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insecurities, fiscal inexperience and emotional needs of the paid athletic performer whose contract the owner "owns". Insensitivity is in fact so deeply imbedded in the history of professional sports in the United States that a sports vocabulary has arisen loaded with references to personal possessory interests. A player, for example, is depicted as being "owned" by a club. Likewise, a human being with certain athletic skills and prowess is said to be "traded" when his contract is exchanged for that of another such human being.

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An examination of the parlance of sport transactions is important, not so much for its literal inaccuracies, as for the state of mind which it portrays. In what other industry are employees said to be "owned", "traded", "bought" or "sold"?

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Such an attitude among franchise owners not only creates resentment and unhappiness from players, often precipitating collective action, but just as important, the insecurity which it engenders can ultimately work to the financial detriment of ownership. Obviously, an employee who perceives little response from his employer in terms of an awareness and concern with his fears,

frustrations and future will more likely seek palliation through exorbitant salary demands and short term relationships. Immediate gratification becomes his modus operandi in contract bargaining. "I'll get mine now because I don't trust this guy (club owner) with my future."

Such a bargaining atmosphere is often further fueled by ownership's myopic view of the importance of "winning". Fielding a competitive team is, of course, an essential ingredient to franchise success. Fear of poor publicity, loss of customer support and the popular wisdom that a franchise can amortize high player salary costs over the empty seats which a winning team can fill, all conspire to further raise the ante and inflate player contract costs. It is not so much player "demands" which send payrolls skyrocketing as the refusal of ownership to say "no".

An examination of the North American Soccer League Regulations reveals an astounding number of anachronistic provisions relating to players, most of which are not enforced or recognized in practice by the League or its member clubs. The language, however, still remains,

serving as little more than an historic reminder of previous attitudinal approaches toward professional athletes; attitudes more characteristic of other sports leagues (from whose regulating documents they were often copied) than the NASL. Many of these provisions are contradictory, misleading and defiant of apprehension and analysis.

All of the terms and conditions of a player's contract and all regulations affecting his contract ought to be set forth in black and white at the time of execution of a player agreement, i.e. all League regulations relevant to the player contract ought to be a part of the contract and not "incorporated by reference". A player should know his rights and obligations at the time he signs; moreover, the Regulations as presently written make little or no sense.

RECOMMENDATION #49

- That the NASL establish a four- or five-person Player Relations Committee.

Composition: The Committee should consist of club owners, at least one of whom shall have had some

experience in the labor relations field and at least one player representative (active or recently retired).

Duties: The Committee shall act as a communication link between players and club owners. The Committee's existence and operations shall be governed by the principle that NASL players are valued employees with a vested and mutual economic interest in the success or failure of the League.

The Committee shall monitor and inventory player attitudes and problems and recommend policies and procedures for their solution. It shall seek means and procedures whereunder player concerns can be made known and become a part of NASL policy and decisionmaking. The Committee shall prepare a report for presentation at each Annual Meeting on the state of player relations in the NASL.

The functions of the Committee shall include the development of: League-wide or individual club programs or rules to accommodate for players' economic and security needs; programs for player economic and financial guidance; employment transition programs for retiring or injured players; job training and continuing education programs; player insurance programs. It shall

oversee the development and proposal of amendments to the official NASL Player Agreement.

RECOMMENDATION #50

-- That the Player Relations Committee as a priority matter undertake the following:

-- hire an independent contractor or ombudsman to take inventory of player attitudes and report to the committee within two months on this subject. This report shall also contain recommendations for remedial action where required. The Committee shall, within two months thereafter, report to the NASL Board of Directors and include therein a recommended plan for improved player relations.

-- investigate and develop a Job Reentry Program for NASL players whereunder the League would undertake (or contract for) inter alia employment counseling, training, education and the establishment and maintenance of a "Job Data Bank" of employment opportunities. The Committee will also thoroughly investigate the cost of a "transition" fund to assist players to maintain a decent income during the period between retirement from the

League and securing productive and meaningful commercial employment.

-- develop recommendations or models for a League-wide or club-by-club financial counseling and assistance service to be provided for players and paid for by the NASL or its members.

-- undertake with the assistance of legal and labor counsel a full review, revision and simplification of the NASL regulations (and where applicable the Constitution) and recommend such changes as will: eliminate defects and anachronisms; simplify the text; logically organize the format; remove those portions affecting the contract between player and club and incorporate same into the written text of the Uniform Players' Agreement; eliminate those rules, textual references or words and phrases which contradict or are antithetical to the policies or Recommendations contained in this Report.

3. Policy: Player's Association or Union. The reasons for formation of a player's union are not radically different from the reasons for unionization in private industry -- with one very important difference. Whereas most industrial unions give primary emphasis to the

negotiation of wage rates, player's unions have traditionally shied away from bargaining anything but minimum rates of pay, scrupulously avoiding wage differentials based upon job categories. Sports labor's attention has been largely focused upon the so-called "freedom" issues (such as the reserve system, the Rozelle Rule, grievance appeals), the arbitration of salary disputes, pension funds, minimum salaries and compensation for injured players.

