

# NBA Media Conference

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## Commissioner Adam Silver

Media Conference



ADAM SILVER: Thank you. I really appreciate all of you being here in person. It's great to see many of you. We just completed two days of in-person meetings here at the St. Regis, the first time we've come together as a full board in person for quite some time.

Had great attendance and really robust discussions on several topics. Talked a lot about the ongoing global opportunity for the league. Very focused on media issues, the transition we're going through, the direct-to-consumer business, which is something we're already in when you think about NBA League Pass.

But clearly that's the direction we're seeing in media, with the advent of robust streaming services and opportunities to bring our games directly to people everywhere. As you might imagine for a league like ours that has a global following and a strong contingent of international players, that creates enormous opportunity for us.

We talked a bit about sports betting, NFTs, blockchain -- the usual topics that we've been addressing these days.

Maybe most importantly, we talked about the basketball and how exciting that's been this season. Here we are with just a few days left in the regular season. With the Play-In Tournament now, obviously 20 teams are able to compete into the playoffs and only three seedings have been established with only, as I said, just a few days to go. That's very exciting from a league standpoint.

Our ratings have been up significantly across all our networks this year. We're pleased with those partnerships, both on the Disney end with ABC and ESPN, and of course with our longtime partner TNT.

Play-In Tournament begins next Tuesday, so a lot of great basketball to look forward to.

With that, I'm happy to answer any questions.

**Q. Since you just mentioned it, the Play-In Tournament seems like it's gotten a lot of press this year, with Brooklyn and for the Lakers possibly until last night. Is it something you've talked about going**

**beyond this season, whether the format would stay, change, or whether just the tournament itself would keep going?**

ADAM SILVER: It is something we talked about continuing beyond this season. We're very pleased with what we're seeing so far. As I mentioned before, when examining it we were very focused on the actual Play-In games themselves, and what we're seeing is a far greater impact essentially on the last month of the season where teams are either jockeying to get into the Play-In Tournament itself or jockeying to get out of the Play-In Tournament with a locked-in sixth seed.

We're pleased with it. There may be a need to tweak it additionally. We'll see how it goes this year, but I think it's going to become a fixture in this league.

**Q. A few seasons ago the NBA postponed having the All-Star Game in Charlotte because of a bathroom bill that was passed there. There is anti-LGBTQ legislation being passed around the country, including Utah. One, was there discussion about possibly moving the All-Star Game from Salt Lake City next season? And what are the circumstances that would compel the league to move the All-Star Game from Salt Lake City?**

ADAM SILVER: There was no discussion over the past two days about moving the All-Star Game from Salt Lake City, and we do not anticipate moving the game. I'm watching these bills throughout the country, and in those states where we have teams that are operating, we're working directly with those teams.

In this case, Ryan Smith, the principal governor of the team, and the Utah Jazz have come out against that legislation. But we find that in our conversation with Ryan, we think we can create an inclusive environment for our All-Star Game in Salt Lake City that will be welcoming for all our guests and for the diverse community of Utah as well.

**Q. Is there any update at this point on the investigation into the Suns and Robert Sarver? If not, is there any timeline on when such an update will**



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**occur?**

ADAM SILVER: No update right now. The investigation is ongoing. I mean, these type of investigations do take a lot of time. You want to ensure that you gather all of the facts and you also want to ensure that you protect the rights of the accused. So we want to err on the side of being very complete.

We're certainly closer to the end than the beginning, but it's hard to put a precise timeline on it right now.

**Q. Can you tell us where things stand right now in terms of any conflicts between Toronto playoff games and Canada's vaccine laws that might affect visiting teams going into Toronto to play a game?**

ADAM SILVER: I'm not sure if I'd refer to it as a conflict. I mean, we have no choice but to operate under the laws of the jurisdictions in which we play.

In some cases, as we saw here in New York City, those are city ordinances. In other cases, they're state. And in the case of Toronto, there are Canadian issues that we have to comply with.

Those rules are well known to all players, and for any player who chooses not to get vaccinated, they know they are at risk of not being allowed to play in Toronto. That's the facts that we're all going to have to operate under.

**Q. With the Mavericks facing renewed allegations of workplace misconduct, this time through a lawsuit filed by their former GM Donnie Nelson, what's the league's level of involvement there since you investigated and sanctioned them in the past? Then with the Suns and the Mavericks, how much of that is discussed at a meeting like today's?**

ADAM SILVER: In the case of the Mavericks, our only involvement right now is to monitor the situation. Generally, as you might imagine, within an executive committee, there is a report of council to our owners. But for the most part, our teams leave to the league office to oversee investigations, and that's how it's always been.

