

2017 STATE OF THE TOUR
June 25, 2017

JAY MONAHAN



LAURA NEAL: Good morning. Thank you and welcome to East Lake Golf Club and to the TOUR Championship. I would like to thank our friends in the media for joining us here as we get set for the finale for the PGA TOUR's FedExCup Playoffs.

As you know, this is a bit of a tradition, our annual state of the Tour press conference with the commissioner but we have a new tradition with our relatively new commissioner, so your first annual State of the Tour press conference. We would like to welcome and thank Jay for spending some time with us this morning. You no doubt have heard Jay say several times this season that our at the PGA TOUR is to make Mr. Palmer proud. We're coming up on a milestone of his passing in just a couple days. East Lake Golf Club was the site of Mr. Palmer's captaincy at the 1963 Ryder Cup. We have some memorabilia as you can see to make that connection.

So before we begin with Jay's remarks we thought we would show a very short video to better illustrate just how much our players have embodied the Making Mr. Palmer Proud goal this season.

COMMISSIONER MONAHAN: If we could just pause for a moment until we stop the work on the greens here so you can hear the video.

(Video played.)

COMMISSIONER MONAHAN: Well, we all are so fortunate to work in this great game. As I was pulling down Alston today, I was reminded of coming off of this green here after a remarkable 2016 FedExCup final round and a playoff between Rory McIlroy, Kevin Chappell and Ryan Moore that was as dramatic as we had ever seen.

We were all commenting on just what an incredible conclusion it was given the changes we had made here to East Lake and the reversing of the nines and the drama that was created and what a perfect scenario that was, and we had come out of the FedExCup party and FedExCup toast with Rory and we turned left on Alston and got 100 yards and got word that Mr. Palmer had passed away. That was a moment I'll never forget. I don't think it's a moment any of us will ever forget and I think it has inspired us all since that point in time.

I remember quite specifically and vividly my predecessor, Tim Finchem, who I knew as he had told me on a number of occasions how much the man had meant to the PGA TOUR, had meant to him personally, and to see that and experience what that moment meant to him that night was something pretty special and again something I'll never forget, just like we'll never forget this great man.

As you hear in the video and as we talked about over the course of the year, we take very seriously our role as caretakers. That's something that we will ensure forever more. I think when you look at caretaking, celebrating, motivating, really inspiring people to play this great game, when we're successful on those fronts, the PGA TOUR and this great game will accomplish super things for a long time to come.

I think that this goal of making Mr. Palmer proud is one that we're always going to have. I think our players have demonstrated that they are committed to making Mr. Palmer proud and have certainly done so this year.

I also think about today and today's a very special day not only because it really kicks off TOUR Championship week but tonight we'll have the Payne Stewart Award and Stewart Cink, who lives here in Atlanta, will receive the award and rightfully and deservedly so. A man who's won six times on the PGA TOUR, nine times represented the United States in international team competitions, has been very involved in our business, eight times serving on our Player Advisory Council and served on our board from 2007 to 2009 and is a former Champion Golfer of the Year. We look forward to celebrating his great accomplishments and Payne's legacy tonight.

Then you think about impact and you look at that video and you see Chris Stroud and obviously a lot of people have been impacted by Hurricane Harvey and Hurricane Irma, and hopefully we stay away from Hurricane Maria. But our events in the Dominican Republic, Puerto Rico, Texas and in Florida were impacted. Here we were impacted but thankfully not significantly so. But to see the way our players respond to adversity outside the ropes I think is a defining characteristic of this tour and this organization. That's something we're very proud of.

Before we get going here, I just wanted to take a minute and turn this back around on you and say thank you to all of you for the way that you cover the PGA TOUR and the commitment you have to the Tour and this game. We all make a lot of sacrifices along the way where we're not home as much as we would like to be. That's a part of being dedicated to your craft and that's not lost on us. I recognize that you are inherently curious, that's your job, and you ask a lot of great questions and we do our best to answer them. We don't answer them all and we can't answer them all, but every step of the way know that we are extremely respectful of the role you play and thankful for the fact that you are asking the questions, so thank you.

LAURA NEAL: Jay, you mentioned quite a bit of the outside the ropes that makes Mr. Palmer proud, but certainly what's happened this season inside the ropes as far as competition would have as well. Could you give us some of your highlights about this past season?

COMMISSIONER MONAHAN: Yeah, you've all been covering the Tour for a long time and you think about where you were each year when you come here to East Lake and the TOUR

Championship. This year has been phenomenal. I think 27 of 46 winners are under the age of 30. You go back five years ago and 11 out of 47 were under the age of 30 and that's a pretty remarkable development, and you all know who those players are because you've told those stories exceptionally well.

