

# United States Senate

WASHINGTON, DC 20510

March 9, 2010

Mr. Bill Hancock  
Executive Director  
Bowl Championship Series  
3965 West 83<sup>rd</sup> Street, Suite 283  
Prairie Village, Kansas 66208

Dear Mr. Hancock,

We are writing to express our ongoing concern with the actions and operation of the college football Bowl Championship Series (BCS). While there have been a number of congressional inquiries surrounding this subject over the past several months, the conclusion of the 2009 college football season has raised a number of additional questions. It is our hope that you will be forthcoming in addressing these matters.

Our first set of questions deals with the new BCS broadcasting contract. It is our understanding that, beginning with the 2010 season, the BCS will be operating under a new contract. News reports have placed the value of this contract to the BCS at approximately \$500 million over four years, a significant increase over the BCS's recently-expired contract.. However, to date, the actual revenue distribution under the new contract has not been made public.

Under the existing contract, teams from the BCS's six privileged conferences – those enjoying automatic qualification into BCS games – are guaranteed to receive a vastly larger percentage of the BCS revenue than their counterparts in the five non-privileged conferences. According to news reports, the privileged conferences, which represent just over half of all the teams in the Football Bowl Subdivision (FBS), received more than \$600 million over the course of the previous BCS contract, while those teams from non-privileged conferences collectively received just over \$80 million. Because it appears likely that the new contract will greatly increase the overall revenue to the BCS, it would be helpful to know whether the revenue disparity in actual dollar amounts between the privileged and non-privileged conferences is going to increase under the new arrangement. Over the last several years, we have seen increase in parity in competition among the privileged and non-privileged conferences.<sup>1</sup> We would be interested to learn whether the revenue

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<sup>1</sup> For example, in each of the last four seasons, and in five of the last six, teams from non-privileged conferences have earned automatic berths in the BCS games, despite the difficult obstacles imposed by the BCS's rules for participation. Teams from non-privileged conferences were victorious in BCS bowl games in the majority of those instances. In 2008, the only two teams to finish the regular season undefeated came from non-privileged conferences. And, in 2009, of the five teams that finished the regular season undefeated, two hailed from non-privileged conferences.

distribution under the new contract will reflect these changes in the competitive landscape and whether it will be flexible enough to reflect any such changes during the course of the agreement.

In addition, in an article published in the Fort Worth Texas *Star-Telegram*, on December 24, 2009, you stated, under the BCS agreement, “[t]he gross revenue for each conference that sends one team to the BCS is approximately \$18.5 million.” Similar public claims were made by officials advocating in favor of the BCS in the days preceding and following this past season’s bowl games. However, news accounts indicate that both the Mountain West Conference and Western Athletic Conference, both of which are non-privileged conferences which sent one team to the BCS received only a fraction of the revenue paid to the six privileged conferences that also sent one team. It is also our understanding that this disparate distribution of revenues between privileged and non-privileged conferences sending one team to a BCS game has occurred in each of the four previous instances in which a team from a non-privileged conference has qualified for a BCS game. Please provide information to clarify the discrepancies of these statements.

Furthermore, it is our understanding that, under the new agreement, the BCS will utilize what is purported to be competitive criteria to determine which conferences will receive automatic bids to play in BCS bowl games. According to the BCS’s own public statements, conferences will be evaluated over a four-year period based on three elements: (1) the average ranking of the conference’s highest ranked team; (2) the average ranking of all conference teams; and (3) the number of conference teams in the top 25. However, to date, the actual weight given to each of these elements in the BCS’s calculations has not been made public. We would appreciate more specific information as to how these factors will be weighed when the evaluations are made and why, up to now, this information has remained confidential. If automatic-qualifying status is awarded to a non-privileged conference, will it receive the same revenue as all other conferences with automatic-qualifying status? Furthermore, if more than one non-privileged conference meets the criteria, will they all receive automatic bids? Also, it is unclear whether these evaluations will be applied to the six currently privileged conferences. If, under this system, one of the six currently privileged conferences fails to meet the criteria, would it lose its status as an automatic-qualifier? If not, why not?

Our second set of questions addresses the BCS organization itself. Currently, it is unclear to us what sort of status the BCS enjoys as an organization. According to public information, it appears that the BCS agreement did not result in the formation of a separate legal organization, with an exception of an entity that has been assigned ownership of certain intellectual property rights. Instead, the BCS apparently considers itself an “arrangement” wherein the teams, conferences, and bowl-game organizations appear to have remained completely separate and ostensibly independent. However, due to what appears to be a lack of transparency, a number of questions have arisen. For example, the BCS recently created an Executive Director position, which you now hold, which is apparently not associated with any school, conference, or bowl organization. In addition, it has been made public that the BCS has procured the services of Ari Fleischer Sports Communications for

media and public relations purposes. If, in fact, the BCS agreement did not result in the creation of a separate legal organization, how can such appointments be made? Furthermore, will the services of these individuals and organizations, who are, once again, not affiliated with any BCS school or conference, be paid from funds that would otherwise be distributed to the schools? We would appreciate specific information regarding the organization and administration of the BCS, including an exhaustive list of the organizations affiliated with the BCS and details regarding the roles these organizations play in the funding, management, and the administration of the operations of the BCS.

Finally, we would like to address some issues surrounding the BCS standings and bowl selection processes. First of all, it is our understanding that the BCS standings are determined through a combination of the USA Today Coaches Poll, the Harris Interactive College Football Poll, and the average of six separate computer rankings. However, to date, the exact standards utilized to derive the computer rankings have not been made public. This is particularly troubling in that the apparent reason for including the computer rankings is to ensure some level of objectivity and predictability in the system in order to eliminate concerns that the BCS standings are biased and subjective. However, this cause is undermined when the computer formulas are kept from public scrutiny, particularly at those times when they yield results that are counter-intuitive.<sup>2</sup> We would appreciate more information on the data used in the computer rankings, including the precise factors used by each ranking system, the corresponding weights given to those factors, and the reasoning by which this information has remained confidential.

Mr. Hancock, ultimately, our current concerns are not only with the current system employed by the BCS, but that the BCS's public representations do not accurately reflect the practical manner in which the system operates. We hope that you will respond to our inquiries with full and forthright answers. Thank you for your attention regarding these issues.

Sincerely,



Orrin G. Hatch  
United States Senator



Max Baucus  
United States Senator

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<sup>2</sup> For example, in the final regular season BCS standings for the 2009 regular season, Texas Christian University, a team from a non-privileged conference finished fifth in the average computer rankings. TCU finished the season undefeated, yet the computer rankings gave a team with a loss a higher ranking. Furthermore, TCU had as many wins against ranked opponents as two teams that finished higher in the computer rankings and finished the season with a string of lopsided victories while those same two teams finished the regular season winning close, difficult games. In addition, Boise State University also finished the season undefeated, yet was tied in the computer polls with the University of Oregon, which had two losses, one of which was to Boise State.