Written by Pete Toms Sunday, 04 October 2009 17:26







The past five months I have followed, with great interest, Jim Balsille's attempts to purchase the Phoenix Coyotes and move them to Hamilton ON. I was initially interested in Mr. Balsille's efforts because if he succeeded, there was real potential (appeals would have been inevitable) that the structure and governance of professional sports leagues in North America would change dramatically. I followed the developments in the bankruptcy proceedings from many

Written by Pete Toms Sunday, 04 October 2009 17:26

sources, beat writers, columnists, trade publications and sports business / sports law blogs. There was a large amount of thorough and informed reporting on both sides of our border but in Canada Mr. Balsille's efforts also became a nationalist rallying point.

The Canadian writers assigned to the bankruptcy proceedings "beat" covered the story in the same manner as their American colleagues. Their reporting focused on the nuts and bolts of the competing bids and should Mr. Balsille succeed, the ramifications for "single entity" status. However there was an additional and broader aspect to the media coverage in Canada. Mr. Balsille's attempt to move the Coyotes became a nationalist melodrama with Mr. Bettman the villain and Mr. Balsille the hero. Sports columnists (not to be lumped in with the beat writers assigned to the bankruptcy proceedings), newspaper editorials, political columnists, bloggers, talk radio (both news and sports), pop culture watchers, all were consistently outraged and incredulous that Mr. Bettman would not acquiesce to Mr. Balsille's demands. Typically, Mr. Bettman's refusal to allow Mr. Balsille to move the franchise to Hamilton was presented in two manners.

- 1. Gary Bettman is too stupid to understand that the NHL cannot succeed in Arizona.
- 2. Gary Bettman hates Jim Balsille and hates Canada. (I won't quibble on the former).

Dozens, if not hundreds of times I have read, heard on radio or television, or been told face to face that the NHL's stance was intellectually indefensible (i.e. stupid) and could only be explained by Mr. Bettman's enmity towards our country. Over and over I was asked or overheard people express in exasperated tones, "why doesn't Bettman want hockey in Hamilton"? What was widely misunderstood or perhaps conveniently overlooked by many Canadians was that this case was not about whether Hamilton is a better hockey market than Phoenix. This case was about much more.

- Were Mr. Balsille to succeed in moving the Coyotes franchise without the approval of the NHL it could end the long held ability of North American professional sports leagues to determine where their franchises could operate. All the "stick and ball" leagues filed briefs in the case supporting the NHL. None of Bud Selig, David Stern or Roger Goodell cares about hockey in Phoenix or Hamilton. They do care greatly about their ability to control where their franchises are located and who owns them. All of the aforementioned commissioners would have reacted identically to Gary Bettman if faced with the same challenge.
- ☐ If a second NHL franchise comes to southern Ontario, the NHL wants to be paid. Gary Bettman knows that Hamilton is a better NHL market than Phoenix but if you want to set up shop there, the NHL wants a big, fat expansion fee.

Written by Pete Toms Sunday, 04 October 2009 17:26

- The Buffalo Sabres and Toronto Maple Leafs want to be compensated. In other words, do leagues control "territorial rights"?

Mr. Balsille abetted the nationalist emotions and arguments that erupted during his "make it seven" campaign. Mr. Balsille adroitly positioned his attempt to bring the Coyotes to Hamilton as a patriotic act. Mr. Balsille promoted the idea that he was working to "make it seven" for the benefit of Canadian hockey fans (which is pretty much all Canadians, at least us males), particularly those "underserved" fans in the Hamilton region. Largely overlooked was that if Mr. Balsille succeeded in buying the team out of bankruptcy and moving it without the consent of the Leafs and Sabres he would open a second NHL franchise in southern Ontario on the cheap. His attempt to circumvent NHL approval via bankruptcy court would be a far better deal than buying an expansion franchise and writing expensive "territorial indemnification" cheques to the Leafs and Sabres. (As the bankruptcy proceedings progressed Mr. Balsille became more amenable to compensating the Leafs and Sabres). Mr. Balsille portrayed himself, with the unbridled cooperation of the press, as a Canadian everyman who just happened to be a billionaire. Many pieces and columns were written lauding Mr. Balsille's selfless, patriotic efforts to rescue at least one NHL franchise from the "hockey diaspora" of the American south and bring it "home". Mr. Balsille was photographed and interviewed in small arenas, his passion for playing "pick up" hockey widely chronicled. (Evidently he even favours a traditionally blue collar brand of beer in the dressing room) Mr. Balsille received much praise for maintaining his RIM empire in Canada, many of his acolytes arguing that it would have been more financially beneficial for him to have built it elsewhere. (I'm not so certain and a bit offended, in that it plays to Canadian inferiority and insecurity) Practically ignored in the fawning coverage of Mr. Balsille were the penalties he has paid over historical stock option granting practices. (In the latter months of the bankruptcy proceedings this did receive more play when attention shifted to the NHL's rejection of Mr. Balsille on "character" issues) Instead, his philanthropy is highlighted.

