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An interview with:

EUGENE LAPIERRE STACEY ALLASTER

EUGENE LAPIERRE: Welcome, everyone. Thank you for taking this time to come and meet us, Stacey Allaster and I. We're very fortunate to have Stacey here with us. She's the president of the Sony Ericsson WTA Tour. She just happens to be a former colleague of mine, of course. She was vice president of Tennis Canada just two years and a half ago.

STACEY ALLASTER: A short period.

EUGENE LAPIERRE: A short period. But a lot has been accomplished at the WTA Tour over that period of time. That's exactly what she wants to talk to us about. Then maybe you can ask a few questions.

There's a lot happening on the women's circuit, especially starting next year. Stacey is going to summarize it and then you can ask questions.

STACEY ALLASTER: It's great to be home. I was with Tennis Canada for 15 years. To leave your home and to leave what we built together at Tennis Canada was a very big decision. But I did it because I really felt that I could help Canadian tennis and women's tennis on the international stage, help take it to the next level also on a global basis.

When I joined and started in January of 2006, I don't think that the following things would have happened in women's tennis. The first one, we achieved equal prize money at Wimbledon and Roland Garros. That was a 35-year effort on behalf of many people. And we finally achieved that and what it signifies for our sport, that tennis is

a sport that respects women and it's a sport of equal opportunity, and the message that it sent.

It also had a very significant business effect. In 2009 when we launch our new circuit structure, we'll have 10 events, including the Grand Slams, that are at equal prize money.

If someone would have said in January 2006 when I started that Sony Ericsson, our title sponsor, would renew early and extend their partnership through '9 and '10, I would not have thought that was possible.

Our year-end championships, the Final 8, we were receiving \$3 million, the prize money, from the promotor in Madrid. This year we'll receive \$14 million, and we've secured our championships for the next six years: three years in Doha, three years in Istanbul, an \$84 million championships agreement to take our year-end grand finale to a new level, and equal prize money to the men.

Three weeks ago we opened an office in Beijing. Women's tennis, we're the first professional sports league to be making ground in China. We also did a \$32 million deal with the Beijing government to help the development of tennis, help them build their new event that will be part of the circuit structure in 2009.

Over \$700 million of new stadia are currently being built to showcase women's tennis as part of the new Road Map structure. What's interesting about where all of this building is happening, outside of North America. I can tell you there are not many stadiums like Stade Uniprix or the Rexall Centre to showcase women's tennis. This major investment that's happening in Europe, Asia and the Middle East is another big sign that women's tennis is going to go to a new level, like it has here.

Lastly, the organization has some real stability in its financial health. When I was on the board, when I was at Tennis Canada, I was on the board of the Sony Ericsson WTA Tour. I was

giving reports to the Tennis Canada board. I didn't think that the tour was going to be able to meet its operating budget. We, Tennis Canada, potentially would have to pay more to the tour to keep it afloat.

Now we have reserves. We've given a lot more money to our members. That makes Tennis Canada happy. We're investing in a market campaign. At Wimbledon we unveiled the tour's first ever \$15 million marketing campaign. All of those things and, most importantly, unanimously we approved, players and tournaments, in March last year of 2007, that we're going to make change in our circuit, in our commitment to fans, to bring a better product starting in 2009.

So with all of that, it's quite complicated, it comes down to six things, six levers will be the underpinning of a new circuit structure.

The first one comes with the calendar. We used to have 26 events. You could hear the players. There's too many events. I can't play them all. We'll be coming down to 20 premiere events for which the Rogers Cup is one.

The second lever is the commitment system. We had a system that could never deliver. We had 26 events that we had to deliver commitment to. There's only 10 top players. All 26 events wanted the same top 10 players. Guess what? System didn't work.

EUGENE LAPIERRE: I remember saying we needed 20 top 10 players.

STACEY ALLASTER: We're going to get there one day, but right now ten is the driver in the business. We now will only have 14 events that the tour has to commitment to for player commitment. We went from 26 to 14. That's going to have a dramatic impact on our ability to deliver to Coupe Rogers.

