

COMMISSIONER TAGLIABUE AT ANNUAL MEETING

PALM BEACH, FL - 3/31/04

PT: I think we had a good meeting. We accomplished quite a bit both on the field, with the replay and the sportsmanship issues, and off the field, with the Master Agreement and a lot of other discussions of issues that will be coming up down the road: television, collective bargaining agreement and so on. So we feel it was a very good three and a half days. Now we will resume in Jacksonville for the May meeting, Jacksonville being the Super Bowl site next year. We will have some committee meetings before we get to Jacksonville and will continue to work on a number of issues, future Super Bowl planning, Los Angeles and things like that, and have some further reports in Jacksonville.

On bringing the NFL back to L.A.:

PT: We didn't discuss it this week. We did discuss it early in March. We had committee meetings down here in the beginning of the second week of March. We had a full report from our own staff. All three of the sites, Carson, The Coliseum and the Rose Bowl, are under serious consideration and we're working with all three.

On aging stadiums in California:

PT: The issue of the aging stadiums out there is an issue for us, and we're going to have to try to work with those teams out there. We've been working with the Chargers and in the past I've worked with the 49ers. I know John York is trying to get back to that issue. So it's an issue that we're really going to have to give some priority to, and I know the teams are doing it already.

On San Francisco not hosting a Super Bowl in 20 years:

PT: At this stage, the fact that there is not a high quality, state-of-the-art football stadium would be a consideration. Go back to an earlier time, I couldn't really say to what extent was northern California disadvantaged in terms of hosting a Super Bowl site because Los Angeles was a Super site on a number of occasions, or in more recent times, San Diego. I haven't really thought about that. I'm sure there are a multiplicity of factors.

Why didn't you give a report on L.A. at this meeting?

PT: We had a report and it was similar to the one we made to the Finance Committee and to our Los Angeles working group three weeks ago in Florida, and we just decided that it would be better to continue working for another two months and then give an update at the May meeting. We had covered about a dozen owners with the report and there didn't seem much purpose to repeating it here. But we felt we'd be better off after two more months of activity to give it in Jacksonville.

On whether there was any discussion of a Super Bowl in New York:

PT: No, not today. Most of the focus today was on the Competition Committee report and we started the day with the meeting I host every year for head coaches and principal owners. So we didn't get into any Super Bowl matters, New York or otherwise.

On stadium construction:

PT: We've got a set of ground rules for that that relate specifically to stadium construction. As long as it is separately collateralized within our rules, it's not an issue.

On future Super Bowl sites:

PT: I don't think we'll vote in May. I do think that we'll talk about future Super Bowls and a timeline. One of the things I need to decide is whether to have a meeting with the Super Bowl Advisory Committee before we get to the May meeting or whether to have it down there in Jacksonville before the league meeting gets started.

On six owners voting not to extend the Master Agreement:

PT: Some of them abstained, some of them didn't vote for a variety of reasons, some large, some small. But it was passed with tremendous support. And the key thing was that there was virtual unanimity on the business model. The people who either abstained or didn't vote for it had collateral concerns or ideas. The business model was solidly endorsed.

On the Committee on Revenue and Cost:

PT: It was an idea that I came up with during the discussion. There was a provision in the original resolution that we had presented, which talked about the objective going forward of having a strong league-level business in the sponsorship and retailing area, having strong league promotional efforts in that area that would benefit all 32 clubs, and thirdly having strong club businesses in that area. It got to be controversial beyond what it encompassed. It was a statement of intent, a statement of objectives. Yet some people felt that it tilted too strongly in favor of revenue sharing. Other people felt it tilted inadequately toward revenue sharing. It was like reading tea leaves at the bottom of the cup when you've already drunk the tea.

So I suggested that we just take it out to put an end to the argument over whether it was tilting one way or the other. We've had discussions underway for about three to six months within several committees that the way the economics of the league have changed – plus if you anticipate future developments, Internet, satellite radio, satellite and cable TV and the continuation of the stadium building trend – we should really roll up our sleeves and look at the underlying economics. We've done a lot of the work. In fact we presented some slides on Monday comparing the number of privately financed stadiums today with the number of privately financed stadiums eight or ten years ago, the amount of debt service both at the team level and the league level through G-3, the amount of the debt service cost, which is over \$100 million a year now, interest and so forth.

So a lot of the work has been done, but the suggestion I had was that we create one committee to take a fresh look at some of the things the CEC sees in connection with the Collective Bargaining Agreement, some of the things the Finance Committee and the Stadium Committee have been discussing in connection with the G-3 and the stadium financing programs, and get some new people involved and see if we can pull some diverse strands together and maybe come up with some new ideas about future revenue sharing and cost sharing down the road. Bob McNair and Wayne Weaver have been pushing on this for at least three months and probably going back to last Fall's meeting.

