

NATIONAL PRESS CLUB LUNCHEON WITH RODNEY ERICKSON

SUBJECT: PENN STATE PRESIDENT RODNEY ERICKSON, WHO HAS PRESIDED OVER THE UNIVERSITY AS IT DEALS WITH THE CHILD SEX ABUSE SCANDAL, WILL ADDRESS THE NATIONAL PRESS CLUB

MODERATOR: THERESA WERNER, PRESIDENT, NATIONAL PRESS CLUB

LOCATION: NATIONAL PRESS CLUB BALLROOM, WASHINGTON, D.C.

TIME: 12:30 P.M. EDT

DATE: FRIDAY, NOVEMBER 2, 2012

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THERESA WERNER: (Sounds gavel.) Good afternoon, and welcome to the National Press Club. My name is Theresa Werner, and I am the 105th president of the National Press Club. We are the world's leading professional organization for journalists, committed to our profession's future through our programming and events such as these, while fostering a free press worldwide. For more information about the National Press Club, please visit our website at www.press.org. To donate to programs offered to the public through our National Press Club Journalism Institute, please visit www.press.org/institute.

On behalf of our members worldwide, I'd like to welcome our speaker and those of you attending today's event. Our head table includes guests of our speaker as well as working journalists who are Club members. And, if you do hear applause in our audience, we'd note that members of the general public are attending. So it's not necessarily evidence of a lack of journalistic objectivity.

I'd also like to welcome our C-SPAN and our Public Radio audiences. Our luncheons are also featured on our member-produced weekly Podcast from the National Press Club, available on iTunes. You can also follow the action on Twitter using hashtag #NPCLunch. After our guest speech concludes, we'll have a Q & A. And I will ask as many questions as time permits.

Now it's time to introduce our head table guests. And I would ask each of you to stand up briefly as your name is announced. From your right, Eric Meltzer, Associated Press. Katie Steinmetz, *Time Magazine*. Cat Towers, Penn State student and THON 2013 overall public relations chairperson, and a guest of our speaker. Jeff Ballou, *Al Jazeera* and Penn State alumnus. Susan McHale, director, Social Science Research Institute, the Penn State University, and a guest of our speaker. Alison Fitzgerald, Speaker Committee Chair, and freelance journalist.

I'm going to skip our speaker for just a moment. Robert Carden, Carden Communications and Speaker's Committee member who organized the luncheon, and a Penn State alumnus. Cathy Bowen, Department of Agricultural and Economics, Sociology and Education professor in consumer issues, the Penn State University, and a guest of our speaker. Jennifer Babbitt, Bureau Chief, Time Warner Cable. John Tamari, *Philadelphia Inquirer*. Robert Richards, The Pennsylvania State University Washington Program.

Thank you all for joining us today.

[applause]

Penn State University is known as "Happy Valley," and for a good reason. It's a picture-perfect college town nestled amid the majestic hills of Central Pennsylvania. An enormously popular university, it boasts the largest alumni association in the country. But things were anything but happy when our guest, Rodney Erickson, assumed the Presidency of Penn State last November. The school was reeling from a child sex abuse scandal involving long-time Penn State assistant football coach, Jerry Sandusky.

The coverage of the scandal was nonstop. The school's revered football coach, Joe Paterno, had just been fired, President Graham Spanier forced to step down. Both men, along with others at Penn State, were accused with covering up the scandal to protect Penn State's reputation. This was the mess that Rodney Erickson inherited.

That mess is slowly being cleaned up. Sandusky is in jail, probably for the rest of his life. The football program has been severely sanctioned by the NCAA but has a new and popular coach, Bill O'Brien, who has brought stability to the program. The university was fined \$60 million dollars and is still likely on the hook for millions of more dollars, as victims of Sandusky file civil suits against the school.

A geography professor by trade, Dr. Erickson has been at Penn State University since 1977. He has been Chairman of the Geography Department and has served as Executive Vice-President and provost of the university. Dr. Erickson graduated from the University of Minnesota and obtained his PhD in geography from the University of Washington.

A native of Wisconsin, Dr. Erickson is the 17th President of Penn State and plans to step down in 2014. No doubt, much of his time in the next two years will be dealing

with the fallout from the scandal and restoring Penn State's reputation. Please join me in welcoming Rodney Erickson to the National Press Club.