The other levers are ranking points. That's one of the key drivers for the athletes because it's their ranking which will affect their endorsements, which will affect their Grand Slam seeding. So it's an important part of the equation when the player is making her decision on where to play.

We've added more ranking points for the Rogers Cup. And if players don't play the Rogers Cup, if they're committed, they'll get a zero pointer for whatever reason. She cannot replace that zero pointer in her ranking.

We also realized that today's athlete, the way these women now hit the ball, they can't play 13 tour events. That's what we asked of them. They can't do it. They're playing about 10. Maria Sharapova, if you look at her data, the last several

years, plays 10 tour events on average, the four Grand Slams, possibly Fed Cup and Olympics. That's what today's modern player plays. So we've also recalibrated the commitment system so that we know that the athletes can meet their obligations.

Last but not least come the rewards and the penalties. On-site prize money is going up by almost 40%. The bonus pool, we have a \$5 million bonus pool. What's the significance of that? In the past, the bonus pool was shared by 50 players. When you try and distribute \$5 million to 50 players, there's not that much money left to really change the behavior of the athletes to play the top events.

Now this \$5 million bonus pool will only be available to the top 10. So it starts to have a little bit more meaning financially for our top level events.

Last but not least come the penalties. The players said, We want a longer off-season. We can't commit to as many events. Put the best events, like the Rogers Cup, in the right dates. So we've done all of that. We've given them breaks. And now we're saying, there's going to be a little less flexibility on where you play. And if you don't play, then there's going to be really significant ramifications.

They'll lose their bonus pool, the entire amount of their bonus pool. Now it's 300, 400 thousand dollars. That's starting to mean something. Fines have dramatically been increased. I think the one that together we built a suspension rule. That's a rule that players and tournaments built. We sat in Madrid at our year-end championships last November, Maria was in the room, Serena was in the room, Marion Bartoli was in the room. Together they said, Okay, if we're going to have all these reforms, this change, we understand that we need a suspension rule. Together we created ones that if they commit to the Rogers Cup and they cannot play, they will be suspended.

How they can be relieved of their suspension, this is where we worked together with the players and tournaments, is that if you're injured, okay. The only person who can say you're injured is you. You've got to make that decision. If you cannot play, you're going to get a zero pointer, lose all that bonus pool, and you're going to have to go to the market. Go that week or you have to agree to come at some period of time over the next

51 weeks. If you do not, then you will be suspended and you'll have a double fine.

So it's all of those six things together that we believe will be a better system that we can consistently deliver a top playing field for the Rogers Cup.

EUGENE LAPIERRE: There's a few of these changes that will help specifically for Montréal. I don't know if you talked about the fact that the season will be shortened a little bit after the fall, but also there will be a break period after Wimbledon of three weeks. This is going to be very much helpful for our event here.

You add this to the fact that the tournament in San Diego, for a number of years there were two Tier Is during the summer, one in San Diego on the West Coast, following those two West Coast tournaments, Stanford and L.A. So it would hurt us tremendously that those players would choose to play a West Coast swing and then maybe not choose to come out east.

There will be again two Tier Is starting next year. It's going to be in Cincinnati, the other one. So it's going to be the same situation as on the men's tour, where the players come after Wimbledon, maybe choose to play one or two on the West Coast, probably just one, and then come and play the East Coast, Canada and Cincinnati back to back.

We see it as a very big improvement in the calendar.

STACEY ALLASTER: I think the other dynamic, with the summer flow, Stanford, L.A. Cincinnati, Canada, New Haven. One of the other dynamics that hasn't been right, we've had tournaments that are \$700,000 in prize money, and the Coupe Rogers at \$1.3 million in prize money. Sometimes the field at the \$700,000 event was as good or better than the \$1.3 million event. So we've recalibrated and changed system as well. Next year it will be \$2 million for the women's Rogers Cup and the commitment is seven of ten. For L.A. and Stanford, their prize money will be \$700,000. They can expect to have two of the top six players in the world. If more players choose to play L.A. and Stanford, Stanford and L.A. will have to make a decision to increase their prize money. If they want one player, a million. If they want two more players, four of six, it will go to a million four. We're trying to also with the tournaments bring some calibration to the investment.

