

**Commissioner Tagliabue
Spring Owners Meeting
Denver, CO – May 23, 2006**

Opening Remarks:

We've had two very productive days of meetings. We started yesterday around noon with four or five different committee meetings, and then we've had seven or eight hours of good league meetings today. The two subjects that have the most interest to you -- first would be Los Angeles, and in that area the Los Angeles Working Group, after two months of very heavy and thorough review of where we are and where we'd like to go in LA and Anaheim presented a very positive report to the membership on both the Los Angeles Coliseum and Anaheim with recommendations for next steps.

You all have copies of the report that the committee submitted, and I think there're four or five aspects of it that are very positive. The first would be the working group's finding that both the Coliseum and Anaheim represent sites that clearly have the potential for successful stadium development projects, subject to a hard look at costs, financing and other things.

A second key area is that the working group authorized my office to spend up to \$10 million, \$5 million on each project, to further due diligence, which in simple English means we would be working with outside consultants and specialists on stadium design, structural planning, cost analysis, and ways of trying to make sure we have optimal stadiums for the hundreds of millions of dollars that are going to be invested.

The third key area is that we're going to be going forward in the middle of next month with the business community meetings in both LA and Anaheim which both Mayor Villaraigosa and Mayor Pringle have agreed to work with me, with our owners and their business communities to have these meetings because in our discussions with them and Governor Schwarzenegger in Dallas, it was emphasized that business community support for any team in this area will be critical, as it is for successful teams in all other parts of the country, in particular this instance, where private sector financial support is going to be a surrogate for funding that in many other situations comes from public sources.

A fourth key area was the committees' recommendation that these two projects, the LA Coliseum and the Anaheim site, should be the exclusive focus of our staff and of the working group going forward.

Finally, we talked about the fact we will be coming back and addressing these subjects again by mid-summer with the full membership in one or more league meetings. We will be doing a lot of work between now and mid-summer in accord with the committee's report and recommendations. On the commissioner search, there was a lengthy discussion this morning that was based on the report by the search committee and Korn/Ferry that laid out in part the next steps for the search committee over the next three months.

On the confusion of the allocation of \$10 million from the commission to the two sites:

I don't know why the confusion. It doesn't take a vote of the membership to authorize the commissioner to spend \$10 million. We have the support of the Finance Committee, and it takes the unanimous recommendation of this 11-owner committee. I think the authorization to go forward and spend up to \$5 million for further serious engineering and cost work, and environmental work if it's necessary and other related project analysis. We would not be spending \$10 million if we didn't think there was a real prospect here that these projects, one or both, could become a reality.

On another potential LA site joining or re-joining the process:

It says that the committee does not favor actively exploring additional sites at this time, and would only be prepared to do so if due diligence indicated that one or both of these sites was not going to materialize.

On characterizing how the process has gone thus far:

This is far and away the most progress we've made at any time, certainly since 1999. I would say it is considerably beyond where we were in 1999 when we passed the resolution in March, because we have a much better

understanding of the realities of getting a stadium built, of the related economic development investment that is taking place in downtown LA, and in the key area of Anaheim where the Angels stadium is located and where the NFL stadium would be located. We also have by far and away the furthest developed project agreements. We have crossed key thresholds in terms of management and operation of the Coliseum and land acquisition of Anaheim. We have 11 owners clearly committed and engaged in a very positive way. I think this is the furthest we've been in both understanding the challenge, and planning to meet it.

On the timetable for the next step in the Commissioner search:

They talked about the next three months, and set for themselves that target.

On when do you anticipate going to the finance committee in regards to the allocation of the \$10 million:

I don't have to go to the Finance Committee. I spoke to the chairman today, and I can write my checks to pay my bills. It's authorized, and it's approved. Many members of this working group are on the Finance Committee. The chairman of the Finance Committee is not on the working group. He and I spoke today, and it's part of our budget, and we're prepared to do the work, and we can pay our bills.

On what are the issues preventing this work getting done:

There are no issues about getting this work done, or paid for.

On the next step of the commissioner search and if there will be candidates named:

I'm not going to go into that. It's not my prerogative. That's for the search committee.

On discussions with USC in regard to the potential LA Coliseum site:

I met with USC President Steve Sample about a week to 10 days ago, along with the chairman of the USC board of trustees, Stanley Gold. We had a very good meeting. Bob Kraft and I talked specifically about our enthusiasm and interest of having a very strong partnership with USC. I think that's what would happen if we go forward on the Coliseum project. USC, not only today, but for many decades, has had a great program playing in the Coliseum. We talked a week ago about having a partnership that would be a win-win for both the university and its program, and for the NFL, and for the fans of both teams in the greater Los Angeles area. I'm sure that's what will happen. I was told late last week that there was some concern on some details of the draft agreements that were floating around. I assured them that we would get this done in a way that was both sensible and timely, assuming we were going forward. We still have some negotiations to do, but I think there's the potential for a very strong partnership between the NFL and USC.

On bringing down cost estimates on both sites:

We need to do a lot more work on what the specialists call value engineering. There's a lot of work to be done to try and bring down the costs of both of these stadiums, and to understand what are the variables that are escalating construction costs, including stadium constructions costs, the way they are escalating.

We know some of the causes. It's the demand for concrete, it's the demand for steel, it's petroleum costs, it's a worldwide shortage, but we've got to look really hard at the cost-benefits tradeoffs and design elements, structural elements, space features, and a whole slew of other issues for design to produce a very high-quality stadium, but to do it without wasting any money because there is not money to be wasted here. It's a very costly project in either location. The thing that the committee and I emphasized to the membership today that we'll be looking at in our analysis going forward is that each of these stadiums could be the home to two teams. In New York, we're dealing with the Jets-Giants plan for the stadium in New Jersey, and obviously having two teams play a minimum of 20 dates in a stadium and share the cost is an advantage, and to the extent that can be done in Southern California that would always be a clear advantage. In the report where the committee referred to one or two teams in these stadiums, it's driven by the escalating costs, and the need to pay for a very large part of either one of these stadiums out of private resources.

On the consensus on where the teams may come from:

We have not discussed the subject. Therefore, there is no consensus.

On July still being the target month for retiring:

For me to retire in July, I'll let you know in July. I don't have my track shoes to run out of the office on the 31st of July. I'm healthy, working hard, enjoying it, and looking forward to doing other things at some point in my adult life.

On are you confident that this commissioner vote will go smoother than the last one:

I'm confident that this process is being managed very differently from the process in 1989, with great care, attention, and a lot of thought both by the committee and Korn/Ferry. I think one of the key efforts of the committee has been to have Korn/Ferry interview all the owners. That's basically been done, and will ultimately prove to be an important step in producing a consensus.

On the possibility of discontent on the CBA and the way it was done spilling over to the commissioner hiring process:

I haven't heard any discontent about the CBA. I have talked to everybody and all I hear is very positive music. It shows you my hearing is not that good. Thirty clubs voted for it, which is a rare event in the recent history of the NFL. I also noticed that everyone went out and started to re-sign their players and be very enthusiastic about their teams, and there was very little griping, so on with life.

On what role will you play after the new commissioner has been named:

The next commissioner is going to be running the league as the chief executive of the league and whoever that person is they can look to me and ask me to do whatever they want me to do, and I will do it. I'm under contract for two more years as a senior executive, but not as commissioner, and any way that I can contribute at the request or direction of the next commissioner or the owners I will do.

On the city of Anaheim's deadline:

It's one of many factors we're trying to work with. We're trying to emphasize that we're moving on this in a business like way and hopefully that will meet their needs.

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