I think going forward you see a number of players that haven't won that are young that will win as we go forward and we're blessed to have a group of established players and veterans that are at the highest level of the game as well, so I think there's a really healthy balance, Laura.

The one thing I take away and this is not a statistic but it just feels like every weekend when I go to bed on Saturday, get up on Sunday, I look at the leaderboard and there's 12, 16, 20 players that have a chance to win. I think the way play has developed and unfolded on Sundays this year has been pretty remarkable.

But most importantly, again, you go back to outside the ropes and coming back to inside the ropes, the way the sportsmanship, it's a defining characteristic of our game and I think there's so many instances this year and I just go back to last week with Marc Leishman and his caddie Matty turning around to Rickie and Joe and giving them a thumbs-up for Rickie's driver off the deck. The level of the sportsmanship in the context of great competition, really trying to beat each other and trying to win has been a really nice dynamic this year.

LAURA NEAL: So we're due for a thrilling finish here I'm sure and then it's no rest, it's straight into a big week next week at the Presidents Cup in the New York/New Jersey area. Maybe give us a few comments on what we can look forward to there.

COMMISSIONER MONAHAN: Well, we're obviously focused on this week and the TOUR Championship and concluding the FedExCup. We think we're in just a fantastic spot. It's going to be really interesting to see how this unfolds and when we're here Sunday night I'm quite certain we will have a great story to tell.

Then we'll leave here and we'll head to New York for the Presidents Cup and we're excited to be in New York, New Jersey to play the Presidents Cup in the context of the Statue of Liberty and the Manhattan skyline and to go to an area that's so diverse, so vibrant, so cosmopolitan. There's a lot of things we're doing outside the ropes that we're particularly excited about. We have our first staging of the Junior Presidents Cup. We have a fan experience at the Oculus across the way where you're going to have 450,000 commuters coming through each day and experiencing the PGA TOUR brand, the Presidents Cup brand, meeting legends of the game, very excited about that. We'll have a number of events including celebrating the 20th anniversary of The First Tee over the course of that week.

So it's going to be an action-packed week but I think it all comes back to the competition. You look at the strength of the teams that Steve Stricker and Nick Price are putting forward and they're as strong as ever. In particular, it's been really interesting to see the way the International Team has developed. I think as they are now, the 12th player is 68th in the

world ranking, which I think is the strongest that team has been ever coming into the Presidents Cup. So it promises to be a great week.

LAURA NEAL: Before we open it up for questions, we do have a bit of news to share with the media. We are unveiling the remainder of our 2017-18 schedule. If you can pass out that press release and the list of the schedule. We're going to be sending out a fun video via our tournament platforms, and Jay, we'll play that in the background while you give us some highlights of the schedule for next season.

COMMISSIONER MONAHAN: Yeah, we're announcing 49 tournaments for the '17-'18 schedule, \$363 million in prize money, which is roughly a five-and-a-half percent increase year over year. We've added two events and, they are the CJ Cup and our tournament in Punta Cana. We will have eight tournaments that will be played outside of the United States and obviously we're pleased to put forward a fantastic '17-'18 FedExCup schedule and thankful for all of our partners who again have supported the PGA TOUR in such meaningful ways through our tournaments.

LAURA NEAL: Kind of the fun part about this video, as you can see everything's sort of building and at the end of the day it all comes down to where we are this week.

COMMISSIONER MONAHAN: Exactly. Look at the guys, it's pretty fascinating to think of the guys that made it by a shot, missed it by a shot. Every one of these tournaments matter and that's something that we're particularly excited about, and we also wanted to have some fun with it so I hope you enjoy this video.

LAURA NEAL: We'll open it up for questions.

Q. I see the National on the schedule. With the Congressional contract being terminated, what is the status of that, and if they don't find a title, is there a chance it won't be played next year?

COMMISSIONER MONAHAN: Well, we are -- Quicken Loans has been our partner in DC and we are in discussions with Quicken on extending our partnership, but as we sit here today we have not concluded those discussions. So we're in a position where we've got to put forward the schedule and that's why we've put the National on the brand.

We need to conclude those discussions with Quicken but you also need to maintain your flexibility because whether or not Quicken steps up, we need to have all of our options in the event that a sponsor is looking at a different -- in a different direction or we're going to take the tournament in a different direction.

I think the fact of the matter is that we're not concluded in those discussions and if you have to make a commitment now, you can't make it without a sponsor, which is why we at this point in time will not be at Congressional next year and have opted out of that agreement.

Q. Another scheduling-type question, looking at the changes even a couple years down the road, how important do you think it is that the season conclude before Labor Day and this event kind of get out of the way of football a little bit?

