

NTT IndyCar Series News Conference

Monday August 12, 2019

Press Conference

Zak Brown and Sam Schmidt

Arrow McLaren Racing SP

THE MODERATOR: Welcome, everyone, to today's INDYCAR media conference call. On Friday, McLaren Racing and Arrow Schmidt Peterson Motorsports announced they have formed a partnership for the 2020 NTT IndyCar Series season.

The new entrant, Arrow McLaren Racing SP will field two Chevrolet-powered Indy cars beginning next season. We are pleased to be joined by Zak Brown, the CEO of McLaren Racing, and Sam Schmidt, the co-owner of Arrow Schmidt Peterson Motorsports

Gentlemen, welcome to the call.

ZAK BROWN: Thank you for having us.

THE MODERATOR: Zak, we will start with you. It's been a few days since the announcement was made and it's had some time to sink in. What kind of feedback and reactions have you seen since announcing that McLaren would join the NTT IndyCar Series on a full-time basis starting next season?

ZAK BROWN: We've had overwhelmingly great support, first and foremost, from the fans. I think they are all quite excited to see McLaren back in IndyCar and in a full-time effort with Sam and Ric, our partners, which we knew would be very supportive going into this.

Our race team, INDYCAR, and the industry itself, showed the response has been very, very positive.

THE MODERATOR: Sam, I know it's really exciting to talk about 2020, but there's still four races to go in the 2019 season. Does this announcement and partnership change anything for the team in 2019? And are you still chasing the same goals that you and Ric Peterson set at the beginning of the season?

SAM SCHMIDT: Yeah, I think the answer to the first question is no. We are obviously not in a position to win the championship, so our focus these last four races will be entirely on qualifying up front and trying to win the races.

So we want to finish out on a high note, and then begin the process of getting ready for 2020.



THE MODERATOR: And the next question is for either of you, whoever wants to take it. What are the next steps in the process for Arrow and McLaren Racing SP?

SAM SCHMIDT: Obviously we've begun the discussions of a structure, and I'm super excited that McLaren has placed Gil de Ferran in sort of the head connect for us there, because with his championships in Indy car and Indy 500 victory, his long-term association with Roger Penske, his ownership of his own team that was successful, really excited to work with him as a major conduit in the McLaren situation.

But then it's just kind of we want to make sure we manage the opportunity. That's probably our biggest challenge is the fact that we see a lot of opportunities, both on the technical side of the business and on the commercial side of the business, and I think we need to manage those opportunities carefully to not be overwhelmed. Just setting up the structure to do that and moving forward, very exciting for all of our partners.

ZAK BROWN: I think from my point of view, this has been going on obviously behind the scenes for some time identifying areas in which we think McLaren can help support what we think is already a very good foundation at Sam's team. We've had (ASPM General Manager) Taylor (Kiel) and (ASPM Preident) Jon (Flack) over to McLaren to meet some of the people that will be working alongside them and to start identifying and understanding what some of McLaren's capabilities are; where now you'll see Gil and some other McLaren people at the remaining INDYCAR races and in Indianapolis.

We have started the education process from SPM and looking into McLaren, and now we'll have McLaren look into SPM, and then over those next few months, start to identify areas in which we think we can further support and amplify what SPM has sitting within their capabilities as of today.

Q. This is for both Zak and Sam. Congratulations to both of you. I believe McLaren has a shop that they used last year in Indianapolis. Will everything be moving into that shop, or will it all be worked out of Sam's shop?

ZAK BROWN: Everything will go into Sam's shop. So we, post-Indy this year, in anticipation of having an

ongoing effort; hence, a lot of purchase of equipment, from cars to everything you need to run an IndyCar team, that stuff will all now be housed in Sam's shop.

Q. I know when some of us talked to you on Friday, you said drivers were -- you had a list of drivers you were considering. Has any of that changed over the weekend of, have you gotten closer to some, have some pitched in that you didn't know may be available? Where do things stand on the driver front?

