

U.S. Sen. Johnson: Weighs in on the future of professional golf at hearing on the PGA Tour-LIV Golf deal

Posted on Thursday, Jul 13, 2023

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WASHINGTON – On Tuesday, U.S. Sen. Ron Johnson (R-Wis.), ranking member of the Permanent Subcommittee on Investigations (PSI), questioned PGA Tour Chief Operating Officer, Ron Price, and PGA Tour board member, Jimmy Dunne, on the implications of the PGA Tour-LIV Golf framework agreement during a hearing titled, “The PGA-LIV Deal: Implications for the Future of Golf and Saudi Arabia’s Influence in the United States.”

Sen. Johnson underscored the complete lack of transparency the 9/11 families have faced not only from Saudi Arabia but from U.S. federal government institutions like the Federal Bureau of Investigation (FBI). At the hearing, Sen. Johnson [entered into the record](#) heavily redacted documents he received from representatives of the 9/11 families that contain information about the FBI’s investigation into Saudi Arabia’s connection to 9/11. Sen. Johnson pressed the witnesses to explain what created the need for the PGA Tour to negotiate with representatives of Saudi Arabia’s Public Investment Fund. He also emphasized the need to give the PGA Tour the “[time and space and privacy](#)” to conclude this deal.

Sen. Johnson’s remarks can be found [here](#). Excerpts can be found below:

Opening remarks

Sen. Johnson: “I also want to welcome the witnesses and thank you for appearing voluntarily before our subcommittee. Let me start by saying I love the game of golf. I enjoy playing it. I wish I was a whole lot better, and I enjoy watching it.

Golf is a pure meritocracy. Golfers succeed or fail on their own. Every golfer can empathize with a pro who is trying to hold onto a one shot lead, execute a difficult shot or sink a crucial putt. We appreciate the moments of celebration, and we sympathize with the failed attempts.

The game of golf has developed a handicap system that allows golfers like me, at a lower skill level, to enjoy competing with one another, but it's the competition at the highest level that brings us here today.

Every professional sport faces the exact same challenges. How do you structure and maintain competition to attract large audiences and maximize the revenue base? How do you fairly compensate all the athletes from the top stars to the journeyman players striving for the top? And in the global environment, how do you accomplish this with entities possessing dramatically unequal resources?

League Sports in America provide a good example of this dilemma. How can small city markets like Green Bay or Milwaukee afford to field teams to effectively compete against cities like New York, Chicago or Los Angeles that have much larger fan bases? The solution has been the formation of leagues and governing bodies that develop and enforce the rules of the game and competition. Unfortunately, many of the rules and practices that these leagues engage in may run afoul of the Sherman and Clayton antitrust laws.

In researching the legislative and judicial history of sports in America, I must agree with the assertion of a 1987 University of Miami Law Review article that states quote, 'The precise law governing the relationship between professional sports leagues and the Sherman Act is so noticeably confused and unsettled. A simple explanation for this confusion is that it is difficult to write a law that effectively addresses every situation in every reality.'

This hearing deals specifically with reality the PGA Tour faced when Saudi Arabia decided to get involved and invest in professional golf. According to its 2021 990 tax form, the PGA Tour has net assets worth approximately one and a quarter billion dollars. Saudi Arabia's Public Investment Fund is estimated to be worth between \$6 and \$700 billion - 500 times larger than the PGA Tour.

Until the creation of LIV Golf, multiple golf tours throughout the world competed in a commercial marketplace dictated by the normal market force of profit and loss. LIV is financed by an entity that was committed to competing for top players with little,

if any regard or expectation of a direct financial return. From a commercial standpoint, it's not a fair fight, and the PGA Tour accurately viewed the LIV as an existential threat.

I have the deepest sympathy for the families of 9/11 and support their efforts of obtaining information currently being withheld by the U.S. and Saudi governments. Mr. Chairman, as a quick aside, I was approached by some members of 9/11 families in the hall today, and they gave me a document that summarizes, I guess, the FBI's investigation of Saudi involvement in 9/11. And like so many documents that I receive, it's heavily redacted. The FBI, the United States government, the Saudi government, is not being transparent with the 9/11 families. And I want to completely support the 9/11 families in obtaining transparency and the truth. So I'd like to enter this document into the record so that people can view for themselves the lack of transparency of our government and the Saudi government."