[applause]

Dr. RODNEY ERICKSON: Well good afternoon. And thank you, President Werner, for your kind introduction, as well as your flexibility rescheduling this event, given the weather challenges of the week. I am honored to be here. And I appreciate your interest in Penn State and higher education. A special welcome to all of the Penn Staters here, along with those of you covering educational issues. We need your continued engagement. Again, thank you for joining us. And thank you for bringing along the Penn State cookies. [laughter]

According to Google News, there are over 45,000 stories about Penn State and Sandusky. You've written them. You've read them. And I imagine that most of you have formed an opinion about Penn State and our actions over the last year. But, beyond the headlines, there's another reality, one that exists for Penn State's 96,000 students, 44,000 full and part-time faculty and staff, and over 550,000 living alumni.

It's a world of teaching, research and service. It's a world with an \$800 million dollar research program, hundreds of degrees offered, 24 campuses, an online world campus, an academic health center, a law school, and 157 years of tradition. It's also a world that has continued to face ongoing controversies surrounding Jerry Sandusky, our Board of Trustees, current and former administrators, and me. The legal process continues to unfold as evidenced by the Attorney General's further charges leveled yesterday.

Today I want to tell you something about my world, with the realities of running an institution the size and scope of Penn State, while dealing with widely divergent perceptions. I want to share the many wonderful activities and accomplishments of our students and faculty and staff over this agonizing year. By any reasonable definition, they are newsworthy stories. But I understand that you may not be willing to listen to them until we show you how this year has changed us.

What have we learned about ourselves? And what are we trying to do with that knowledge? I will speak candidly about how the last year has affected Penn State and how the impact has gone beyond Central Pennsylvania to shape policies at colleges and universities across the nation. Then I will share our strategies for the year ahead.

To begin, let me take you back to last year, when Penn State received the repugnant news that a former assistant coach had molested young boys, in some instances on our campus. Immediately, as they did with all of you, our thoughts turned to the victims of these horrific crimes. And, in the days that followed, we saw the removal of the senior leaders of our university and athletic program, including the popular President and iconic football coach.

At the time, I was serving as the Executive Vice-President and provost, a position I have often called the best job in higher education. My retirement was within my sights. [laughter] When the Board of Trustees asked me to serve as President, I accepted, knowing full well that the months ahead would explore uncharted territory for our university. Many times I have been asked, “Why did you say yes?” The answer has never changed. I have devoted 35 years of my professional life to Penn State. My children attended Penn State. I believe deeply in our mission and in our ability to contribute to the greater good.

I knew I needed to step up and serve. I also knew that Penn State is a great university, a great university that will endure as it has always endured, will recover, and will continue to advance teaching research and service. In those early weeks, I heard from Penn State’s many constituents, through more than 5,000 emails and letters, and hundreds of phone calls and personal contacts. People were shocked, upset, concerned, disappointed, and yet supportive of the university.

Meanwhile, as the story played out in the media, in alumni circles, and in every corner of our campuses, voices that had remained silent for many years began to speak up. Victims of child abuse wrote to my office. These individuals were abused by family members and acquaintances. Indeed, only 10 percent of sexual abuse is perpetrated by a stranger. They were part of the chilling estimates, one in five girls and one in 10 boys are sexually abused by the age of 18.

The majority of those victims will never tell anyone, even if they have been asked. The letters were powerful, expressing bottled up pain, shame and struggles these individuals have lived with over many years. For some, this was the first time they had shared their story. Another has written regularly and met with some of my top administrators to collaborate on ways to help victims of child sexual abuse.

I found these stories to be heartbreaking. But I also found hope in them. Those who wrote were entrusting their stories to us and, more importantly, they were looking to us to help tackle what is an acidulous, hidden and epidemic issue. They still believed in our capabilities, even as we wrestled with our own despair about what had happened. Their issue became our issue. And we resolved to move forward by using all that is right about Penn State, to take on this nationwide problem of child abuse. And we resolved to do it by doing what we do best, that is teaching, research and service.

Beyond that, we have something even more powerful, our student body. Within the first days of the crisis, it became clear that the students weren't going to wait for us to lead them. They were moving forward with unity and a constructive energy that’s been inspiring to all of us. Here are just two quick examples. By the end of the first week, student leaders had organized a candlelight vigil on the old main lawn to show support for the victims of child sexual abuse. Thousands of Penn State students and community members joined together in the stillness of a cold, dark night to remind others that, at the core of the issue we faced were children who had been gravely harmed.

The following week, graduate students Laura March and Stuart Shapiro helped mobilize the Penn State community with the goal of raising awareness and funds for combating child abuse. Working with a tight timeline, right before the Nittany Lions were to play their first football game in the aftermath of this tragedy, Laura and Stuart organized the first annual Blue Out to represent the color of ribbons worn in support of child abuse awareness.