Mr. Balsille's nationalist "make it seven" campaign was unquestionably a great success in demonstrating that there is widespread support in southern Ontario for a second NHL franchise. The social networking "make it seven" website was enormously popular not only in southern Ontario but across the country. The campaign was so popular that it became a "motherhood" issue. Home Hardware and Labatts both quickly joined as corporate partners and politicians of all stripes and from all levels of government committed their support to the renovation of the hockey arena in Hamilton (no cries of corporate welfare for subsidizing the business venture of a billionaire).

I ascribe an additional motive to Mr. Balsille's "make it seven" initiative. Mr. Balsille exploited nationalist emotions associated with hockey to pressure (ultimately unsuccessfully) Mr. Bettman in to compromising (or capitulating) on the move of the Coyotes. Every day for five months Mr. Bettman was vilified in his league's most important market (Canada). Every day Canadian

Written by Pete Toms Sunday, 04 October 2009 17:26

hockey fans were told that Mr. Bettman didn't care about the NHL in their country. Worse, he was hostile toward it. If Mr. Bettman wouldn't allow Mr. Balsille in to his club then Mr. Balsille would ensure that the NHL brand be attacked relentlessly where it is most popular.

With Judge Baum's ruling earlier this week, the cognoscenti have concluded that the NHL will soon improve their offer and regain full control of the franchise. Most pundits think that whoever buys the club will eventually move it elsewhere. What was potentially a significant case on the legality of leagues as "single entities" has instead reaffirmed the status quo. ("American Needle" is still in doubt) In the end, more interesting than the Judge Baum's decision, is the Canadian morality play that Bettman vs. Balsille evolved into. It galls many of us that the professional sports league we most favour and support with a religious devotion in many instances, is an American based and controlled organization. In this construct, the too smart, too slick, too New York lawyer is not deserving of protecting what is "ours". The NHL left Winnipeg and Quebec City, cities where practically everybody is a hockey fan. Instead we have hockey in the sun belt, where practically nobody is a hockey fan. And in the morality play Gary Bettman is the imperialist, the interloper, imposing his will against the wishes of the true believers, the people who want hockey, who love hockey. Us, the Canadians.

The vilification of Gary Bettman in Canada is not new. Typically the characterization of Mr. Bettman as anti Canadian and incompetent has been the domain of sportswriters and hockey pundits. ("make it seven" was much more widespread) There is plenty that Mr. Bettman can be criticized over.

- DExpansion to the sun belt has been a failure.
- Mr. Bettman has done a poor job of vetting a number of former owners that he brought to the league (Rigas, Del Biaggio, Samueli).
 - Allowing the implosion of the Phoenix franchise.
 - Cancellation of the 94-95 season due to labour stoppage.
 - The absence of the NHL on ESPN.

The Canadian hockey media (unlike their American colleagues) are loathe to credit Mr. Bettman for.

- The NHL adding major corporate sponsors last season while the other "stick and ball" leagues were bleeding the same.
 - The success of the NHL's digital initiatives
- Growing TV numbers in the US and the New Years Classic in particular. A major accomplishment for the NHL.