Sen. Blumenthal: "Without objection, and I might just say I have spoken to the 9/11 families about exactly this resistance by our own government, the FBI, and other agencies to provide the facts that are necessary for them to seek simple justice. And I would join you in a bipartisan effort to make those facts more available."

Sen. Johnson: "Hopefully, that's a really good bipartisan result of this hearing."

On the reality of the existential threat that LIV posed to the PGA Tour

Sen. Johnson: "I'd like to just try and lay out the reality that you were faced with. First of all, you would not have been seeking large additional funding or large amounts of additional funding had it not been for the PIF entering the scene, correct? I mean, you're always seeking resources, that type of thing, but it's only because of what the Kingdom did, correct?"

Ron Price: "That's correct Senator Johnson, it's only because of LIV that we're sitting here today."

Sen. Johnson: "And again, what you're dealing with is an entity that's 500 times larger than you in terms of financial wealth."

On the complications surrounding the PGA Tour-LIV Golf deal

Sen. Johnson: "Mr. Dunne, you've done a lot of deals, right? And you've been in a lot of negotiations and I've done a lot of negotiations myself. I've never had to do them

in public. I want to emphasize for the committee, for the audience, that you don't have a deal. You've ended the litigation which took a big liability off your plate. And I would certainly, you know, I've been enough involved enough litigation that you never know the result. I mean, it's always a big risk, right? Talk about how difficult it is for the PGA to have all this information exposed, you know, ideas get thrown out in negotiation. You know, they're rejected, but even the idea being made public is not helpful. Describe how difficult it's going to be to conclude this deal."

Ron Price: "It makes it very, it makes it very complicated. I agree, you generally don't negotiate a deal in public, but we're committed to try to move from a framework agreement to a definitive agreement, because we believe that will allow us to continue our leadership in professional golf and our tournaments to be operated in accordance with our mission and our standards for our players and for charity. We think that's very important, but these proceedings make that even more difficult."

Sen. Johnson: "Now, Mr. Price, as we spoke over the phone a couple of weeks ago, and I read the framework which immediately got leaked, it struck me as this is a kind of a win-win situation for the parties involved. Basically it sounds like the Saudis got a seat at the table in terms of golf, but PGA retained its control over the game, over the competition, you know. Mr. Dunne can you just kind of speak to this? In any negotiation, what you want in the end is a win-win for everybody, and you can move forward successfully as opposed to acrimony and, you know, destructive behavior moving forward."

Jimmy Dunne: "You know, Senator, that's the goal. I really understand Senator Blumenthal's concern about not having them take over. That's the last thing in the world we want. It's just I think through this agreement, we can we can get a win-win situation. My fear is if we don't get to an agreement, they're already putting billions of dollars into golf. They've got a management team that wants to destroy the tour. And even though you could say take five or six players a year, they have an unlimited horizon and an unlimited amount of money. So it isn't like the product is better. It's just that there's a lot more money that will make people move, and I'm concerned with exactly what the senator's worried about. I'm more concerned, though, if we do nothing, we're going to end up there. They're going to end up owning. They can do it because it isn't that big. It's only a couple of hundred players."

Sen. Johnson: "I share that concern."

Jimmy Dunne: “And I’m deeply concerned.”

Sen. Johnson: “And I sympathize with the position you’re both in, thank you Mr. Chairman.”

On how golf can repair breaches and heal divides in the world

Sen. Johnson: “Now, there have been an awful lot of questions and comments, and you’ve been asked to give us different assurances in terms of what the PGA Tour will do or won’t do. I want to give you the opportunity, while nobody else is here at the dais, describe what the tour actually is. You know, who your duty is to, you know, what your duty is not. I mean, obviously, you’re human beings. You don’t like to see repressive regimes. From a business standpoint, you’ve got to weigh if you involve yourself in a country that’s doing things that maybe your fan base wouldn’t approve of, I mean, you’d have to certainly, factor that into your decision whether or not you hold a tournament somewhere or not. You know, Mr. Dunne, you talked about, I think, very convincingly that, you know, you love this game of golf. You think that golf can help repair breaches, right?”