On a sense of urgency in Los Angeles:

PT: There's a sense of urgency about the whole effort, but you can't set a course until you have crossed your t's and dotted i's in terms of environmental reviews and structural analysis and cost estimates and things like that. And we're working hard on all those kinds of things.

On revenue and cost sharing and club revenue disparity:

PT: We've been pushing for some fresh analysis of underlying revenue and cost structures and some different metrics of comparing one club to another and seeing whether there are other ideas about revenue sharing and cost sharing. This is not new. I participated as the league attorney in a study that was done in the mid-80s under Hugh Culverhouse's chairmanship with

the assistance of Arthur D. Little, the consulting firm. We did some things similar to this in the early-90s after I became Commissioner, and people felt now that with a decade having gone by we should do it again, so we're going to do it.

We're looking for more clearheaded analysis than we have done to date. Clearer analysis of what our cost structures are, what our revenue structures are, how they differ from team to team. Just as an example, if you look at our stadiums, some of them were built largely with private money, some of them were built largely with public money, some of them were built with a blend of private and public money. When we have a blend of private and public money and when we have mostly private money, we have G-3 into some stadiums and we have pre-G-3 waivers into other stadiums. So what's the league's contribution to a stadium and what's the subsidy to a particular team? There are wide variations just on that one issue alone. So when you get to revenue sharing and cost sharing is it reasonable to ask that team to do this or this team to do that? That's just one example of about 20 issues we'll look at.

On whether the Commissioner has appointed the members of the committee:

PT: No, other than Mr. McNair and Wayne Huizenga. I've asked Mr. Huizenga if he would serve and he has agreed to do that.

On teams' growing reluctance to disclose player injuries:

PT: I don't know if there is a growing reluctance or not. It's an issue that we seem to have each year with a limited number of teams and we enforce our rules. If it becomes a growing concern, we will enforce our rules with stiffer penalties, maybe including some forfeiture of draft choices. But I haven't seen anything out of the ordinary. It's a recurring type of issue. Some people don't get the message the first time and have to be reminded a second time.

On using NFL Network to broadcast games:

PT: It's a long-term thing. We don't see that in the near term. I've said many times that our near-term objective is to stick to the maximum extent possible with our current carriers and our current forms of distribution with great priority on broadcast television.

On Youth Football:

PT: I gave a presentation this morning to summarize what we're doing on Youth Football now, what the teams are doing, what is being done through the new organization that we funded, USA Football, which is independent of the league. USA Football is having the first national Youth Football Congress ever held. It will be held in Cincinnati in late-June. I'll be speaking there, Jack Kemp is going to be speaking there, Marvin Lewis is going to speak to people all over the country involved in youth football. We've got four major events this year on the Youth Football calendar that I talked about with the clubs and the owners this morning. But we want to do more. We want to see how we can use the NFL Network better to promote participation in Youth Football. We want to do a lot of things in this area with more impact.

We talked today about the fact that in the last five years we've made grants of over \$10 million to rebuild fields in NFL cities at high schools and junior high schools and things like that. Now we're talking about teams building youth football fields at their practice facilities or at their stadiums so that kids would be motivated by association with their heroes. For instance, if it were the New England Patriots at their practice site or at the new stadium in Foxboro, if they had a Youth Football complex, kids in New England could be motivated because they'd have a chance to practice side-by-side with Tom Brady and Troy Brown. So we've been talking about some big ideas on Youth Football. That will be a major subject in Jacksonville. We made a presentation today to invite the teams to work with our staff over the next five or six weeks to come up with

some big-impact ideas. So that will be one thing in Jacksonville and I'm sure there will be many others.

On possibility of games being shown on NFL Network after the next TV contract:

PT: I don't think it is likely, but everything in life is possible. As I said before, I think the likelihood is that we would carry forward with fundamentally the same or similar patterns of television: Sunday afternoon broadcast, Sunday night cable, Monday night primetime broadcast. And if there would be changes, they would be within that mix rather than introducing the NFL Network into that mix.

On the NFL Internet Network being extended as part of the Master Agreement:

PT: The fact that it is in a resolution doesn't mean that it is managed a certain way. What's in a piece of paper could be managed separately. Internet is already managed under our media assets by Steve Bornstein and will continue to be run that way. Chris Russo reports to Steve Bornstein and there is going to be no change. As we go forward, we're going to give more emphasis to it because it's a medium for reaching our fans which is going to grow and expand in a lot of ways. With the broadband capacity expanding and more video on the Internet, who knows what it will be. But I think it was very important that that was part of the resolution that is in place now for another 15 years and we can work with it accordingly.

On the distribution of NFL Network:

PT: The NFL Network is already being carried by two of the eight cable carriers, Charter and Insight. We're in discussion with other cable carriers and we expect that before the season begins we'll have additional cable distribution.

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