Written by Pete Toms Sunday, 04 October 2009 17:26

- A CBA which is considered the most favourable to management amongst the "stick and ball" leagues. (Whether cancelling a season in order to obtain it is debatable)
- ☐ The NHL's TV partnership with Versus. You won't read this in Canada but some sports media watchers (including The SportsBusiness Journal's John Ourand) argue that it is more advantageous for the NHL to be the "big fish" on Versus rather than the "small fish" on ESPN.

Eventually we will likely "make it seven or eight", there are plenty of NHL franchises looking for buyers and there is great demand for the NHL here. And the fundamentals that make that possible will remain in place regardless of whether either Mr. Balsille or Mr. Bettman is involved. But I think it is time for Canadians to adopt a more mature attitude towards the NHL. While we are easily the most avid consumers of this US based and operated entertainment conglomerate, we also resent that we don't control "our game". But "our game" is so, so much more than the NHL. Our "six" is a small part of the nexus that makes hockey our national game and a source of so much national pride and shared identity. Hockey in Canada is hockey moms, hockey dads, hockey siblings, Poutine from the arena canteen, university hockey, womens hockey, junior hockey (easily the most popular spectator sport in our country), boys and girls minor hockey, hockey on "the slab", street hockey, air hockey, table hockey, hockey cards, sledge hockey, those big round pins with the photos of their kids in hockey gear that adorn the parkas of proud hockey parents, hockey volunteers, Wii hockey, hockey on the PSP, shinny on outdoor rinks, "mini sticks" hockey in the basement, getting up at 3 AM to watch Olympic hockey in Nagano....we could all go on and on. Hockey is ours, always has been and always will be. Gary Bettman and Jim Balsille cannot change that.

OTHER NEWS FROM THE BUSINESS OF SPORTS NETWORK

Written by Pete Toms Sunday, 04 October 2009 17:26

(THE BIZ OF BASEBALL)

- MLB Network to Air Critical White Sox Tigers Game
- Blue Jays Fire General Manager J.P. Ricciardi
- Report: GM Kevin Towers to be Fired by Padres
- Pair of Minor Leaguers Suspended 50 Games Ea. for PEDs
- Orioles Exercise Option for 2010 Season on Dave Trembley Contract
- Members of Tigers-Twins Disciplined for On-Field Fracas on Oct 1
- Yankees Add Limited Number of Seats for Postseason
- Players Overwhelmingly Endorse Michael Weiner as Next Exec. Dir. of MLBPA
- TBS Announces Broadcast Teams for MLB Postseason
- Red Sox Announce Promotions of Sam Kennedy, Jonathan Gilula
- Mets Lower Ticket Prices for 2010
- Chicago Cubs Surpass 3 Million in Attendance for Sixth Season in a Row
- Yankee Stadium to Host Annual College Football Bowl Game
- Eric Wedge Fired As Manager of Cleveland Indians
- This Time It Counts: MLB Postseason TV Ratings

(THE BIZ OF FOOTBALL)

- UFL Officially Unveils Helmet Logos
- Ben Roethlisberger Lawsuit Timeline
- Football: A Game of Life and Death
- The New York Jets, David Clowney, and Twitter
- The Biz of Football Gets Blown Up in Week 3
- Verizon FiOS Offering "NFL RedZone" for Free on Oct. 4
- "Lagasse's Stadium" Design Sets New Standard for Food and Sports Experience

(THE BIZ OF BASKETBALL)

Written by Pete Toms Sunday, 04 October 2009 17:26

- NBA Expands Use of Instant Replay
- Q&A: NBA Replacement Referees
- Kobe Bryant Tops List of Most Popular NBA Jerseys in Europe
- AirTran Becomes Official Airline of the Orlando Magic
- ESPN, NBA Reach Agreement to Show Additional Games in UK, Ireland
- Kobe Bryant Reaches Agreement With The Panini Group

Pete Toms is an author for the <u>Business of Sports Network</u>, most notably, The Biz of Baseball. He looks forward to your comments and can be <u>contacted through The Biz of Baseball</u>

Follow The Biz of Hockey on Twitter

Follow the Business of Sports Network on Facebook