This year was the second annual Blue Out. Together, they raised \$126,000 for Prevent Child Abuse Pennsylvania and the Pennsylvania Coalition Against Rape. Laura and Stuart, please stand for a moment so we can recognize you. [applause] Thank you. Penn State alumni have also shown their support, raising nearly \$550,000 for RAIN, the country's largest anti-sexual violence organization. Those are just a few examples of many acts, large and small, that were organized and carried out by Penn Staters.

What's more, students continue to respond to the crisis, while still doing the things Penn State students have always loved to do: study and learn, participate in clubs and activities, make friends, look forward to the future, and cheer on 800-plus student athletes in 31 varsity sports, including a football team, I might add, whose performance on and off the field has made us proud.

As administrators, we tried to balance the need to move ahead with the need to reflect on and correct the underlying issues that brought us to the crisis in the first place. The trustees began by asking former FBI director Louis Freeh to lead an independent investigation which yielded 119 recommendations on how to enhance our internal policies and practices. We have already implemented more than one-third of these recommendations, and many more are nearing completion. We remain committed to this progress, because we believe it is making us a better, stronger university.

And we are committed to the fight against child abuse. Central to this effort is the newly established Center for the Protection of Children based at the Penn State Hershey Children's Hospital and our ongoing partnership with the Pennsylvania Coalition Against Rape. Earlier this week we completed the first Penn State National Conference on Child Sexual Abuse. This forum brought together leaders and experts from law enforcement, pediatric medicine, prevention research, and education.

We formed the Penn State Network for Child Protection and Wellbeing, comprised of 35 faculty members with interdisciplinary expertise. The aim is to accelerate the pace of discovery by linking research and practice and to build the network with additional researchers, practitioners, and teachers. Dr. Susan McHale, Director of the Social Science Research Institute, and one of the co-organizers of the network, is here with us today. Susan, can you please stand and be recognized. Thank you. [applause]

We also made a pledge to educate our university community about ethics. It's one thing to know the rules, regulations and policies. It's another thing to create a culture where every employee wants to do the right thing the first time every time. Through training and awareness building efforts, we're trying to help people understand the how,

when, where and why of reporting. I assure you that Penn State takes this commitment very seriously. That's not a glib promise. To prove it, we have stepped up our efforts and compliance.

Like most universities, Penn State has dozens of compliance professionals. They are responsible for ensuring research funds are appropriately used. They monitor our NCAA compliance, our financial reporting, conformity to federal laws covering privacy rights and crime reporting. And they administer many more regulations related to the health, welfare and safety of those on our campuses, including our patients.

What we have discovered, however, is that despite our staffing, there were gaps in the system. And we lacked a central compliance office where these efforts can be coordinated. We have since hired the university's first full-time compliance coordinator to ensure Penn State's overall compliance with the Cleary Act. With this new position, our goal is to not only ensure that Penn State meets the requirements set forth by federal law and the U.S. Department of Education, but to become a leader in campus safety, security and compliance.

Another example is the Athletics Integrity Agreement between the NCAA and Penn State, with oversight by Senator George Mitchell. This should help put the question of athletic integrity to rest, even as we implement changes. There is a great deal that is right about athletics at Penn State. Our student athletes graduate well above their peers nationwide. This year, they earned an 88 percent graduate success rate, compared to 80 percent for all Division I schools. The football team's rate is 91 percent.

This level of achievement spans all sports teams, academic majors and ethnicity. Notably, African American student athletes earned a record 90 percent rate, which is 25 points higher than the national average. Indeed, other universities are closely watching Penn State's actions, so they can strengthen their policies, mitigate risk at their institutions, and make their campuses safer.

States from California to Florida have introduced legislation to make it clear that child abuse reporting is not only a moral duty, it's the law. This is tremendous progress. Laws strengthened, policies tightened, governance revisited, and institutions made safer. And our work continues.

That brings us to today. On the brink of the one-year anniversary, civil lawsuits, perjury trials, and we can expect more fallout to come. Over the last year, we have learned much about ourselves, our many cultures, our values and our vision. We're still working through some difficult issues. But the question remains, where do we go from here?

The answer can be found by returning to Penn State's core mission, teaching, research and service. Our bottom line is delivering an outstanding education to students. Our students are our top priority. I repeat, our students are our top priority. And they are doing great things.