**Q. I just wanted to get back to the 2023 All-Star Game. What is the difference between what is occurring now in Utah and what happened in 2017 in Charlotte? And did you see what happened in 2017, when you guys decided to move the game, as any kind of precedent you set going forward? Obviously both states have passed discriminatory bills in their legislature.**

ADAM SILVER: Every situation is unique. In the case of

2017 and HB2 in North Carolina, we were working directly with the team there. It appeared to us that there was an opportunity to have a direct impact on that law, working with the larger business community.

I would say in Utah, again, relying on the Utah Jazz as our partner. First and foremost, they are on the ground. They understand the intricacies in a way that I don't and the league office doesn't, being across the country.

But, again, it's our collective view that we can continue to operate in Utah, and frankly don't want to be in a position where we're chased from state to state around the country.

Times have changed. There are different issues going on now in the country than there were in 2017. I personally don't like the trend. We also are mindful as a league that we look for opportunities to unite people rather than divide them.

I would just say I have tremendous respect for Ryan Smith. I think he stood up against this bill. We've joined him in opposing this bill. But we also want to be realistic, too, in terms of the impact we can have.

In the case of HB2 in North Carolina, I think it was our collective view, we working with the Hornets, that we could have an impact on that legislation. I think in the case of what's happening in Utah right now, that bill is established.

At least our initial view, working with the Utah Jazz, is that we're going to have to find a way to work in that environment and create an inclusive environment for our game rather than take the position that we have somehow an independent ability to change the minds of the voters of Utah in this.

**Q. So what you're saying is if you feel you cannot have an impact or an effect on the state in which a bill has been passed for them to change things, you do not feel that moving something like an All-Star Game is what you want to do? I'm just trying to understand --**

ADAM SILVER: It's a fair question. I'd say what I'm really saying is we look at every situation for its unique set of facts and circumstances, and I would just say that HB2 was one issue. In 2017, it was a different time.

We're seeing a trend of these bills in the country, as I said, and I find them personally to be very divisive and in many cases a distraction from the issues we all should be really focused on as Americans.

I also constantly revisit how we as the NBA can be most effective in supporting the values that this league believes



in and not being further dividers in these communities.

And just as we did in North Carolina, working with Michael Jordan and Fred Whitfield in Charlotte, here we're working directly with Ryan Smith and his organization.

Our view today is that making threats that we're going to move the All-Star Game would not be constructive.

**Q. You said you don't want to be dividers. Do you feel that moving the All-Star Game then would be an act of division by the league in that context?**

ADAM SILVER: Sorry. Say the last part again.

**Q. You say you don't want to be dividers with your decision.**

ADAM SILVER: We hope not to be.

**Q. So is part of your calculus then, by threatening or moving the All-Star Game, you would create an act of division in that state?**

ADAM SILVER: Yes, in Utah right now, because I'm not sure that moving the All-Star Game would even influence those people who feel strongly about having this bill on its books.

I think you have to look at the dynamic of every situation. I would say here, by us coming to Utah and demonstrating what our values are in terms of diversity, respect, inclusion, I think we can have the greatest impact.

Particularly in this case in Utah, independent of North Carolina, when you have a law that deals directly with sports and youth sports. I think certainly we haven't made it a secret, we want to create an inclusive environment for children to participate in sports.

**Q. Can you elaborate a little bit on what the league's view on direct to consumer is? Apple's in the game now, and it would seem that leagues are trying to align. MLB's there, NFL wants Apple. Do you guys see yourself on Apple, or is that a negotiation you see down the line? What's the stance on D to C?**

ADAM SILVER: It's premature to talk about individual providers because we still have three full seasons after this one with our Disney and AT&T, WarnerMedia relationship. But regardless of what partner we end up with -- and we're very happy with our incumbents right now -- even for those existing services we're on now, they of course are also very focused on direct to consumer.

I think that's the direction media is going in this country. People want personalization. They want customization. If you look at what's happening, you mention Apple or Amazon or Hulu or Netflix or Disney, et cetera, I'm sure all of you in this room -- I certainly use those services as well. And what's also different, from a technological standpoint, they are allowing consumers to have flexibility and attributes that maybe you don't find through conventional satellite and cable delivery.

So part of what we're very focused on in the league is, regardless of what platform we're delivered on, how can we improve the experience for the consumer?

Now, we have, as I mentioned earlier, a direct-to-consumer product already. We've had it for a long time. We call ours League Pass, but it's essentially, as you know, where if you're Knicks fan and you're outside of the New York market, you can get our games. And we have a huge following internationally that relies on that direct-to-consumer product.

So the discussions we're having now have a lot to do with predictions in how the media market is going. We of course follow closely what's happening with other U.S. leagues, what's happening internationally with sports rights. But I think we're going to continue to see a morphing of a lot of these rights that have been on traditional services to streaming services. And frankly, that's where the consumers are going, too.