ZAK BROWN: The phone has definitely been very active since we have announced with all sorts of individuals, but I'll let Sam comment further on the driver situation.

SAM SCHMIDT: Yeah, we looked at it as it's a stakeholder decision. It's a big decision. So between ourselves and Arrow and McLaren, there's a lot of great minds there with years of experience.

The first goal was to get past the announcement last week, and then as Zak said, see how the phones light up and then make that list, and then reconvene later this week and start making some of those decisions and offers and whatnot.

So kind of like stay tuned, but it will be a few weeks before we make any announcements.

Q. You've had a very long relationship with Honda. How difficult was it for you come to the decision to leave Honda with a year left on the contract?

SAM SCHMIDT: Extremely difficult, you know, because there is that loyalty. There is that length of time and a lot of success, and at the end of the day, they are a great motorsports and OEM operator.

When they aren't winning, they do everything possible to win, so we wanted to stay in that camp. When you draw the line down the center of the paper and you put your pros and cons on each side, that was definitely a big negative to doing this deal.

On the other side of the page, there was so many positives that it really was, you know, a no-brainer. At the end of the day, it's just unfortunate, but it's ultimately their decision.

Q. Zak, obviously McLaren is a racing company, but they do a lot more obviously on the automotive side, applied technology side. Is that an attractive part of coming to the U.S. and coming to IndyCar is being able to promote your other businesses along with the racing side of things?

ZAK BROWN: 100 percent. That was a big contributor to this decision on the automotive side. North America is one of the biggest markets for (the) automotive business, as is for (McLaren) Applied Technology. This works for McLaren Racing and our other entities, which was a big, big part of our decision here.

Q. Does Arrow play into that and to support you guys in that, too?

ZAK BROWN: Yeah, Arrow is obviously our title partner of our INDYCAR team. They joined us this year in Formula One, and Arrow, they have -- their automotive business has taken off in the last five years, and they currently are in business with our automotive group, our racing group, our IT infrastructure and applied technologies.

While they are a sponsor partner on our race cars, they are a much more integrated technology partner across all of our businesses.

Q. Congratulations on your announcement. I think it's great. I have two questions. It was announced as a two-car team. Is that set in stone, or is there a possibility that might expand? And if it might, what might be the maximum size that you see this team?

ZAK BROWN: I'll let Sam take that.

SAM SCHMIDT: I mean, our first and foremost priority is to -- you saw this year, we got to where it was Arrow Schmidt Peterson with two identically branded entries, and that was sort of my ultimate goal for a long time as an INDYCAR team owner. You'll see that transition with the McLaren Orange influence to where we have that same theme going next year.

I wouldn't rule out ever running a third car. There certainly will be a third car in Indy, but I think our priority first and foremost is to position the two cars with identical liveries and every opportunity that those two cars have to win, win races, win the Indy 500, win a championship. A third full-time entry is not really on the radar now, but wouldn't rule it out for sure.

Q. Same question, has to do with, I believe you currently have an alliance with Meyer Shank Racing. If I'm right, they are a Honda team, and so I assume that alliance is not going to continue; maybe it is, and you can tell us, and if not, then would you be looking to do an alliance with another team?

SAM SCHMIDT: Yeah, I mean, I've just had a fantastic long-term relationship with Michael Shank. I think he's a quality individual. We had that alliance the last two years. Had an option on the third year, but I mean, most, most likely scenario is that he'll have to go a different way, simply because the engine situation.

And he's got a much bigger situation going on, you know, in the IMSA race with Honda and that relationship. That most likely will not carry on, but I'm sure he'll have people burning up his phone to align with him because just a really quality individual, and Jim Meyer, as well, has invested heavily in the program.

So I think you'll see that continue on probably full-time

for the next couple years for sure.

Q. I wanted to ask whether, obviously you have had a zillion other things going on in sorting this deal out, but have you looked into the 2022 rules and I realize that the hybrid system is going to be spec'ed, but is there some technological knowledge from McLaren's experience now, I think six years with the hybrid technology in F1; is there some knowledge from there that can be applied within IndyCar once those new rules come into effect in 2022?

