
Congress looking into bcs

Posted by TimO - 2008/04/17 15:17

illegal enterprise? We may think so in CougarTown-this is nothing new, but here's the ESPN thread:
<http://sports.espn.go.com/ncf/news/story?id=3351626>

This may be my own bias, but i tend to look at BYU as a non BcS powerhouse as far as university standards go, and facilities match many BcS schools. If we were to make it to a BcS bowl game...I am willing to bet that the payoff would be somewhat larger than hawaii's, yewts, and boise st. Why? interest-the kind that increases yearly, but also the fan and nation's personal intrigue to BYU in the game.

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Re:Congress looking into bcs

Posted by jhw5 - 2008/04/17 15:20

Notice what states the three congressmen represented? Georgia, Hawai'i, and Idaho. Where was one of Utah's?

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Re:Congress looking into bcs

Posted by Hengst - 2008/04/17 16:41

Doesn't congress have a recession to be worrying about?

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Re:Congress looking into bcs

Posted by 1967cougar - 2008/04/17 17:33

You think the six BCS conferences are bad. Just wait until the federal government gets it's hands on it. These are the guys, remember, that caused the school mascot fiasco. I can see it all now. BYU, if you don't play on Sunday, we will take away all federal funding from your school. Utah, if you don't play a certain percentage of females, you will lose accreditation (Oops! they already field 100% sackless females). Nicholls State, you can play Ohio State but to make it fair we will spot you 50 points. And then to cap it all off, they will have fair and sensitive playoffs but will not declare a national champion due to the psychological damage to the losing teams and how it might affect their yet unborn offspring.

Let's play cards with the deck we have. Getting the gov't. involved is a recipe for disaster!

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Re:Congress looking into bcs

Posted by Mingjai - 2008/04/17 22:49

1967cougar wrote:

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Wow... I couldn't have said it better.

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Re:Congress looking into bcs

Posted by Conosticator - 2008/04/18 00:07

Hengst wrote:

Doesn't congress have a recession to be worrying about?

Do you really want the politicians managing the economy? The best thing they could do would be to spend time on things like the BCS. Think of all the tax dollars never spent, earmarks never used, etc, that would entail.

To quote Will Rogers, "be thankful we're not getting all the government we're paying for." ;)

To paraphrase an old saying, "A politician fooling with the economy is like a cross-eyed javelin thrower. They don't win many accuracy contests, but they sure keep the crowd's attention." :dry:

Re:Congress looking into bcs

Posted by Conosticator - 2008/04/18 00:09

Mingjai wrote:

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Come on now. You know that the PC way to play sports is to not keep any score so everyone feels good afterwards.
:huh:

Re:Congress looking into bcs

Posted by Yndian - 2008/04/18 06:06

Conosticator wrote:

Come on now. You know that the PC way to play sports is to not keep any score so everyone feels good afterwards.
:huh:

That's why I only play tee-ball. I've got to shelter my fragile psyche.

Re:Congress looking into bcs

Posted by Real.Men.Wear.Blue - 2008/04/18 08:19

If the issue were all about sports and athletic competition, then I would agree. In point of fact, however, college football is also a BUSINESS--and a multi-billion dollar one at that. The government has the right to regulate the economy to some degree, at least when legitimate competition is threatened by anti-competitive behavior.

When unscrupulous businessmen (i.e., BCS conference chiefs) enter into agreements aimed at stifling legitimate competition, I think the government has the right to intervene. Such is the case here. It's not about deciding when the game clock starts to run, or how far apart the goal posts should be. It's about whether the BCS conferences are running an illegal cartel. Without these investigations, the BCS would never change because they have no incentive to.

Re:Congress looking into bcs

Posted by WACoug - 2008/04/18 11:33

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Exactly. College football, especially D-1 (FBS or whatever :dry:) is big business. Sure the athletes don't get paid (legally) but everyone else sure does. I don't think the gov't should get involved so that it becomes easier for BYU to win a national championship, but I do think they should step in and really investigate the BCS. I am not an economist, but just from the layman's point of view, the BCS is in no way fair trade and the only ones who pretend to think it is are the ones stuffing their pockets with cash. As long as college football makes money, which it does, it should be regulated just any other major market.

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Re:Congress looking into bcs

Posted by CAFB_04-12 - 2008/04/18 11:43

Hengst wrote:

Doesn't congress have a recession to be worrying about?