If Tennis Canada is going to invest \$2 million in prize money at a minimum, it should have a seven of ten field like we have here this week in

Montréal. If L.A. or Stanford want to have a field that looks like it, they also should have to invest at the same level. I think we know the markets, calibration, we put the events in the right date, and players are going to have to choose. I think this is a new one. Today we cannot say to the players, You have to choose Canada. That's not in the rules. They have to choose so many Tier Is, but they can miss one. That's wrong.

So in the new system, they have to play four out of five. So, yes, they could choose to miss one, a top player could miss next year, but it would mean she has to play in 2010.

EUGENE LAPIERRE: Can't skip the same tournament two years in a row.

STACEY ALLASTER: Can't skip the same tournament every year. Again, this notion of the player give is a little bit less flexibility. So in your 10 commitments you have to make, four out of five have to be events like the Rogers Cup.

EUGENE LAPIERRE: I think we can open to questions.

Q. Is there any provision for what happened here two years ago when the players suddenly quit in the middle of a tournament? For example, we have Vaidisova who is playing now, said she didn't want to play because she was afraid she might get injured.

STACEY ALLASTER: Well, after that, actually Nicole came to the office in St. Pete. We had some good discussions with her on her professional conduct, what to say, not to say, how to perform. It's a constant effort for educating the athletes.

Look, in sport players are going to get injured. There's no two ways about it. What I can say is, How can we fix that our athletes aren't as injured, not limping into the Rogers Cup as they have been?

To Eugene's point, a good three-week break after Wimbledon, no Fed Cup, is going to help. Are they going to play in L.A. and Stanford? They don't have to play, they could play. What they do have to play is Cincy and Canada. A longer off-season, two to three more weeks of off-season, more breaks after the Australian Open. We're asking to play less, we're saying 10, not 13.

If we've done our job at a better and healthier circuit structure, it should help to have athletes that can go the distance in this tough competition.

Q. Is Cincinnati going to be before or after Montréal?

EUGENE LAPIERRE: It has not been decided yet. To tell you frankly, we're not too sure which week to push for. You guys can make that call if you want. But I tend to believe more and more that week 33, which is our men's year, is probably the best. If the top players in the world are going to play two top events back to back, in their minds they are probably going to say, Okay, I'm going to play hard the first one. If I do good, then that's it, I've done good in one of them. To play the second one will be a bonus if I do good again.

So that's my frame of mind for the time being. I think we will elect to go for week 33, which is the men's year. But that's only 2011.

STACEY ALLASTER: 2011. I think for 2009 and '10 we're looking at back to back.

Q. The other theory is you don't want to peak too soon. That's why traditionally it has not been a good week.

EUGENE LAPIERRE: They're going to want to peak for the US Open, no matter what. So now we've seen it happen lately that Cincinnati has been hurt more than us on the men's tour. So that's where I'm starting from. And the guys now, the way they play, they play so hard, they've come from a long spring season. Summer is getting harder and harder. If they pick their choice, they take two weeks before the US Open to smooth it up. The calendar cannot permit that. They have two big tournaments.

Q. You'll be three weeks before the US Open?

EUGENE LAPIERRE: Yes.

STACEY ALLASTER: In '11.

EUGENE LAPIERRE: Same as now on the men's side. We cannot say we've been hurt on the men's side lately.

Q. Does Tennis Canada as a priority to choose and Cincinnati is going to choose the other week or... ?

EUGENE LAPIERRE: That's negotiation.

STACEY ALLASTER: Good negotiation (laughter).

EUGENE LAPIERRE: For the time being it doesn't appear that one's stronger than the other that would have the first choice, about you we'll see.

Q. Indian Wells with the Williams sisters, they don't like playing that event. Do you think requiring them to play at least once every other year is going to help them get over any kind of stigma or tell the women on the tour, it doesn't matter, you're there to play tennis regardless of where it is?