Player's unions have also played a significant role in financing and joining as parties in treble damage anti-trust law suits against professional sports leagues and have largely prevailed in efforts to outlaw a host of historic employer practices such as the reserve clause 53/, the draft 54/, the player compensation (Rozelle) Rule. 55/

Most major leagues have Players Associations. MLB has had a Players Association since about 1954. Prior to the Spring, 1966, when significant negotiations began the Association was somewhat inactive and rather ineffectual. The NBA players have had representation with the club owners since 1962. Since about 1957 the

NFL players have been represented for collective bargaining purposes by the NFL Players Association. In March, 1968, the NFLPA was recognized by the League as the exclusive collective-bargaining representative of its players.

One effect of recognizing and bargaining with a union is the immunity it provides to future treble action anti-trust suits challenging the legality of the "sacred cows" of collective league activities and operating systems. Sections 6 and 20 of the Clayton Act (15 U.S.C. §17 and 29 U.S.C. §52, respectively) provide insulation from the application of the antitrust laws where such activities are matters covered by the National Labor Relations Act (29 U.S.C. §150) and are the result of collective bargaining. If, for example, the NFL wished to maintain the player draft, player reserve system and player compensation rule (Rozelle Rule) all of which to some extent have been declared illegal by the courts, 56/ it could retain them in some form by collective bargaining with a union and agreeing to an amended version of the rule or practice.

The NBA and NFL, for example, quite independent of one another, negotiated similar player draft systems with

their respective unions. Under these systems, if a player does not execute a contract in his first year, he is eligible to be drafted in the following year's draft but is required to abstain from play during the current season. If during the second year he fails to come to terms with the club drafting him, he must again abstain from participation but becomes a free agent in the third year.

In addition to the negotiation of modified player drafts, reserve systems and compensation rules, player unions have negotiated benefits in many cases previously unrecognized by management as follows:

- establishment or negotiation of substantial increases in minimum salaries and fees for pre-season and post season play; 57/

- establishment of or improvement in insurance, medical and dental benefits; 58/

- modified agency shop and dues check-off provisions; 59/

- establishment of or increased benefit in pension; 60/

-- establishment of an arbitration procedure for the individual player contract salary disputes; 61/

-- compensation for injured players who are unable to fulfill their contracts. 62/

4. Policy: NASL Players' Association. In 1975, Kyle Rote, Jr., a forward for the Dallas Tornado and Stephen Frank, formerly of the St. Louis Stars and an attorney with Ralston-Purina, Inc. sent a memorandum to NASL players regarding the formation of a Player's Association (NASLPA). Although apparently strong interest was voiced at the time, there was no impetus to organize a formal union. The memorandum received few written replies.

Within a year, however, many of the NASL players who made up the U. S. National Team discussed at length the "rights" and responsibilities of United States soccer players. Apparently, the United States Soccer Federation failed to explain to the members of the National Team the compensation limits, inferior working conditions, etc. before the players left for training camp.

Under the leadership of Al Trost, captain of the U. S. Team (and of the St. Louis Stars), Stephen Frank and

Kyle Rote, Jr. negotiations began with the NFL Players' Association (NFLPA) seeking financial support, expert advice and ultimately a merger of the aspiring soccer union into the NFLPA. The NFL Players Association authorized its Executive Director to assist the NASL players to establish an association on July 6, 1977, funded by the NFLPA, Edward Garvey, Executive Director, NFLPA solicited NASL player to support the formation of a union.

On August 5, 1977, Garvey met with the NASL Commissioner seeking recognition of the union and claiming to have obtained 265 signatures. The NASLPA has not been recognized; no comment was elicited from the Commissioner at the August 5, 1977 meeting.

The League, under the guidance of legal counsel, has taken the position that its clubs are independent employers and that, therefore, the appropriate bargaining unit for purposes of election and bargaining is the individual club. The matter is being contested before the National Labor Relations Board (NLRB).

RECOMMENDATION #51

- That the Player Relations Committee be instructed to seek legal counsel expert in labor law to advise the

League and its member clubs of their rights and responsibilities under the law. If an election is ordered by the National Labor Relations Board, the appropriate bargaining unit should be each of the NASL franchises and not the League as a whole. As a matter of policy, however: the League and its member franchises should oppose efforts to organize the players of the NASL into a union or association dominated by or representing players of a competitive sport. In the event a non-competitive affiliated union seeks an NLRB election for purposes of certification as the exclusive collective bargaining agent of the NASL Players, the League and its member franchises should reserve judgment on any position until the Player Relations Committee with the advice of labor relations counsel, investigates the union, circumstances of organization, etc. and delivers a full report to the League or its members.

VII. IMPLEMENTATION OF PLAN

VII. Implementation of Plan

BACKGROUND

Etymology reveals that the word "implement" has its origin in the Latin implementum which means, "to fill up, to finish". No amount of long-term planning has a scintilla of value unless proper vehicles and timetables are established for putting the plan into effect. Implementation, then, literally "fills up" or "finishes" the task of planning.