For example, this year our journalism students captured the National Championship in the William Randolph Hearst Foundation's Journalism Awards Program. Engineering students took top honors in the National Eco Car Competition. Others are racing to get their vehicle to the moon in the Google Lunar X Prize Competition. Meteorology students won the National Weather Forecasting Challenge. And notably, this week, more than 3,400 Penn State meteorology alumni were tracking Hurricane Sandy for the government, private industry, the military, media and education.

In addition, this fall we welcome one of the largest and most academically accomplished classes in our history after receiving a record 123,000 total applications for admission. These successes define who we are and where we're going. We need to support those students and faculty members because they depend on us. Our alumni and the people of the Commonwealth of Pennsylvania depend on us for educational opportunities, economic development and competitiveness. And our nation depends on us for groundbreaking research and training for the next generation of leaders, scientists, thinkers and teachers.

Allow me to put a few faces on the Penn State community. Will Cat Powers and Will Martin please stand? Cat and Will are student leaders working to fight pediatric cancer through the service to THON, the largest student-run philanthropy in the world. Since 1977, THON has raised more than \$89 million dollars for the Four Diamonds Fund at the Penn State Milton S. Hershey Medical Center. We brought along DVDs of the documentary, *Why We Dance: The Story of THON* for all of you. So please pick up a copy on your way out. It's an incredible story. Thank you, Will and Cat. [applause]

Will Dr. Cathy Bowen please stand. Cathy is a professor of agricultural and extension education, consumer issues. In addition to a full-time teaching and research agenda, she runs a volunteer service to help income-eligible people get their taxes done for free. Last year, the program completed nearly 700 tax returns and saved the elderly, working families and students at least \$133,000 dollars. The program's total economic impact was nearly one million dollars. Thank you, Cathy. [applause]

Finally, I want to introduce Dr. Sandeep Prabhu and Dr. Robert Paulsen, who are both professors in our College of Agricultural Sciences. Could you please stand. Their inspiring collaboration discovered what could be a promising treatment for leukemia. In laboratory tests, the compound they developed targeted and killed leukemia stem cells without relapse. Their team, which includes undergraduate as well as graduate students, is now working to move this compound into clinical trials as soon as possible. Thank you Bob and Sandeep. [applause]

These are Penn Staters who are leading us into the future. They are the people I work for every day. They are the reason that I am here today. And they are just a few of the Penn Staters who will not allow anything to stop them from changing our world for the better.

With that in mind, I want to spend a few minutes looking ahead, because we're currently facing a crisis in higher education that is perhaps the worst ever in our nation's history. Our young people, from middle class and working families, people like Cat, Will, Laura and Stuart, who for generations have depended on access to affordable community colleges and states universities. They are now at risk of losing that access. Throughout the nation, state governments are cutting back on the funding that helps keep tuition affordable. And the cuts threatening the system of public higher education that began when Abraham Lincoln signed the Moral Land Grant Act 150 years ago.

A report by the National Science Board released just last month found that state support for public universities fell 20 percent between 2002 and 2010. And the shortfall has put public research universities in peril. The declining investment in universities has made this a lost decade for funding, and worse, it has happened while universities have increased enrollment by 320,000 students nationally. This has caused many to begin to question the future of public higher education and the implications for society. This is not a Chicken Little warning.

And, as a university President, I am acutely aware that we need to adapt to today's economic realities. To be sure, state legislatures and governors have tough choices. Their ability to provide government services has decreased while the public's need for them has increased. And we know the difficulty of asking already hard-pressed Americans to pay higher taxes to subsidize public university tuition, to enable lower and middle income families to afford to send their children to college. But we must address the current reality that our nation's public universities are charging tuitions that even in-state students find increasingly out of their reach.

Without a doubt, everyone in leadership at public universities can and must do a better job of reducing costs and improving education. Further belt-tightening must occur on university campuses everywhere. Every member of the university community shares that responsibility. We at Penn State know this, and we're turning over every stone to find savings and efficiencies while improving learning outcomes.

This year, we had the lowest tuition increase in 45 years. We have trimmed budgets, cut programs, and consolidated functions. But you can't do 21st century science in labs left over from the days of Sputnik or before. And, as the CEO and psychologist Shawn Achor has said, if we study what is merely average, we will remain merely average. Our students and our nation deserve better. And we must do better if we intend to compete in the global economy.