STACEY ALLASTER: I think we worked through the suspension rule, together with the Williams sisters. Number one, it's a rule that applies equally to all players. Venus and Serena were very much engaged in the development of the rule. I think they've participated in a number of conversations, as has the tournament, to see if we could find a way that they felt comfortable to play on the courts at Indian Wells.

They've decided that they will not play Indian Wells, and they accept that now the suspension rule, if their year end top 10 will kick in, just like it kicks in for all the athletes. So what will that then mean? Serena and/or Venus will have to agree to work with the tournament, either the week of or within that period of time, a date will be mutually selected within the market area, to work with the tournament to help promote women's tennis.

So that's how it will work with them. But I think it's a rule that will equally apply to all athletes.

Q. How is the women's website doing in comparison to the men's?

STACEY ALLASTER: Still ATP Tennis is doing a little bit better than we are. We have been playing catch-up. This year we had a million-dollar investment in adding to our website offering with VOD this week here. Daily highlights are coming out of Coupe Rogers. That's happening at all of our Tier 1s. We'll be streaming the Rogers Cup throughout the world on the website for the final.

But we are having excellent conversations with the Masters Series group that we can bring tennis together through the web, men and women. Particularly in 2009 we'll have six of those Masters Series events and our premiere group either combined or back to back. So having two separate platforms is kind of confusing for the fans. We are working hard at seeing how we can jointly promote and present our product to the fans. I think the web is the perfect platform for us to be able to showcase the events, whether they're combined or back to back.

Q. You can see on the sites the Tursunov blog. It's very funny. The women's side has blogs, but they're more dry. You don't get a sense of community. Are there opportunities for women to come together on the tour in their off time doing some kind of community?

STACEY ALLASTER: We did it Sunday here in Montréal. There were 20 participating in the fashion show. I think week in, week out, there are lots of activities where the players are grouping. In Europe we've had several players go and build houses for Habitat for Humanity. We've got athletes working with UNESCO.

I think what we do need to do, though, is we do need a more robust community, the social networking element of our website offering. We're working hard on that as we speak. We're trying to find our balance. We're still the governing body site. How much will you push the boundary to be relevant to the younger consumer? They don't want so much of the governing body kind of content. So we're finding our way.

I'll sit here two years from now, you ask me the same question. Or come to Toronto next year. You'll see a big difference next year.

Q. Can you comment on the mixed singles tournament going on somewhere in California that was organized.

EUGENE LAPIERRE: Mixed singles?

Q. An exhibit event.

STACEY ALLASTER: Steve Bellamy. It's an XO. It's not an official tour event of any kind.

EUGENE LAPIERRE: What sort of mixed? Do you know?

STACEY ALLASTER: I don't know. Not tour players.

Q. Are you happy with the field?

STACEY ALLASTER: I'm thrilled with the player field.

Q. Are you surprised?

STACEY ALLASTER: Pleasantly. Look, I think what happened in 2006 was a disaster. If you look at a 15-year cycle, we never had that ever before. In the last four years we've averaged six of ten. It was a big drop-off. Last time, in the Olympic cycle, it was five of ten. Certainly prior to the event what always concerned to us was Beijing, it being so far. I know Eugene was

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mapping out how he was going to get the athletes from Montréal to Beijing. We were concerned.

So I think in an Olympic year, and to be going to Asia, to be seven of ten, the top four in the world, this is exactly what the Rogers Cup event at a minimum should be. So I'm thrilled in the Olympic year to have the field we have.

Q. You said the players will decide not to play events like this one, they'll be punished in the rankings. For a lot of players who have been No. 1, like Sharapova, she says she would like to get No. 1 back, but it's not her main goal, it's to win slams. Do you think for the top players it will make a difference? Maria and the Williams say openly they want to focus on slams.

STACEY ALLASTER: The underpinnings of our sport, the Grand Slams are the Grand Slams, no question. An athlete like Maria, she needs matches to be able to perform at her highest level before a Grand Slam. But more importantly she needs a ranking. That is the tool that will impact the majority of her playing decisions because it will ultimately affect her seeding at the Grand Slams.

