything else. If we can get young people involved in life by using hockey, it'll be great if they can become fans. And it'll be amazing if they can become NHL players. But the latter two objectives are not as important as giving back to the community by making kids to be in a position to go to college and do things with their lives they never would have had an opportunity to do.

TED LEONSIS: What's the last Board of Directors you joined? [applause]

GARY BETTMAN: The last? Thurgood Marshall.

TED LEONSIS: Gary is on the Board of the Thurgood Marshall Scholarship.

GARY BETTMAN: College Fund.

TED LEONSIS: Fund.

MYRON BELKIND: We're almost out of time. I just want to interject this format, you two having a conversation, I think I can say, on behalf of all of us, I think you deserve a special round of applause.

[applause]

MYRON BELKIND: Before asking the last question, and since you elected to receive it during the first half, or I elected that for you, you'll receive the last question, which is a two-parter. But first, I'd like to present you each with the traditional National Press Club mug, which we give to our distinguished guests of honor, and you both deserve. Thank you so much.

GARY BETTMAN: Thank you.

[applause]

TED LEONSIS: This wasn't the cup I was expecting. [laughter]

GARY BETTMAN: That was a very good line.

MYRON BELKIND: Actually, I'm shortening my concluding remarks, because I ask the last question, sir, I'd like to ask you one that you just referred to. The last time you spoke here, the Capitals were having success in its regular season. And you predicted a Stanley Cup championship. I guess we have that on the record in our archives. So why hasn't that happened?

TED LEONSIS: Because it's hard. [laughter]

GARY BETTMAN: Actually, there are 29 other clubs who want to make sure that doesn't happen.

TED LEONSIS: And very humbling. It's very humbling to realize that, ultimately, there's 29 failures and one success. But the great thing about sports is, you get to try it again. And you try new things. And you keep making investments. My belief is that we are hard working enough, smart enough, energetic enough, investment-oriented enough that we'll just keep at it. And eventually, we'll get through it. I don't quit.

MYRON BELKIND: Okay. And now we're going to switch to the National Football League. As a successful owner of two professional sports teams, what advice can you offer the owner of the Washington football team? And the second part, should the Washington Redskins change their name? Why or why not?

TED LEONSIS: Well I get asked this question all the time. And I have been very consistent with my answer. I have great empathy for how difficult it is to lead a team. And I have done some things well, and I've had miserable failures. And I've done things I'm not proud of, and haven't executed well on. And my plate is full. And I would never appreciate another owner talking about the Capitals or the Wizards and our strategy and what we're doing. And I don't think it's appropriate for me to address anything there.

[applause]

MYRON BELKIND: We are out of time, which often happens at sports events. But I want to thank our two guests so much for being here today and sharing the podium together.

TED LEONSIS: Thank you.

[applause]

MYRON BELKIND: We are adjourned. Thank you very much.

[applause]

END