COMMISSIONER MONAHAN: Well, I think we've been fairly public about this and it's something that we're taking a hard look at, but whether or not we accomplish that goal, I think this event has and will continue to perform extremely well. As I've said in the past, it's something that we'll continue to look at but at this point in time we have not resolved it.

So to say -- you know, to comment on the positives of that I think would be prematurity point in time. When we get to that point or if we get to that point, that's something I would be happy to talk about further. But I mean I think that you look at our schedule now and you look at the strength of the NFL and you look at the strength of our Playoffs and we listen to what our fans are saying, if we had a scenario where we could culminate our FedExCup Playoffs in the strongest manner possible, that's the direction we're going to head.

Q. Jay, the news yesterday about the new Integrity Program, can you just comment on why the Tour felt like you needed to go down that road? You already had a rule about no gambling, why did you have to take it a step further do you feel?

COMMISSIONER MONAHAN: Well, I think that our brand is sacred and our brand has been established by the legends of the game and it goes back for decades. We established this program not because we think there's a problem, it's just the world is dynamic, gaming is a reality in every sport. You look at every other major sport, they have similar programs in place and we just wanted to be proactive and we want to know what the activity is in the international marketplace in markets where gaming is legal, that's why we've hired Genius Sports. We think it's the right thing to do when your brand is as strong as ours is to really understand what the activities are and to be proactive. That's the basis for that decision.

Q. My question was connected with this, is there a background on that initiative? Are there cases that you have detected in the past and are you looking at what happened or what's happening with soccer or with tennis and trying to avoid those things?

COMMISSIONER MONAHAN: Yeah, I think you look at it, take a macro look and there's been some incidents in other sports and that certainly has our attention. But absolutely no, there have not been specific issues relative to our sport that we're aware of. But again I think if you look down the road and something were to ever happen, you want to make certain that we're ahead of that. Part of building great brands is really thinking about how the world's changing and where you need to be on that front.

Q. Will this lay the foundation for you to get involved in any fantasy leagues, Draft Kings, anything like that?

COMMISSIONER MONAHAN: That's something we have been and we'll continue to take a hard look at, but as of right now I would say two things. One, that's not the reason we've

made this move, and two, you have to continue to see how daily fantasy continues to evolve. And we want to make certain, we're domiciled in Florida, we want to make certain that the legality and the acceptance of daily fantasy is universal before we would make a move like that.

But we're intrigued by daily fantasy, we're intrigued by gaming. Fan engagement I think is important for any sport and you look at the activity in other sports and you look at the activity in golf, it's significant. So if we could play a role, that's something that we would be interested in in the future.

Q. Secondly, as we talk about the change coming in '19, are you happy with the playoff format and have you ever considered perhaps doing a separate TOUR Championship and then a separate Sunday all about the FedExCup?

COMMISSIONER MONAHAN: We've considered as -- this isn't going to be a surprise to you. We've considered virtually every single circumstance that's available to us and that is one possibility.

Q. (No microphone.)

COMMISSIONER MONAHAN: What do I like and what do I dislike about it? I think it would be premature because you have to -- there are other events that are affected by it that would precede it and that might be impacted. But I think what you do like about the concept of a second event is it's a moment and if you go in that direction, it's a different moment. There's an awful lot on the line. Not that there isn't an awful lot on the line here on Sunday, but in terms of creating moments that we don't have at any other point in the season and thinking about something that would pull fans in, you could see some positives to that.

Q. Back to Congressional, Jay, I think a lot of people would find it surprising that an event so associated with Tiger Woods over the years can't yet command a sponsor. Should we read into that? They've moved on in that respect? How would you respond to that?

COMMISSIONER MONAHAN: Listen, we've got 47 events this year, 49 next. This is a scenario that we've faced oftentimes. Oftentimes you don't see the back and forth and the length of time and the complexity that these discussions and these decisions take and this is no different.

I'm not in any way suggesting we're giving up on that. We've put the event on our schedule and in any situation like this we expect to be successful. I think this is fairly commonplace.

Q. Jay, looking at the schedule there are 49 events on the 2017-18 schedule. You've spoken about, first of all, the need for an offseason for the players to get some sort of rest; secondly, the chance to create more opportunities for players. How difficult do you find that balance between the two of those roles?

COMMISSIONER MONAHAN: Well, I find the discussion about an offseason to be interesting because you go back to 1967, there were 47 events on our schedule. The schedule started the first week in January, ended the second week in December. You go back 60 years ago there were 48 events on our schedule. So this schedule's been pretty consistent for a long period of time and I expect it to be that way going forward.

When you talk about an offseason, our players are independent contractors. They have 49 remarkable opportunities next year. They're never going to play all the events. They've got to pick and choose the events that are going to get them in the best possible position for this week or to win the FedExCup or for other goals that they set over the course of the year.