I think we should concern ourselves about weightier matters. :)

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Re:Congress looking into bcs

Posted by Slugger - 2008/04/18 12:01

Gosh, why the rush to judgement? Funny how the big boys start to cry when they get left out of their own party but the rest of us are yelling with no voices. I'm no economist, or business law expert, but it is quite obvious that the BCS is an unfair enterprise because it only allows automatic entrance to a select group within one pool while excluding the rest by means of "criteria" that don't pertain the group that is allowed automatic inclusion. 7-11 doesn't reserve the Slurpee machine for only those stores than are robbed once a year while excluding those that are robbed more frequently. :huh: Not allowing a lower division team like Appalachian State into the BCS is perfectly logical because they are not a part of the same "group" (D1) and are not considered equal. I had frankly put it in the back of my mind because it is so frustrating and a waste of mental energy thinking about it. COnsider this, using BYU as an example...school enrollment of approx 30,000, state-of-the-art facilities including 65,000 capacity football stadium and one of the largest indoor practice facilities in the country, along with outdoor practice fields, proven history of winning and competitiveness, dozens of personal and team awards, running history of coaches and players now contributing in big ways in the pro ranks, broad nation-wide fan base. All of this while competing on the same virtual "playing field" as the rest of D1. And yet, when it comes to selecting the best, they're excluded? Makes absolutely no sense to the neutral mind. I'm hoping Congress can do something about it because it is the most blatant, public display of discrimination and exclusion there is and it is all tied to money.

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Re:Congress looking into bcs

Posted by CrimsonCoug - 2008/04/18 17:12

I am an economist, but not a lawyer. Here's my take. Sorry if this causes any nightmarish dejavou to econ 110, but I thought some might be interested.

From an economic argument, in order for the BCS to warrant some type of government intervention (in my view) it needs

to be clear that the BCS system is creating a market imperfection (or distortion). (The legalites would probably like to take this further and examine if it's creating a market imperfection larger than what it's trying to solve).

But what's the market here? That depends on how we define the product. What are people really spending their money on? College football game entertainment, broadly. This has at least two salient parts--the value of the quality of the game itself and the value of the utility of discovering which are the best teams in an ordinal bivariate ranking (meaning we only get to see who's better than who) and resulting weak inference on the ordinal ranking of the teams in a particular game to teams outside that game for final rankings/national champion.

The most obvious potential market imperfection here is a barrier to entry. Does the BCS system constitute a barrier to entry into this market? Plausibly yes if it can be shown that another firm can't come into the market because of non-pecuniary obstacles caused by the BCS. (That is, another firm selling a related product--say a playoff system involving all of the schools--can't cry foul if fans simply don't want to pay for their product.) But if the schools are contractually engaged to the BCS such that they could not play in a different system if they wanted to, then the BCS could potentially be charged with creating a barrier to entry. They'd presumably be doing this as either a monopolist, a monopsonist, or both.

Roughly, If fans can only buy the product from one place, the firm is a monopolist. Again, I'm not a lawyer, so I have no idea about schools' contractual obligations with the BCS.

But we could also argue, perhaps, that a market for the entertainment of determining a CFB champion constitutes a 'natural monopoly.' That is, because of huge fixed costs, the market can only support one firm. Maybe, if we think that having two parallel systems would undermine the quality of the product of each one. This would only really hold if the same college team could not play in two systems because of the rules the BCS put in place. (The NCAA prohibiting them from doing that is another matter. Presumably the market would pay to see Georgia play twice in December.) A monopoly of any kind--natural or otherwise--is economic grounds for considering intervention.

Alternately, we could look at this from the football programs' perspective. In which case our best bet is to try to argue that the BCS is a monopsonist--that they're the sole buyer of a team's product. If they were, monopsonies are often rightly subject to public intervention (now the government's 'cure' might be worse than the disease, but there is at least room for intervention from the perspective of economics). But as we know, conferences, acting as proxies for teams with something like 'power of attorney', shop their product (teams) around to multiple different buyers like the Las Vegas Bowl, the New Mexico Bowl, etc. So the monopsony argument doesn't seem to hold too well. Maybe it does for the 'top' 10 programs; I'm not sure, but I think Georgia could have offered to play in the LV Bowl without any legal ramifications. Not sure.

Perhaps instead this is simply a market imperfection known as a 'coordination failure'. (Think of two railroads with different gauges of track). If schools cannot play in two systems (because of NCAA regs or fed/state law) and they have to pick a system, then it's going to be tough to compare schools in system A with those in system B, so the market for entertainment in knowing a 'champion' is at least partially derailed.

So to sum up: I think the monopoly or monopsony allegations against the BCS are weak but could stick. I think the potential characterization of the market as a coordination failure or natural monopoly is also a bit weak. Overall I think the BCS creates less inefficiency (monopoly/monopsony) than it 'solves' (natural monopoly/coordination failure). A lawyer might respond, "Yes, but could the existing market inefficiencies (naturally occurring or caused by the NCAA/law) be solved in a more efficient way than the BCS?" My answer is yes.

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