ZAK BROWN: So hybrid technology is definitely something that we are very familiar with. We have not yet reviewed what the technical specifications are going to be, so I would like to think that there's some hybrid knowledge that we have, but like you said, with it being spec, it might mean we can't really use that expertise we might have.

So we haven't looked into it yet, though, in detail?

Q. Will it help your marketing what McLaren does in the States? Because otherwise, with Dallara chassis spec'd, as well, your car is being prepped by a McLaren -- Arrow McLaren Racing SP, but obviously people will say, well, what is McLaren bringing to the party as far as this is concerned.

ZAK BROWN: Yeah, hybrid is certainly here and now and in the future, so I think IndyCar going hybrid is a good story for all manufacturers, so that is important, but at the same time, we are also a racing team that races.

So we think our know-how will also contribute to maximizing what's effectively a spec series with two different engines, and then there's also different ways to benefit our automotive business with dealer engagement and customer entertainment.

So it doesn't have to be a direct layover of a technology story to still benefit our automotive dealers and customers who are racing fans who want to further engage with the McLaren brand.

Q. Sam, having known you since 2006 when you were just doing this as a -- or doing the IndyCar as a one-off, this has got to be just a banner announcement for you; this is finally your dream coming true.

SAM SCHMIDT: Yes, for sure. Most team owners in INDYCAR would relish a major opportunity in their career as an owner, and we had that back in January with Arrow aligning with the team and branding both cars and all that stuff.

But to have two sort of monumental announcements in one year is really a dream come true, and I think this alliance really gets us to that level where we can compete week-in and week-out with the other guys they talk about.

When I came in in 2011, I mean, that's where I said we needed to be, or else, you know, why do it? We are not here just to sit around in the middle of the back of the pack. We want to be a regular force week-in and week-out, qualifying the Fast Six and racing for race wins; that's the goal every week.

Q. I've known you for a lot of years and I've seen you really do a lot of smart things, and I've got to admit, my friend, this is brilliant, and I'm very excited to hear that you're going to be bringing the McLaren Orange back to the grid, and of course, I guess we're all just assuming that with this effort, that it will be quite easy to field a third car for the 500 next year, if that's needed.

SAM SCHMIDT: Well, that's in the plans, for sure. The Indy 500 is so important on many levels, whether it be commercial or otherwise and the global footprint.

As Zak said many times, we're racers, and that's the biggest race in the world and that's the one we want to win the most. If a third car can help us have a better chance of winning it, then so be it, but that's the goal.

We want to be the force in IndyCar that we were in Indy Lights and I think this alliance really gives us the opportunity to do that on so many levels. We're excited. Can't wait to get started.

Q. And Zak, I hope we get to see you back at Long Beach with your Trans Am car next year.

ZAK BROWN: Yeah, I'll definitely be in Long Beach. I don't know what the historic schedule looks like, but if there is one, I've got one in my stable, I'll be there.

Q. I'd love to see that Audi back on track.

ZAK BROWN: Yeah, that's a good one.

Q. My question is for Zak. I'm wondering if you've had any sort of plans of leveraging your Formula One team to help attract drivers, whether it be through testing opportunities or otherwise?

ZAK BROWN: Yeah, we currently have a rookie driver who is under obligation of some rookie tests in Formula One, and certainly if we feel that one of our INDYCAR drivers has a credible chance in Formula One, then for sure, we would look to put that driver in for some rookie testing.

I think that's one of the exciting things about a combined Formula One and IndyCar effort is it will create opportunities for drivers, engineers, especially as we look into the budget cap and Formula One will start to change. There will be different ways to deploy our resources.

But specifically on drivers, the answer is yes for the right one.

Q. A lot of buzz from fans and the industry, so

congrats on that. Zak, could you explain or touch a little bit more about your presence at the track for the remaining four races? I know that there was a McLaren presence at the St. Pete Grand Prix this year, but will there be a little bit more hands-on? Could you touch upon that a bit more?