**Q. On the global games, every year there's a dozen countries fighting over the opportunity to organize global games, and yet this year you decided to go to Abu Dhabi and United Arab Emirates, which is probably the most oppressive country for LGBTQ rights. With everything you've said before, the Utah bill and obviously Charlotte, obviously the NBA is not the sheriff of the world, but wouldn't it be better to choose something else considering you have so many other choices?**

ADAM SILVER: It's a fair question. We continue to believe that using sports, using basketball, we can improve people's lives through sport and that, as Nelson Mandela famously said, sport can change the world. I think that we bring our games all over the world.

I mean, part of why we choose certain markets is of course economics. There's no question about that. It's enormously expensive and resource-driven to bring teams around the world. We also want to try bringing our games to places we haven't been before, and the Middle East is one of those markets.

We look at many different factors in terms of how we travel, bring our games. But our ultimate goal is to bring our games to everywhere around the world. There are lines we draw, but we're an American company and usually we allow those lines to be drawn by our government. Whoever happens to be our administration gives us direction on where they think it's appropriate for us to operate and not operate.

**Q. What, if any, would the league's involvement be in an arbitration process surrounding withheld salary from Ben Simmons, and was there any discussion at the board meetings about players sitting out or demanding trades with lots of years left on their contract?**

ADAM SILVER: There was no discussion certainly specifically about Ben Simmons, and the league would not have direct involvement with that arbitration. It goes to a neutral arbitrator. I'm looking at our general counsel, but that's not something for us to have direct involvement in. Litigation that we would be on the sidelines for.

We didn't have discussions about trade demands per se. The greater concern to me is a trend of star players not participating in a full complement of games. I think that's something we, together with the Players Association, need to address.

I'm not standing here saying I have a great solution. Part of the issue is injuries. One of the things we have focused on at the league office and we're spending -- we had begun to spend a lot of time on pre-pandemic -- are there things we can do in terms of sharing information, resources around the league to improve best practices, rehabilitation, et cetera?

The other way we can get at it, in terms of player participation, is creating other incentives. I mean, it may be -- the Play-In Tournament I thought was a beginning of creating renewed incentives for teams to remain competitive and be fighting for playoff position. It may be through in-season tournaments and changes in format where we can get at it.

But I think particularly to the earlier question about direct to consumer -- and our players are going to need to understand this, too -- that if you're in a model where, rather than buying a package, that in many cases you need to convince that fan, that consumer each time that your product is worth buying, you want to put your best foot forward.

I also have said in the past, if we have too many games, that's something we should look at as well. It's something,

as we sit down and we're looking at new media deals and looking at a new collective bargaining agreement, we will be studying.

There wasn't any banging of the table or anything like that. From my discussions with players, they recognize it's an issue, too. The style of the game has changed in terms of the impact on their bodies. I think we've got to constantly assess and look at a marketplace going forward and say, what's the best way to present our product and over how long a season?

**Q. You're about two years into allowing private equity firms to invest in clubs. A number of different firms have a number of different teams. What are your thoughts on how that's going? Anything that's surprised you about the marketplace in those two years? I would love to hear your thoughts.**

ADAM SILVER: The marketplace from these limited interest from private equity firms has been greater than I had anticipated. I think the interest has been greater than we'd assume coming in for those passive interests.

And it's probably something that but for the pandemic, particularly early on in the pandemic when we had cash needs, that we wouldn't have looked at as seriously as we ended up doing.

So it's healthy, I think, for the teams, particularly when they need cash infusions, when they're investing in their organizations, whatever their needs are for cash, to have equity available as opposed to just taking on more debt. We think that's helpful for the operation of our teams.

When we look at the quality of those investors that have come in, it's been very impressive as well. We think they're very additive to the extent whether they're funds or individual private equity investors in teams.

Part of, as I've always said, what makes this league so great is the quality of the investors. So many of them come from media backgrounds. Many of them have tremendous experience in technology. So we think it's been a very positive experience so far.

**Q. I'm curious, what sort of discussion, if any, was there on competitive issues such as the tweaks to the replay rules, take fouls, anything that might fall under the competition committee?**

ADAM SILVER: There was a discussion on take fouls. Byron Spruell is here, president of basketball operations. That is something, as you know, we're very focused on and considering making a change for next season. We still

have some work to do with our competition committee. We'll be meeting with the board again in July, which would be a possible time to change that rule.

But as we're seeing sort of a pretty dramatic increase in take fouls, we don't think it's a great part of our game. International basketball has another way of getting at it, but that is something that potentially we'd like to tweak.

In terms of replay, I know around the league there are some teams who feel that, if you have a successful coach's challenge you should be able to get another one. We're always trying to balance that against the issues of the stoppage in play and taking away what makes this game so great -- that is, the flow.

So that is something I'm sure that we will look at again this summer. I don't necessarily anticipate a change there, but we'll look at the end of the season and see what the data's telling us.

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