Jimmy Dunne: “Yes.”

Sen. Johnson: “Talk a little bit about just the game of golf being able to use globally, again, we talked about meritocracy, does it make any difference what kind of race you are? You know, literally, it doesn’t make any difference if you can shoot a lower score than anybody else, you’re going to be competing at the highest level. But just talk about what you think the game of golf can do for the world.”

Jimmy Dunne: “Well, you know, I’m very jaded on this, but I have a tremendous, tremendous respect and appreciation and love for the game of golf. Just in the world, world prospect, and I know there’s been a lot of discussion about 9/11 involvement, but there’s you know if you look at even in Saudi Arabia, I think there are 18 million young men, men and Saudi women that are under the age 32. And I think it would be good if they didn’t think every American hated them. You know, because they had absolutely nothing to do with 9/11, and I think that golf can be a force throughout the world. Now complete with respect to that Senator, we would not be negotiating with them. You know, they wouldn’t have been the first pick, but first of all, we didn’t need money...”

Sen. Johnson: “You didn’t choose?”

Jimmy Dunne: “No, no. We got to the table because of the situation at hand, which is the vulnerability to the tour, and the tours, one thing that’s really come out and it’s very important is, you know, the top 50 at the tour at that moment are critical to the viability of the tour and what it will be going forward. So if you lose a number of those players, sponsors become very unhappy, you don’t have the level of competition. We would like the best players playing against each other all the time. We’d like to be able to have that product but still protect the interests of the tour. So there are just so many things that we could do correctly if we could have the game united in a level of competition. I think the competition could go up, so the level of interest could go up so much, and you could see situations like, it wasn’t a tour event, but in the U.S. Open. You know, a guy won that tournament that it was amazing how he was able to do that, and it’s just something special and unique.”

Closing remarks

Sen. Johnson: “My closing comments. First of all, I do think this hearing has been constructive in a number of different ways. It’s given the PGA Tour an opportunity to, you know, describe the rock and the hard place that they were between and still are in. This has got a long way to go but many senators are able to express their concerns that I think the PGA Tour shares.

So I think that was good. I would push back on the term sellout. This PGA tour did not seek this. They were put in this position. The Saudis have the \$700 billion. If they want to be involved in golf, they will be involved in golf, and if this thing fails, they can spend the money to take over golf, and I think that would be tragic, and I think it would destroy golf because it would destroy the competitive spirit and the purity of the competition.

So I appreciate the difficult nature of what you did Mr. Dunne, in first reaching out and starting it. I understand the difficult nature of your task ahead of you, Mr. Price, to conclude this negotiation.

I really do hope that we can give them the time, and space, and the privacy, working with their members, now that the members are fully aware of where they’re going, to conclude this deal, and I think there’s a real potential here.

Again, this has been negotiated by somebody who, I guess, other than losing a direct member of the family and losing 40% of your colleagues is no small thing, you understand the full sensitivities, I don’t think Mr. Dunne would be involved with

people that had any involvement whatsoever.

So I trust his judgment from that standpoint, and I hope we can, I guess, trust these individuals to do right by their members, by this country, by the 9/11 families, trying to preserve the game of golf, competition at the highest levels, and see if we can't forge some kind of win-win situation where even the citizens of Saudi Arabia can enjoy greater freedom, greater modernity, where the game of golf can be used, as I know Mr. Dunne believes it really can be used, to bridge divides, and just improve the situation.

So again, I you know, I wouldn't have held this hearing, I was highly interested in attending it and listening to it. I think some good has come of it. I think it's been constructive. So I appreciate that. And let's give them the time and space to conclude a deal that can be actually a win-win situation for everybody involved."