ZAK BROWN: Yeah, you'll see Gil de Ferran at all the remaining races, as well as a couple of engineers and data analysts. Towards the very end of the year, you'll see people from communications and marketing as we look to review things from a branding and activation standpoint. So I think you'll probably see a half a dozen people from McLaren at each race moving forward.

Q. For Sam, James Hinchcliffe is a spokesperson for Honda in a pretty big way, and now that you're severing your ties with Honda, do you see that as a possible impediment for keeping him as a driver?

SAM SCHMIDT: No, I mean, we really don't. James has been a great asset to the team for the last five years. He's a brilliant ambassador for all of our partners.

It's one of those unfortunate things, when you do what's best for the team, but the relationship with Honda Canada and American Honda was direct between James and them, and so we don't even know -- we don't even know what those details were, what those obligations were.

We don't anticipate it having an effect on the final year of his contract as far as we're concerned, but yeah, we're excited to have him on our team.

Q. Second question for Zak, I think you mentioned that there would always be room for Fernando Alonso if he decided he wanted to run full-time in Indy Car. Between the two of you, is there one seat for Sam to pick and one seat for you to pick, and would you be holding your seat open for Fernando, and how long would you hold it open before you'd make a decision and just move on?

ZAK BROWN: Yeah, there isn't a McLaren seat and a Sam seat. If there was, I would put myself in the car -- since it's a group discussion, Sam won't go there that. So we'll make driver decisions together.

I'll be seeing Fernando at the Italian Grand Prix. He's well aware of everything that's going on with our IndyCar activities and has been for some time. I don't think his desire to win the Indy 500 has diminished at all. He has not shown an interest, yet, I should say, in a full season of INDYCAR. He's coming off of 20 years of lots of racing and I think he wanted to take the second half of this year off to see what he wants to do in the future.

I think he would be an outstanding talent in INDYCAR. I personally think, knowing him as well as I do, and his driving style, he'd be immensely successful and welcomed and would enjoy it. But Fernando is the type

of individual that you put the opportunity in front of him and let him make his decision. So I'll be picking that up with him in about a month's time, but I would not anticipate in 2020 him having a desire to do a full season.

Q. First off, congratulations. I have two questions for Zak first. I came in a touch late so I apologize if somebody already touched on this. Knowing that this year's month of May didn't exactly go how you guys envisioned it by any stretch, how much or was that a motivating factor behind trying to find a partnership like this?

ZAK BROWN: We certainly made a lot of mistakes in Indianapolis this year, and as I told everyone on the racing team, mistakes are okay as long as you learn from them and you don't make the same one twice. We always had a desire to compete on a full-time basis, and the way we did it in 2019 was kind of the start of ramping up. However, it's very obvious that that's not the right way to do it.

So what we are able to put in place for Sam will give us that full-time presence; will give us that platform to ensure that we're competitive and don't repeat the mistakes we made, which really was showing up with a part-time effort and a part-time crew that worked extremely hard.

But Indianapolis is a tough place to show up for anybody on a part-time basis, and so what we structured here with Sam we think ticks a lot of the boxes of the technical aspects and the commercial aspects that enabled us to go ahead and commit.

I think the view of my board was either let's be all-in or all-out, and all the reasons we have wanted to do IndyCar the last couple years, have remained, regardless of our defeat at Indianapolis. We're racers, so you're going to hit the wall every once in a while. You have to dust yourself off and go back at it.

Q. When you look back on obviously IndyCar's history, McLaren has had such a rich history in the series and the sport in the past. How exciting is that, not just for you, but for the entire company going into 2020 to have a chance at adding new chapters to the legacy of McLaren and INDYCAR?

ZAK BROWN: Super exciting. I think when I started at McLaren, obviously things had been very tough for us, so we needed to make sure we got our Formula One team back on track. We still have a long way to go. We're pointed in the right direction now.