So I do believe that the ranking matters significantly for the very top players 'cause it's all interrelated with the Grand Slams. Also we're very strategic in the dates that we have put the events like the Rogers Cup in. We know through years and years of studying the patterns of the top players, they will play three and/or two weeks before a Grand Slam. That's the playing pattern now. So we've put the very best dates, the top events, there.

For example, we used to have Tokyo, a Tier I event. It was the week after the Australian Open. Guess what? We had a real hard time getting top players to play a Tier I after Australia. In right sizing it and reducing to the 10 commitments, we've now taken these top events and put them in the right dates, right surface to correlate with the top players' preparations for the Grand Slams.

Q. Can you comment on the Dubois win. Fans waited hours to see the match.

EUGENE LAPIERRE: It was great. It was great. At least on paper it was a tough match for Stephanie against a player ranked 40 something in the world. Doing all that waiting. The fans stayed,

I think there was still maybe 4,000 stayed out there. There was good ambience and everything. It's a good win. Good win for the tournament. We'll be eager to see Stephanie in her next match.

Q. Marion Bartoli told us yesterday she was sick. That's why she did not perform well in her second set. She said other players, 15 or 20 other players, were sick. Have you noticed something?

EUGENE LAPIERRE: I think it's more like 45 players. No (laughter).

No, I spoke to the doctor. He told me that he checked from all the people, the players that came to him, and he got six players. It's four or five of them that came in Montréal already sick. So maybe from L.A. I don't know. Bartoli maybe was one of them or became sick here.

But none of those players were bad enough not to be able to step on court and to play quite hard. If she would have been in any bad condition, I don't think Bartoli could have won that match. Of course, she had to step out of court quickly at one point. That's the worst that can happen. I think they took all kinds of steps to make sure that everything is clean. They spent the night going through the locker room and everything, disinfecting everything. I think it's the last we're going to hear of it today.

Q. I read about Venus Williams' role in achieving pay parity. I wanted to hear more about that.

STACEY ALLASTER: Venus Williams is our modern-day Billie Jean King. I think really she was a big part of the tipping point for Wimbledon to make that decision. I forget our dates, but now she's two years in a row. Two years back, it was on the eve of her final that she went and met with the All England Club and asked them to close their eyes and dream about what it would be like for young women to achieve equal prize money, what signal that would send around the world.

Also together she did write, and we placed it in some major newspapers, again, about why everyone on the tour was working so hard to achieve equal prize money. It certainly had nothing to do with money, but it had to do with the principles of equal prize money. She was the voice of the players versus it coming from myself or coming from Larry Scott, the chairman. Together also with public opinion we engaged in a pretty extensive public opinion campaign for them

to share how they felt on the issue. So together with Venus' leadership we were able to achieve it.

Q. When we have this virtual combined tournament, will the prize money be equal?

EUGENE LAPIERRE: No, it won't be equal. We'll be guaranteed seven of ten on the women's side and we're still guaranteed-- it's mandatory on the men's side. So it's not the same product. Even though we end up getting pretty much the same field, because we know with the women, with the rearranged calendar, we're confident we'll get even more than seven of ten.

STACEY ALLASTER: He's laughing for me. That's good.

Q. For years Tennis Canada I believe offered more money to the women and they refused it, is that correct?

EUGENE LAPIERRE: No.

STACEY ALLASTER: No. Not in my 15 years.

Q. That's what I was told.

EUGENE LAPIERRE: Where did you get that? We've never offered more money.

STACEY ALLASTER: No.

EUGENE LAPIERRE: No, we never offered.

For the time being, it's going to be seven of ten. We think we're going to get more. We'll see. But we cannot promise that. It's a very big difference in talking to sponsors, in talking to media rights. It's a very big difference. For the time being, it's not going to be that. We'll see in the future if we can expand.

Q. You can only guarantee seven of ten top players?

EUGENE LAPIERRE: 66%, seven of ten, that's about it. But it's worse than that when you come to sell it, especially to TV rights and stuff like that. But we'll do our best on the women's side like we've done in the past to try to get the best field as possible.