Last year I traveled to China and visited several universities. The national investment in these universities, their research facilities, and higher education is something to behold. Over the last 30 years, China has had a 58-fold increase in spending on education, health and social investments. According to a report from the Center for American Progress, by 2030 China will have more than 200 million college graduates, which is more than the entire U.S. workforce. In five years, India will be producing five times as many college graduates as the United States.

These are the facts that drive the decisions we must make as we position Penn State to succeed in the future. Part of that strategic planning will require getting out and staying out in front of the information technology revolution, which has been among the most significant drivers of educational change in the last 15 to 20 years. It has also been like a runaway train.

One response to the higher education funding crisis has been increased appeals, especially from legislators and business leaders for higher education to drastically increase online education. The hope is that more students will receive college degrees faster and at less cost. In fact, research shows that, done appropriately, the application of technologies can both improve learning outcomes and decrease the cost of delivering that education.

But so far, the savings have proven elusive. Nonetheless, massive, open online courses are testing the market. Dozens of universities, including MIT, Harvard, Princeton and Stanford now offer these classes, prompting headlines like, "College may never be the same." So stay tuned. It could be a wild ride. Obviously, good ideas take time and research to explore. Penn State operates a world campus with nearly 12,000 students enrolled in dozens of fully online programs. Our model has been honored by the Sloan Consortium as the top online program for 2012. It too continues to evolve.

Finally, in the coming year, we must prepare Penn State for the next generation of leadership. I announced that I will be retiring by June, 2014. And the Board of Trustees is about to begin the search for the next President. It's incumbent upon us to lay the groundwork for my successor. And we look forward to an invigorating process with many outstanding candidates.

Penn State continues to move forward and embrace the challenges. Not only those that have come from the events of the past year, but those that come from being part of the higher education landscape, a large public land grant research university. And yes, a university that continues to believe that great academics and great athletics can not only coexist, but can be mutually reinforcing components of a university education.

I hope you can better understand why I'm proud to be President of our university. It's because of our students, faculty, staff, and hundreds of thousands of Penn State alumni and friends. Our difficulties are not over. But I assure you that Penn State's best days are still ahead. Again, thank you for the opportunity to share these thoughts with you. Thank you.

[applause]

THERESA WERNER: The Freeh Report claims that Penn State officials, including former President Graham Spanier, were aware of and deliberately concealed Jerry Sandusky's abuse of children. You worked alongside the former President for 16 years. Do you truly believe that he was aware of and deliberately concealed Jerry Sandusky's abuse of children?

RODNEY ERICKSON: I'm not going to comment on that because it is an ongoing investigation. It is the subject of continuing litigation. But, you know, obviously, all of us at Penn State have been deeply hurt, deeply moved by everything that's transpired. Yesterday was certainly no exception either. But we have to trust the courts, now, to adjudicate these matters and allow our legal process to run its course.

THERESA WERNER: Chairwoman Karen Peetz and the Penn State Board of Trustees have repeatedly said that Tim Curley and Gary Schultz will get their due process. Why was President Spanier not given the same consideration?

RODNEY ERICKSON: In November of last year, the Board made leadership changes. Their rationale for those changes had been that President Spanier had not fulfilled his leadership obligations. In subsequent meetings with the media, they indicated that it was primarily around the issues of not keeping the Board informed about developments that had occurred over a long period of time, as well as making statements that were not in concert with the Board's wishes in early November.

THERESA WERNER: Where are the Penn State Board of Trustee meeting minutes from November 9th, 2011? And why are they the only meeting minutes that have not been publicly released even after repeated requests and a legal requirement to do so?

RODNEY ERICKSON: I wasn't there, obviously. So I can't answer that with completeness. But I have been told that there are no minutes that were taken at that meeting.

THERESA WERNER: What is the overlap in personnel between the Second Mile board members, employees and donors and that of Penn State Board of Trustees, employees and donors? And why were the conflicts of interest not identified in the Freeh Report?

RODNEY ERICKSON: We may be able to get you that information, but I certainly don't have it. I was never, myself, involved in any way with the Second Mile, either in any of their fundraisers or any of their official activities. So I do not have a knowledge, a working knowledge of who would have been back and forth with respect to service of the university and service of the Second Mile.

THERESA WERNER: There have been widely reported contradictory quotations from members of your Board of Trustees as to the exact purpose of the Louis Freeh investigation and subsequent report. Can you please explain in detail how the scope of work was outlined for Freeh, and the real purpose of his investigation and report?