What follows in this chapter are recommendations and suggestions for completing the work of the Planning Committee through the adoption and incorporation of Recommendations into NASL League and franchise operations. Discussed first are policies related to implementation, followed by the Planning Committee's suggestions for restructuring the League office to accommodate for the changes required by this Report. This material is accompanied by budgetary projections so that the cost of the new structure might be weighed against expected benefits. The latter is presented more by way of example than Planning Committee Recommendation. Preparing budgets and reorganizing personnel are in reality more a function of implementation or operation than planning. Therefore, no specific recommendations are made with regard to adoption of same as part of the strategic plan.

A. Policies Relating to the Logistics of Implementation.

1. Policy: Focal Points.

It is the purpose of a strategic plan to set forth long-term objectives, strategies, policies and most important, priorities.

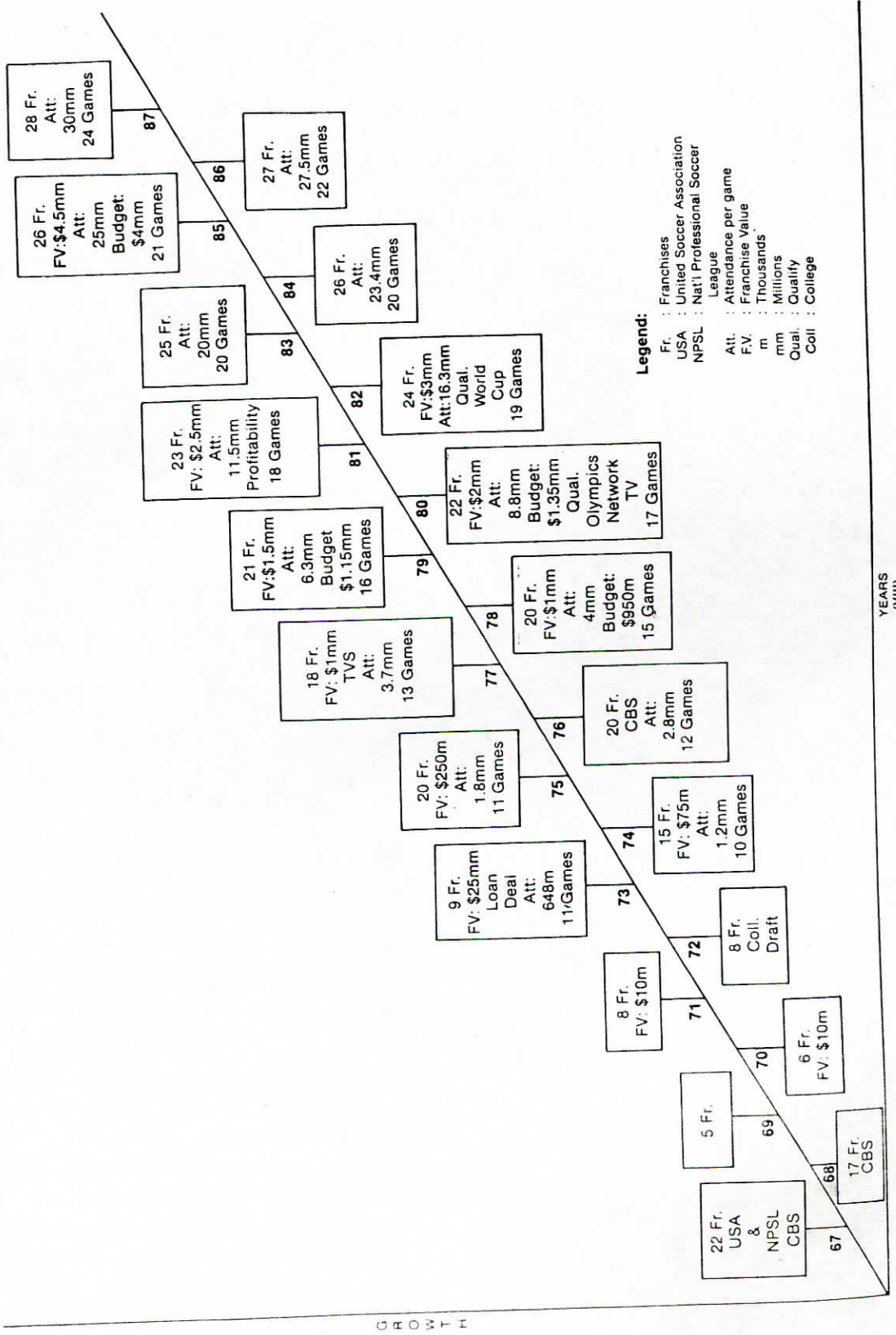
A proper plan should scrupulously avoid intrusions into short-term or operating decisionmaking. What a plan does is to provide the structural framework within which future short-term operating decisions can be made. As with the construction of a building, the structural steel frame must be in place before the addition of bricks and mortar.

The organizational elements responsible for erecting that structure, and the timetable for doing so must be clearly established. As a first step it is helpful if not imperative to draw a clear blueprint of the completed project. The Plan recommended by the Committee is meant to cover the period 1978-1987. The study which

accompanies the Recommendations incorporates, both for historical and planning purposes, the decade immediately preceding the year 1977, which coincidentally represents the entire history of the NASL. Throughout the 20-year period, i.e., the 10 years of history and the 10 years of plan, there are certain indices of activity and progress which are statistically measurable, such as number of franchises, attendance, franchise value, television contracts etc.