The fact of the matter is if you create an offseason you create openings and there's so much demand from fans. You see it in Malaysia, you see it in Korea, you see it in China, you see it in new events that we're adding, that gap will be filled and we think it's our job to maximize playing and financial opportunities. We're going to continue to focus on that and do it in the interest of the fan, but at the same time I think you have to listen to what players are saying. We don't have an answer or solution, but we understand that this is going to be part of the discussion for some time to come.

Q. What have you seen as the effects of the Tour having so many young players do so well so quickly here?

COMMISSIONER MONAHAN: I would say just the vibrancy, the pure vibrancy on the ground at our tournaments, in our broadcasts, in our social media platforms. Look at the number of young people that are out here over the course of this week. Look at the way that they're engaged in what's happening. Look at the way and the expectation they have as it relates to the way these young players engage with them. I think you're seeing a nice progression on that front. And I'm not going to get into the data, but the fact that you have two and a half million juniors that came into the game last year, the highest number since 2000 and the highest number on record, I think that in many respects is reflective of the great young international players that we have in the game combined with obviously the great established stars we have. I think it's a trend and I think when we're back here next year you're going to continue to see more of that. We're going to invest heavily in making certain that outside of our linear broadcasts that we're reaching more and more young people, inviting them into our platforms, inviting them into our tournaments. We see that as a huge opportunity that this current situation has presented us with.

Q. Going back to the '19 schedule, how would you characterize what the Tour's doing right now as far as studying it and as it applies to the questions of an offseason, would you see this as a contraction or would tournaments simply shift to the fall after the TOUR Championship as they have in the past?

COMMISSIONER MONAHAN: Explain the second part of your question.

Q. Going back to Jason's question about a possible offseason, would you see this exercise as possibly contraction, finishing up early before Labor Day in theory or would you see tournaments just shifting over to the fall where you would still have the same number of events, just wherever the Tour Championship would land?

COMMISSIONER MONAHAN: Again, I don't see us going to an offseason. I think anything as it relates -- I'll go back to the first part of your question and I know this is frustrating, but we're looking at all -- we're looking at all the options. We worked with the PGA of America to make the move of the PGA Championship to May and THE PLAYERS to March and that gives us some opportunity in August to own August. It's not just how you end the season, it's just how you sequence all of your events because they're all affected by it. You've got to talk to those events, you've got to work with our media partners to make certain if we're going to make a move like that we can do it in the most impactful and compelling way possible. There's a lot of work that goes behind that and we're not at a point where we're far enough along to suggest that that's actually going to happen. We've got more work to do on that front.

I think to your ultimate question of how do you see this changing, obviously if you get to that point and you're ending prior to the NFL and you're not going to the offseason, then you're ending at an earlier point and you're probably starting at an earlier point.

Q. If a member of your Tour is found to have substances banned by the Tour in a test not carried out by the PGA TOUR, in other words, an external agency such as the police or a medical department, can the Tour act upon that?

COMMISSIONER MONAHAN: I'm going to have to come back to you on that one. That's a hypothetical, so I'm not -- that's a difficult one for me to answer.

Q. Basically, if something's banned, does it have to be the Tour who does a test when it's banned or can it be taken from someone else?

COMMISSIONER MONAHAN: Yeah, it's the Tour that would -- for us to administer and to take a step with a player would need to come through our own system and our own governance.

Q. We're talking a lot about Washington today but I'm also curious about Houston, especially with Harvey coming through, which can't help the search for a title any easier. What's going on there and where do you stand on getting that shored up? To make this even longer, Jay, is Houston's stability critical as you go to set about the new 18-'19 schedule?

COMMISSIONER MONAHAN: Well, the Houston Open has been on our schedule since 1946. We have an awesome host organization in the Houston Golf Association led by Steve Tims. We've been working very closely with them for a long period of time. We remain hopeful. It's the fourth DMA in our country, you have a long history and tradition, you've got

a market that our players love to go to. So it's our expectation that that's a problem and that's a problem that we'll solve.

You look at the situation with Hurricane Harvey and you can look at it one of two ways. We tend to look at it as a source of inspiration in that we've gotten through the hurricane, we've committed to that marketplace from a long-term standpoint. We recognize it's going to take some time for things to settle but it's the ultimate opportunity for a company to step forward and to demonstrate the vibrancy and carry forward the tradition and to take advantage of a strong tradition that already exists. So we think that we'll be successful there but obviously we haven't been yet and Harvey is not an excuse. I think that we'll continue to work our way through that and hopefully we'll have some positive news as we go forward.

LAURA NEAL: Anything further? Thank you all for your time. We do have custom-made Arnold Palmers in the back of the room for those who want to raise a glass to Mr. Arnold Palmer. Thank you, Jay.