RODNEY ERICKSON: As I understand, Judge Freeh was given a broad mandate to look at the Sandusky situation, to try to discern what had happened, what had gone wrong. And beyond that, to make recommendations on how the university could improve its policies, practices, and operations. As I indicated in my remarks, Judge Freeh

identified 119 recommendations. Indeed, many of these, I'm sure, were suggested by the more than 400 individuals that Judge Freeh's team interviewed over the course of several months.

We have focused, as an administration, on putting as many of those recommendations-- and really, the idea is to put them all into place as quickly as possible. The Board has responded very quickly to the recommendations, and has also taken a number of actions since last November, including changing of the Board leadership, completely revising the committee structure, creating six committees that are very responsive to the current functions and needs of the university. And there's a tremendous amount of work that's going on. I have appointed three of my senior leaders to implement-- to oversee the implementation of the recommendations of the Freeh Report. So we made a tremendous amount of progress. We continue to, with the goal of having all of the recommendations completed by the end of calendar 2013.

THERESA WERNER: A follow-up question to the Board. All meetings are recorded. Why was the November meeting an exception?

RODNEY ERICKSON: Again, I wasn't there. I simply have no knowledge of that.

THERESA WERNER: Have you asked?

RODNEY ERICKSON: Plenty of other people have asked, but I was simply told, "Yes." I asked, and I was told that there were no minutes of that meeting that were done.

THERESA WERNER: Did you ask why?

RODNEY ERICKSON: Yes I asked why. But the actions that were taken there, I think, were the subject of that Board meeting. And again, I can't respond to questions that I wasn't there or don't have information about.

THERESA WERNER: How do you address the fears, concerns of alumni that felt that Penn State seemingly giving into the NCAA sanctions without dispute feeds into the storyline that Penn State had a culture where football was put above all else?

RODNEY ERICKSON: Well first of all, let me say that accepting the NCAA consent decree was the most difficult question, the most difficult decision I have had to make in 40 years, now, of a professional career. I have laid out the reasons, in public, why I made those decisions. But clearly, the alternative, which was multiple years of the death penalty, I simply felt was too devastating for the university, the community. And I thought that, even though the sanctions that were imposed were unprecedented and crippling in many ways, it was the better alternative, and also allowed us to move forward as a university. So I made that decision. And I stand by that decision.

THERESA WERNER: Did you personally sign the retirement package for Jerry Sandusky that gave him access to the Penn State campus?

RODNEY ERICKSON: No I did not. The only role that I played there was as provost. The President awards or chooses not to award Emeritus status. In 1999, when Jerry Sandusky was awarded Emeritus status, the policy was, in essence, nothing more than a title. And the concerns that I expressed about that in email-- in an email that was produced in the Freeh Report, was only concerned with the precedent that might set of someone who is at the assistant professor rank, who would be given Emeritus status. But I played no role in any of the kinds of matters related to what Mr. Sandusky was entitled to as an Emeritus member of the faculty and staff. I had no role in that whatsoever. Nor did I see the document.

THERESA WERNER: With the benefit of hindsight, after the 1998 investigation was completed by CYS, Department of Public Welfare, the Center County DA and police staff, and Jerry Sandusky was not charged with any crimes, what should Penn State have done differently regarding his access to PSU facilities?

RODNEY ERICKSON: Well clearly, there should have been additional follow-up. We know that. And that's really why we've done so much over the course of the last year or two, put the kinds of policies into place that we have. We have secured facilities in new ways. We have changed the ways in which retired faculty and staff have access to our facilities. We have implemented background checking for not only our own faculty and staff, but people are volunteers who are coming on to campus for many, many reasons. We have strengthened our mandatory reporting laws, our procedures related to the Cleary Act. And certainly, within our police services, our investigative services, we strengthened all of those processes and procedures that, in the future, we believe will make it very unlikely that this sort of thing could ever happen again.

THERESA WERNER: In light of the transparency that you have promised, will you be releasing a copy of the \$6.5 million dollar contract that authorized the Freeh group to do their investigation?

RODNEY ERICKSON: That's a decision for the Board. And that's something that should be directed toward the Chair of the Board.

THERESA WERNER: Four Penn State trustees were named in the Freeh Report for having prior knowledge of the Sandusky grand jury investigation dating back to the spring of 2011 and doing nothing about it. Only one of those trustees, Steve Garbin, has so far resigned. Why are Jim Broadhurst, John Surma and Edward Hintz still holding their trustee positions?