Chart IX represents the Planning Committee's effort to blueprint both the foundation (past history) and superstructure (future strategic goals) for purposes of implementation. In short, it is important that those responsible for implementing this Plan have a mind's eye view of where it has been and where it is going so as to better schedule how to get there. Some of the way marks established in the Chapters preceding are set forth in abbreviated form on the chart.

CHART IX
Evolution Of The NASL, 1967-1987 (1)



YEARS (VIII)

G R O W T H

(1) National Planning Commission
 Economic Research and Statistics Administration
 Department of Commerce

2. Policy: Primary Responsibility.

The NASL club owners, having commissioned development of a strategic plan, must bear the ultimate responsibility for its review, adoption and implementation. The most logical agency to whom the task of implementation should be delegated is the NASL Executive Committee. The Committee is presently the primary policy body of the League, constitutionally (§4.2) ". . . responsible to the Board of Directors for the operation of the League." As the chief executive officer, the Commissioner is responsible to both the Executive Committee and the Board of Directors for the execution of League policy through the League office staff. It is logical, then, that full responsibility for implementation of the Plan be vested in the Executive Committee, under whose direction the Commissioner and staff shall act to carry out its Recommendations, audit its implementation and regularly report on progress.

RECOMMENDATION #52

- That the NASL Board of Directors delegate to the Executive Committee responsibility for implementing the

Recommendations of the Planning Committee, as adopted or amended by the Board of Directors. The Commissioner and NASL staff shall be responsible to the Executive Committee and shall operate under its direction and control in carrying out the Recommendations of the Plan.

The Executive Committee shall prepare quarterly reports on the progress of implementation to be presented at regularly scheduled League meetings and shall also prepare a written report to be distributed to the Board of Directors at least 10 days prior to the Annual Meeting. Such report shall set forth:

- (i) progress of implementation during the preceding 12 months;
- (ii) a summary of standards and goals as established by the Recommendations contained in the Plan to be compared with actual compliance and performance;
- (iii) recommendations for amendments to the Plan, where necessary to conform actual operations to the Plan's objective and strategies.

3. Policy: Timing.

Implementation of the strategic plan must commence immediately upon adoption of same. It is suggested that the Executive Committee be given 90 days to thoroughly digest its contents and to develop an implementation timetable for approval by the Board of Directors. Such timetable should include: budgets, organization charts, and requests for such changes in the Constitution and Regulations as may be necessary to effectuate the Recommendations. It is also essential that the Executive Committee commission a constitutional review to include elimination of defects and anachronisms and to bring the Constitution in conformity with recommendations contained in the Plan.

RECOMMENDATION #53

- That the Executive Committee as a priority matter undertake the following:
 - (i) thoroughly review the Recommendations of the Strategic Plan which have been adopted by the Board of Directors;

(ii) with the assistance of the Commissioner and the NASL staff, develop an implementation schedule to be presented to the Board of Directors within 90 days from the date of adoption, such schedule to be accompanied by budgetary requests, plans for reorganization (including appointments to committees) and acquisition of staff personnel and such plans, materials or research as may be necessary to commence implementation of the Plan Recommendations by February 1, 1978;

(iii) with the assistance of legal counsel, commission a full review of the NASL Constitution, to eliminate any defects and anachronisms and to bring same into conformity with the Plan Recommendations adopted by the Board of Directors.

4. Policy: Process.

Chart X, is an attempt to illustrate the logistics and process of Plan implementation.

-- after review of the Plan by the NASL club owners, the Board of Directors convenes to adopt the Recommendations contained therein.

-- the Executive Committee is commissioned to develop an implementation schedule within 90 days from the date of adoption of the Plan to be submitted to the club owners at the next general meeting in January 1978.

-- the Directors approve the implementation schedule, take such action as may be recommended therein and direct the Executive Committee to implement the Recommendations in the Plan per schedule.