We have a long history, whether it was Can Am or whether it was IndyCar in the past or whether it was sports car racing; I think McLaren Racing, its DNA is racing, and racing in multiple series whether it makes sense. So we are quite excited to go back to IndyCar, especially given our history there and the importance of the market.

Q. And Sam, for you real quick, just to follow up on something that was said earlier. I heard somebody refer to it kind of as this point in your team being a "dream come true" for you. When you started the operation years ago, did you eventually envision it getting to this point, or is this kind of a step beyond what you could have ever pictured?

SAM SCHMIDT: Yes, I mean, it's the ultimate and now we have to perform. It's a be-careful-what-you-wish-for situation, because now, Arrow is a partner. Ric and I, together -- again, this is all about winning, and winning the Indy 500 and being a realistic competitor for the championship, and we couldn't do it without these resources and without these technical capabilities.

On a person level, I've been a fan all my life of Formula One and IndyCar. My dad was a team owner at Indy in '78, '79 using a five-year-old McLaren chassis and a lot of little things that I don't think even Donald Davidson would know. But it goes into the background here, so first and foremost, be clear that we've done this to win races and try and compete for a championship.

But on a personal level, this is what I want to be doing full-time and these partnerships with both Arrow -- there's 32 other ones behind them, Cypress and Lucas Oil of 15 years and on and on and on. So for all of those combined, the added global exposure and opportunity is just a fantastic way to go. Arrow obviously raised the bar two years ago with Club Five, and we intend to keep doing that on every aspect of the business. So just can't wait to get started.

Q. When I talked to you on Friday, you said that the foundation of the team will be Sam's in Indianapolis, but you will have some McLaren people from London involved -- or from England, I'm sorry, from the McLaren shop. What are some of the things that you plan on doing over there and how many of the current McLaren individuals that you employ will now maybe be shifted over to Indianapolis? How will some of the logistics of that work?

ZAK BROWN: Most of that is still very much a work-in-progress. You know, what we have resource wise, both in technical equipment as you can imagine in Formula One is quite sophisticated and vast; and then we have a lot of know-how in our people. With the race car being spec, it's not like we can go in and help design a better front wing because that's not allowed.

So those are areas that -- Taylor was over the last couple weeks to see areas in which he thinks he can tap into our resources, both in people, know-how and equipment. We're now, as I mentioned earlier, going over to SPM to do a deeper dive, and I think we've identified a variety of areas that I'd rather not disclose for competitive reasons, but sufficient to say, we definitely found some areas we think we can help.

And there are areas that probably, if you want to call them the big teams, the Penske Racings are doing; as Sam mentioned, for the team to be championship-calibre, has a great foundation of people and resources, but not the same level as the Penske Racings of the world. I think that's going to be an area in which we can help grow their resources.

Q. Has Sam turned in his wish list of new equipment and new machinery that he would like to see McLaren add to his shop in Indianapolis?

ZAK BROWN: Yeah, I told him Christmas isn't till December, but he's got his list ready.

Yes, all of our equipment that we had, a couple cars, enough to effectively be a one-car IndyCar team, and that was all brand new equipment, so that will now migrate over to Sam's shop, and then we'll continue to work to identify resources that we have that we think will benefit the IndyCar team.

Q. You said that Gil will be at the last four IndyCar races. Is his role going to change, or will he split between Formula One and IndyCar? Like what is his primary responsibility going to be?

ZAK BROWN: His primary responsibility is IndyCar. That was always part of the plan when I brought him in last year was to help me transition the Formula One team into new leadership, so we brought in James Key and Pat Fry and Andreas Seidl now in principal. So now his role as supporting director of McLaren will be -- definitely his primary focus will be IndyCar but also because he has very good knowledge of our Formula One team, he'll see where there are areas in which the two racing programs can benefit from each other. But his primary focus will definitely be IndyCar.

THE MODERATOR: We will thank our guests for their team this afternoon and wrap up today's IndyCar media conference call.