RODNEY ERICKSON: Well again, that would be a question that would be best directed to them. But I would have to say that the Board has made very, very significant changes over the course of the past year. I mentioned many of the changes that they have made to their structure. I would also say that the oversight of the Board

has increased dramatically. As I said, there is new leadership. And I have regular contact, virtually on a daily basis, with the leadership of our Board. I think other members of our Board feel very much empowered to reach into the ranks of my senior staff, to request information, to raise issues. It's really a very different kind of oversight environment that I think will serve the university very well.

THERESA WERNER: Many of the pitfalls of the previous administration and the Board of Trustees at the time were due to poor communications and accountability between the Office of the President and leaders of the Board. How have the Freeh recommendations and lessons learned improved that communication? And what processes have been instilled to help ensure that both groups of leaders are fully aware of what each is doing?

RODNEY ERICKSON: I think I addressed much of that in my last response. But it has been a year of much more frequent meetings, much enhanced interactions. The Board is fully aware and very well briefed of any major issues that are taking place at the university. And I would also say that one of the objectives in my administration has been to create more interaction among my senior leadership team. So that, whenever any issues come before the university, that come around our table, we're discussing them in the broad group of about 18 members who make up part of my-- who make up my President's Council.

THERESA WERNER: The Freeh Report concluded that Graham Spanier, Joe Paterno, Tim Curley and Gary Schultz intentionally covered up their knowledge of Sandusky's child abuse to protect the reputation of the Penn State football program. On what grounds do you think Louis Freeh reached this conclusion? And do you think it's fair and accurate?

RODNEY ERICKSON: That's a question that's best directed to Louis Freeh. And certainly, the legal process that's going on that's continuing, and the investigation that's continuing, will hopefully lead to some conclusions with respect to that question.

THERESA WERNER: Did the university consult with legal counsel to determine how accepting the Freeh conclusion about the evidence might be looked upon as admission of guilt and expose the university to greater liability in victims' civil suits against the university?

RODNEY ERICKSON: The university has certainly thought about that. And, of course, the Freeh Report was commissioned by the Board of Trustees. And the Board of Trustees accepted that report. I would say that that doesn't necessarily mean that members of the Board of Trustees agree with every aspect of the report. But we certainly agree with the recommendations of the report and are moving ahead very swiftly to implement those recommendations.

THERESA WERNER: Who first suggested the use of the death penalty as an appropriate penalty handed down from the NCAA? You or Mark Emmert?

RODNEY ERICKSON: Mark Emmert.

THERESA WERNER: In your opinion, what possibly could have been uncovered in an NCAA investigation of Penn State that would have netted a worse result than the current sanctions?

RODNEY ERICKSON: Well I don't know what kinds of other issues there may have been. But I can't imagine a worse outcome than the death sentence, the death penalty, and multiple years of that. You have to understand that the death penalty would have not only erased a tremendous source of revenue that helps to support all of our intercollegiate athletic programs, but we would have had years of continuing costs, given all the contracts and all of the commitments that we had related to football.

The loss of television revenue, of course, would be very, very substantial as well. The impacts on the local community, which, over the course of seven games are absolutely huge in a small community like ours. And certainly, the sanctions that we accepted, unprecedented and severe as they were, still allowed us to continue to play.

And I have to say how proud I am of our football players. These young men have stuck with us. They have, for the most part, over 90 percent of them, have stayed with Coach O'Brien and the staff. They have played their hearts out during the fall. And I believe they will continue to. They have really acted like the true champions that they are. I don't care what their win-loss record is, they're champions as far as I am concerned. And they reflect how we will get through this process. We will come out stronger, in the end.

THERESA WERNER: Who proposed the final version of the sanctions? Penn State or the NCAA?

RODNEY ERICKSON: We had little that we were able to negotiate, if you will, in terms of the NCAA sanctions. We were not in a negotiating position. And the NCAA had made that very clear to us.

THERESA WERNER: Did you brief the trustees about the negotiations with Mark Emmert?

RODNEY ERICKSON: Yes, I brought the Executive Committee of the Board into the loop early on that week. And kept them informed through the process, including Sunday night at the latest-- before I put pen to paper to sign it.

THERESA WERNER: What role could the legacy of Joe Paterno play in Penn State's future? Is there a scenario where Coach Paterno's legacy is restored?

RODNEY ERICKSON: This is certainly an issue that has great importance for the university community. Joe Paterno was a larger than life figure for much of his 61

years at Penn State, and certainly left an important legacy for the university. I certainly, in making decisions that I did, I thought it was most appropriate that we leave the Paterno name on the library, given the contributions to education, the many contributions to education that Coach Paterno and his family had made over the years. I think that's a very, very fitting tribute to have that name yet on the library.