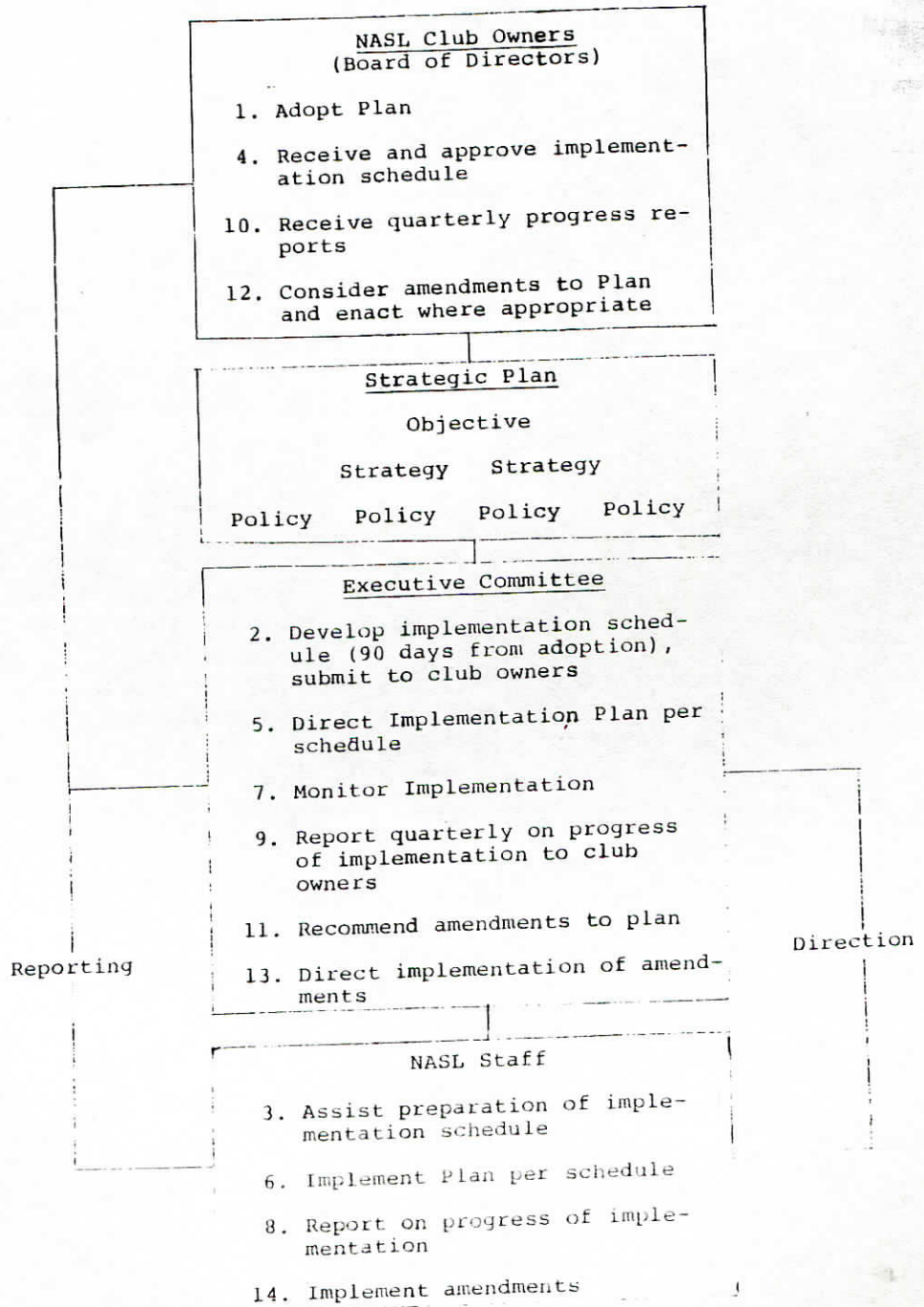
-- the NASL Commissioner (and staff) under the direction of the Executive Committee, implements the Plan and carefully monitors same, presenting quarterly reports to the Board of Directors on the progress of implementation.

-- the Executive Committee is also responsible for the preparation of a written Annual Report per Recommendation 52 supra, for distribution prior to and discussion at the Annual Meeting.

B. Proposal for League Structure and Projected Costs.

To assist the Executive Committee, the Planning Committee has developed a proposal for reorganizing the

Chart No. X
IMPLEMENTATION OF STRATEGIC PLAN



League in conformity with its Recommendations. The following is offered by way of a model (Charts XI, XII, XIII).

1. In General.

The Planning Committee by its Recommendations, has established a structure for management and operation of the League which relies quite heavily upon the involvement of the Board of Directors. The organizational order is not dissimilar from that presently existing; however, by the establishment of several important policy committees, the Plan decentralizes some of the responsibility now vested in the Executive Committee and places it in the hands of specialized committees which, by focusing on a single subject area, should bring an expertise not presently extant to League operations. For this reason, the terms of members of these committees tend to be comparatively lengthy.