I think what was worse for us in the last few days was when San Diego was elected as a Tier I tournament. That really impacted on us for a number of years. Now that it's not there any more and the other Tier I will be Cincinnati, we're going to see a situation much similar to what we have on the men's side.

Q. How much less money are you making with the women's tournament, in terms of percentage?

EUGENE LAPIERRE: What do you mean?

Q. You're making 80% revenues with your woman's tournament than the men's.

EUGENE LAPIERRE: How much? I don't know. I don't know. Attendance is similar. It's mostly in the corporate revenues it's less.

Q. But what's the difference? That's my question.

EUGENE LAPIERRE: Well, the difference, we do just about the same profit with each event, with the men and the women. We pay less prize money, but we make about the same. I don't know. I'd have to check the numbers. But we do less in corporate sales.

Q. How is the Eco initiative going?

EUGENE LAPIERRE: It's going well. I can't wait to see the number of people who are going to take the subway and metro again this year. I think in the second year it's going to be even better.

STACEY ALLASTER: All the bikes out front, it's amazing.

EUGENE LAPIERRE: We don't have enough space. We put a note to increase the number of bike racks in front. We now have a new shuttle that comes from downtown for anybody that has a ticket or accreditation. We have virtually all food items, the dishes, are compostable. We throw in the garbage and it goes to compost. All the tickets, brochures, programs are made of biodegradable paper. We're getting there. We're getting there.

Q. If you have a dining room down there, it would be better if you used china. Why would you bring water in from Fiji?

EUGENE LAPIERRE: Those dishes are biodegradable.

Q. And china is cleanable, reusable.

EUGENE LAPIERRE: I think it's the same. I think it's pretty much the same.

Q. How about the water from Fiji?

EUGENE LAPIERRE: Fiji is paying for the ecological print.

Q. That's crap. You ease people's guilt by buying carbon things. It's like athletes driving SUVs. It's nonsense. We have one of the world's great supplies of water here in Québec and you bring water in from Fiji. That doesn't help the environment at all, whether they buy carbon credits or not.

EUGENE LAPIERRE: Is that a question?

Q. I'm asking why you would bring water in from Fiji.

EUGENE LAPIERRE: Because it's a sponsor. Because it's a big sponsor and it helps the development of the game. We make sure this he pay for their environmental print that they leave behind, so...

Q. The players tend to enjoy Montréal.

EUGENE LAPIERRE: Again, if I want to stress a point about shaky fields we had in 2006, and maybe it was due to the fact there was a San Diego tournament in the summer for us, and it was a tough choice for the players. The players do like playing in Montréal. I'm biased saying that. I'm not the best. But when they tell us that, we like to hear it, and it's true.

STACEY ALLASTER: It's a little eye opening because the only frame of reference I had was the Rogers Cup, Toronto, Montréal, the Grand Slams, Miami, Indian Wells. I can just tell you that this is the best staged women's event in the world. The fans, the support of the fans, the venue itself, the players services, the food service, the experience for the hotel, the party, all of those things make it really the very, very best on the tour. 180,000 or so will come to a women's-only single-week event. That is incredible. I think the next highest single-week event on the women's tour will be Charleston, approximately 90,000. This is a Grand Slam like but women only. Bravo to Eugene and all of his team, the foundation that worked to get the stadium. You're in such good stead, I think in these changes that we're going to make to really provide a great field for Montréal fans long-term.

Q. Is that also Toronto or just Montréal?

STACEY ALLASTER: There's no doubt Montréal is a bit of a head start on Toronto. It's five years now that the Rexall Centre has been

operational. There's no doubt, I was there on the weekend, you can feel the buzz, it's starting. But this is really, really happening. This is the event of the summer in Montréal. Toronto's got a little bit of a disadvantage with the extent of the competition, the other events in the city, and its location. But it's coming. 150 odd thousand and they had a lot of rain. If they didn't have that rain, I think they would have pushed the bar up. They're also raising the bar with their player services.

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