As to how the university would entertain other ideas, I think that's something we'll have to give it some time. There are lots of differing opinions about this. And I hope, at some point, we'll be able to address that with a sense of unity and reflection.

THERESA WERNER: How do you think alumni have reacted to the steps the university has taken to repair and limit the damage to the image and reputation of their alma mater?

RODNEY ERICKSON: I think there are a lot of different thoughts out there. It clearly has been difficult to move the positive forward when we've had what seems like a continuing stream of bad news that's come out over the course of the last year. But we are moving forward with the help of individuals such as I introduced you today. And we need to continue to do that.

We need to talk about the wonderful, tremendously positive things that are happening at Penn State day in and day out, because our mission has not changed one iota over the last year. We're still about teaching, research and service. We're still the great educational institution that we were a year ago. We're still the place that corporate America most likes to come to hire graduates. All of these things are there. All of them are still in place. So we can't forget that, even as we deal with some of the issues that continue to arise.

THERESA WERNER: What was the reaction on campus yesterday to Graham Spanier's charges?

RODNEY ERICKSON: I had relatively few opportunities to interact with individuals during the day, in kind of an informal discussion atmosphere. You know, I am sure that there was emotion, there was a lot of concern. Dr. Spanier was very well regarded among the student body, and certainly among the faculty. So I think we'll have a better opportunity to assess that over the next few days and the weeks ahead.

THERESA WERNER: Given the new charges, are you being investigated for any role in the Sandusky scandal?

RODNEY ERICKSON: Not that I am aware of.

THERESA WERNER: How is settlement negotiation going? And why has the university not been forthcoming about how much it is paying Feinberg Rosen the settlement negotiators?

RODNEY ERICKSON: Ken Feinberg and Mike Rosen were brought on, really, as intermediaries. They don't represent the university. They don't represent victims. They are simply there to try to engage a discussion and hopefully develop a process that both the university, our insurance carriers, and the plaintiffs can get together around. Ideally, we would like to settle all of the cases, if it were possible. But even some number of them, if we could settle them without taking the victims through a litigation process, that would be very preferable for everyone, I believe. And they will continue to try to move this process forward over the next few weeks, over the next few months. And hopefully, it will help us to bring some resolution to the matter in a timely and just manner.

THERESA WERNER: What is the status of the university's fight with one of its insurers, Pennsylvania Manufacturers Association Insurance Company, over general liability coverage?

RODNEY ERICKSON: The issue there really is about whether they are going to provide coverage. But let me first give you a little background here. Like other organizations of our size and scope, like our peer universities, we have multiple stacks of coverage. The layer that you're referring to is simply the first layer in coverage that we have had and maintained for about 60 years. None of the subsequent coverages depended upon what happens with that layer.

THERESA WERNER: What would be the university's response if Curley, Schultz and Spanier are found not guilty of the charge of endangering the welfare of children and failure to report child abuse? Because isn't that what the sanctions are largely based on?

RODNEY ERICKSON: Well, we'll have to wait and see how all of this turns out. I'm not going to speculate on those kinds of "what if" situations at this point.

THERESA WERNER: Okay. We have just a couple more minutes, so I have a few announcements to make before we get to our last question. First of all, I'd like to remind you all of our upcoming luncheons. On November 12th we have Roger Daltry, lead singer of The Who, will discuss the UCLA, Daltry, Townsend Teen and Young Adult Cancer Program. On November 16th, Admiral Jonathan Greenert, Chief of Naval Operations will be speaking. Secondly, I would like to present our guest with the traditional National Press Club coffee mug.

RODNEY ERICKSON: Oh wonderful. Thank you.

THERESA WERNER: It makes all those beverages taste better. And lastly, I'd like to ask, what is your one major goal that you would like to accomplish before you leave your role in two years?

RODNEY ERICKSON: My major goal is really to set the stage for my successor, so that she or he can come in and really take the reins of this great university

that is Penn State, continue to drive us forward, to do wonderful things. And my goal is really to make that happen and continue to serve our faculty, staff, students and alumni, in the best possible way I can during the time I have left. Thank you.

THERESA WERNER: How about a round of applause for our speaker today.

[applause]

THERESA WERNER: Thank you for coming. I would also like to thank the National Press Club staff, including its Journalism Institute and Broadcast Center for organizing today's event. Finally, here is a reminder that you can find more information about the National Press Club on our website. Also, if you would like to get a copy of today's program, please check out our website at www.press.org. Thank you. We are adjourned.

[gavel]

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