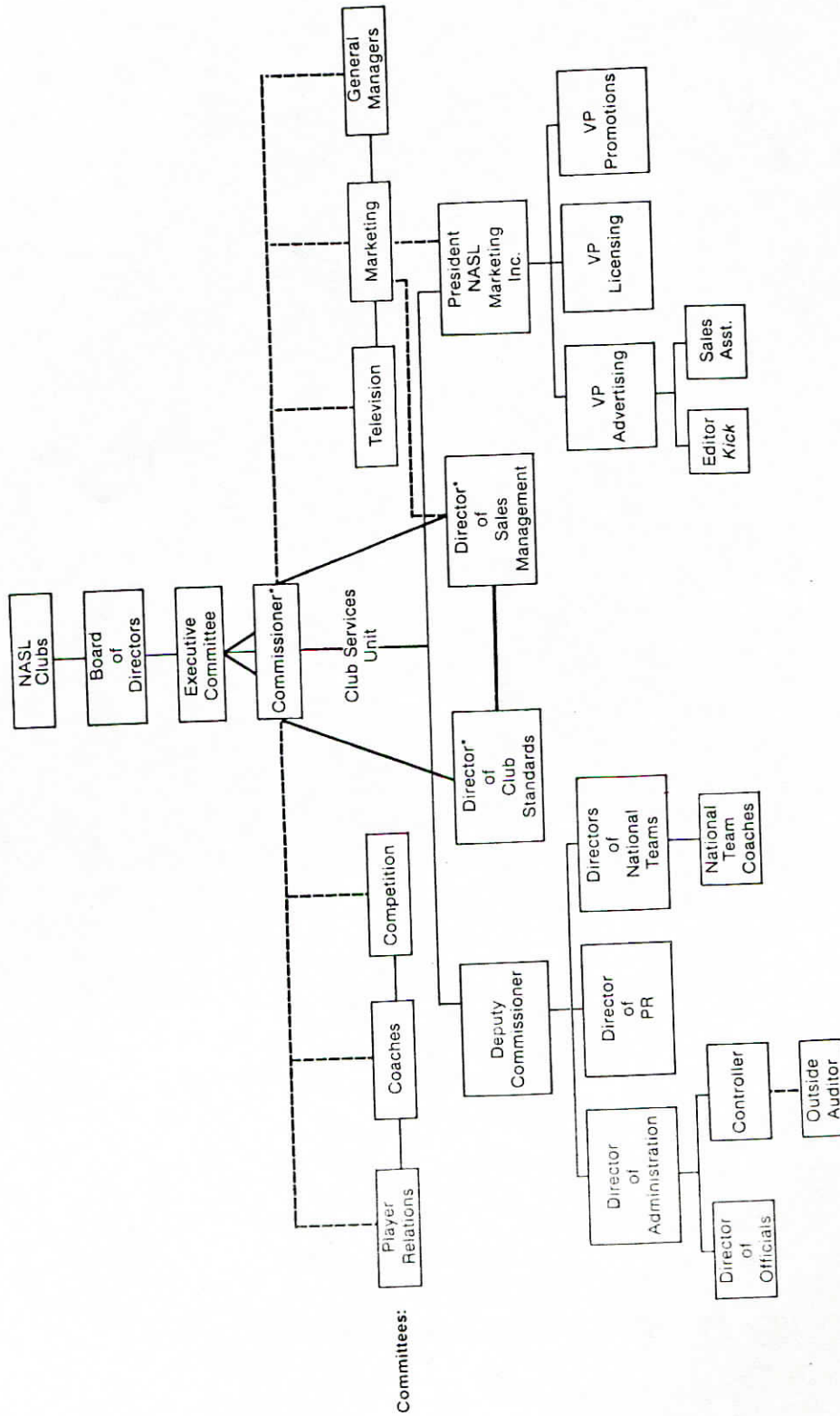
The Office of Commissioner remains as presently defined by Section 5.6 of the Constitution. As the Chief Executive Officer of the League, he retains full control over the League office staff, which must be increased substantially over the next decade and include individuals with expertise in particular subject areas so that the Committees with jurisdiction over same might be well informed. The Commissioner shall also serve as a member ex officio of all committees.

2. Committees.

a. The Committees of the NASL shall be:

- Executive;
- Marketing;
- Player Relations;

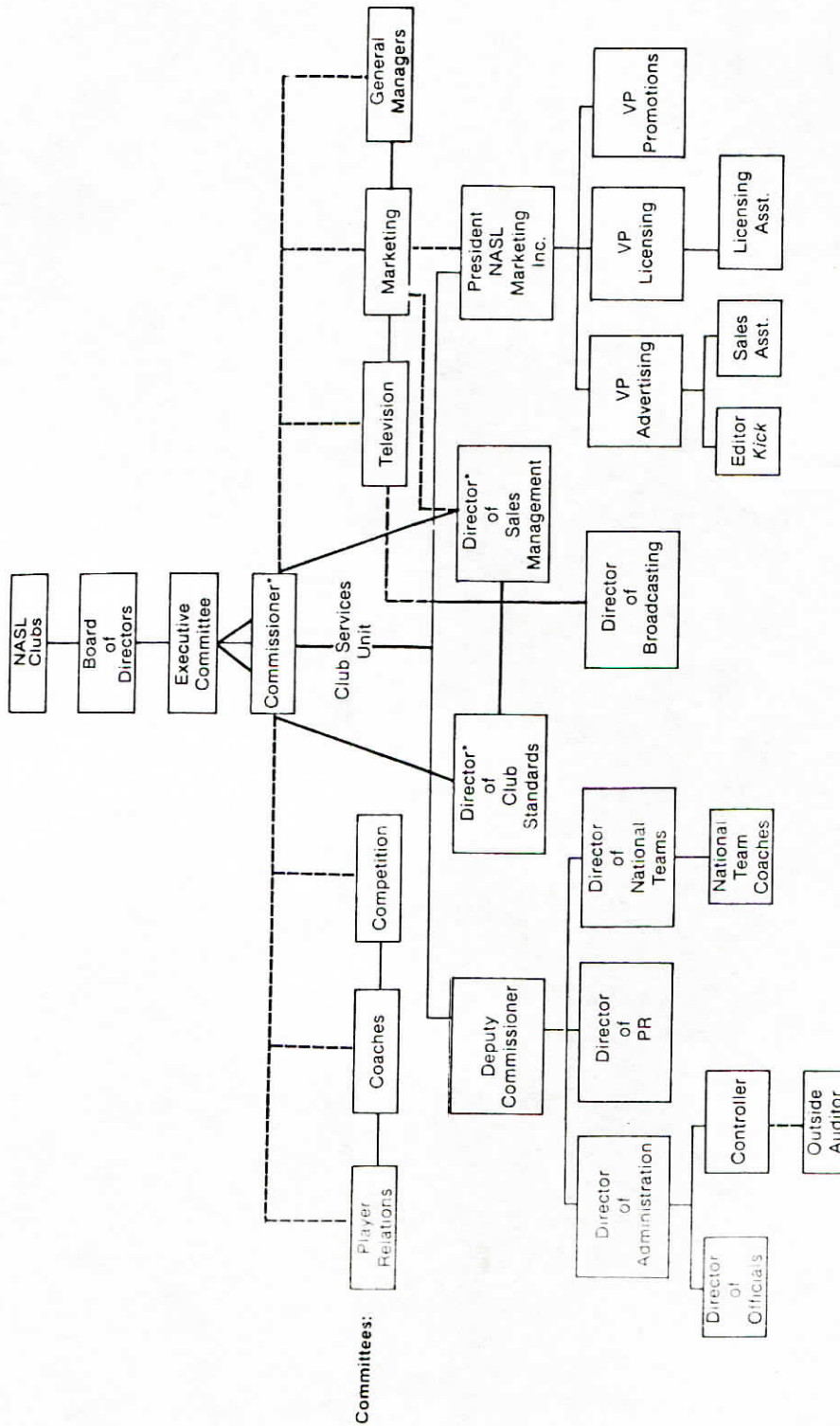
CHART XI
NASL
Organization Chart*
1978



This is a schematic outlining proposed reporting relationships. Autonomous corporations may be necessary for NASL Merchandising, Inc. and the National Team.

*The Commissioner, Director of Club Standards and the Director of Sales Management are the Club Services Unit who report to the Executive Committee.

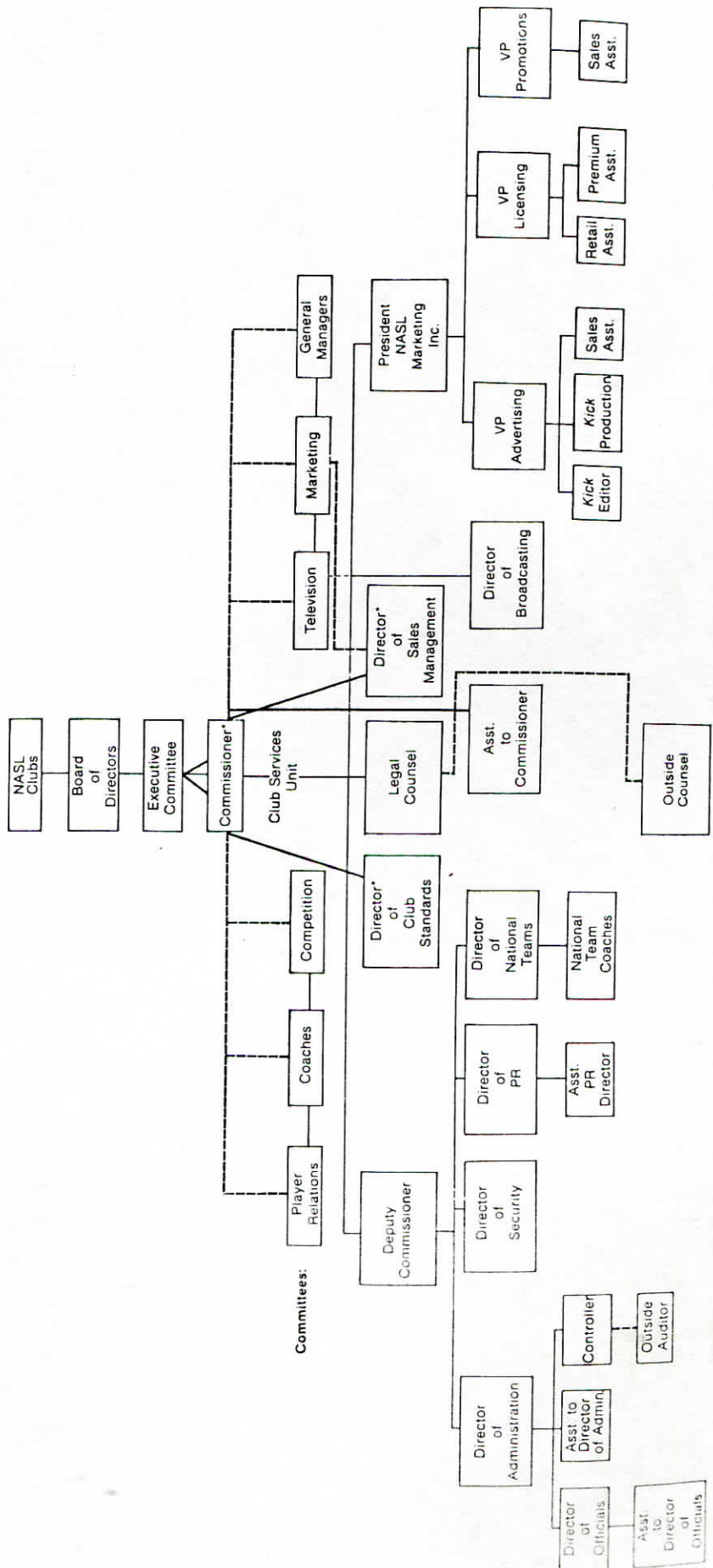
CHART XII
NASL
Organization Chart*
1979



*This is a schematic outlining proposed reporting relationships. Autonomous corporations may be necessary for NASL Merchandising, Inc. and the National Team Program.

*The Commissioner, Director of Club Standards and the Director of Sales Management are the Club Services Unit who report to the Executive Committee.

CHART XIII
NASL
Organization Chart*
1980



*This is a schematic outlining general reporting relationships. Autonomous corporations may be necessary for NASL Marketing Inc. and the National Team.

- Competition;
- Television;
- General Managers;
- Coaches.

b. Executive Committee.

Composition: The composition of the Executive Committee shall be that established by the NASL Constitution Section 4.2 and 5.5.

Duties: In addition to its Constitutional responsibility for operating the League, the Executive Committee shall perform the following functions:

- (i) exercise control over all matters relating to expansion and implement NASL policy regarding same, recommending new criteria where appropriate and consistent with policy and acting as a screening agent for potential new applicants (Recommendation #34). It shall establish guidelines and recommend prices for expansion franchises, considering a player draft, a suitable formula for deferral and projections of future market value. The Committee shall seek expert advice and counsel on tax considerations, valuations, etc. (Recommendation #35).
- (ii) apply the standards and procedures adopted by the NASL for the award of new franchises and make them a condition precedent to League approval of applications to transfer existing franchises to other territories or to sell or transfer any portion of the equity of or interest in a franchise to another person, corporation, partnership or association (Recommendation #46).

... a ... metric, outlining proposed reporting relationships. Autonomous corporations may be
cessary for NASL Merchandising, Inc. and the National Team.

- (iii) conduct a detailed study into the issues involved with expansion franchises in Canada (Recommendation #39).
- (iv) establish and direct the Club Services Unit and employ qualified individuals as Director of Club Standards and Director of Sales and Management (Recommendation #45).
- (v) commission (with the assistance of legal counsel) a full review of the NASL Constitution to eliminate any defects and anachronisms and to bring same in conformity with the Recommendations adopted by the Board of Directors (Recommendation #53).
- (vi) bear primary responsibility to the Board of Directors for the implementing the Planning Committee Recommendations adopted by the Board; prepare quarterly reports and a written annual report on the progress of implementation (Recommendation #52).

c. Marketing Committee. (Recommendation #25)

Composition: The Marketing Committee shall consist of three or five persons with some expertise in marketing or education and, if composed of three members, shall have at least one NASL Director or, if five members, at least two NASL Directors. The Committee shall be elected triannually by the Board of Directors upon nomination by the Executive Committee. The Committee may be composed of or staffed with outside experts for marketing, television, advertising, education or other related fields. The President of NASL Marketing, Inc. and the newly created Director of Sales and Management (see Recommendation #45) shall serve as members ex officio of this Committee.

Duties: The Marketing Committee shall have a threefold function:

- (i) as a consumer watchdog for the NASL, the Committee shall have the responsibility for ensuring that the policies adopted for presentation of the product and consumer awareness (Recommendations #7-10) are adhered to by the League and its Committees.

It shall have the responsibility for filing a "consumer impact report" whenever a proposed or pending policy change would qualitatively or quantitatively alter public awareness or demand for the product. As such, the Committee would work very closely with the Executive, Competition and Television Committees in the implementation of policy or the formulation of programs.

- (ii) as the educational resource center; the Committee would have responsibility for development of programs, materials, ideas, etc. to present NASL soccer to the American public in its best light. The Committee would know or assemble the most creative, advanced techniques, including film and broadcast, for presentation of the product and education of the public.
- (iii) as the Executive Committee for NASL Marketing, Inc., the Committee would monitor the operations of this corporation whose jurisdiction would be limited (Recommendation #33) to licensing, advertising and the production of promotional materials such as KICK Magazine, a yearbook, etc.

The formulation of broadcast policy and the negotiation of national television contracts would not be under the jurisdiction of this Committee except as

these activities relate to consumer impact or public education.

d. Competition Committee. (Recommendation #17)

Composition: The Committee shall consist of knowledgeable soccer people and should include: a coach, a general manager, a consumer-oriented member (owner, general manager or League official), and one or two club owners. The Committee shall be elected triannually by the Board of Directors upon nomination by the Commissioner. Members shall be elected to staggered terms to allow for continuity.

Duties: The Competition Committee will be responsible for monitoring the NASL game, including rules, schedule, point systems, officiating, playoffs, etc. It will be responsible for implementation of the "B" League, National Team programs, international games, all-star competition, relations with foreign counterparts of the NASL and all aspects of the draft, youth development programs, etc. The Competition Committee shall also have responsibility to recommend and implement policies to promote competitive balance among the teams owned by member franchises.

The Competition Committee is also required to:

- Submit a report in writing to the League on the effect of any proposed expansion upon competitive balance, prior to any final decision being made by the League on expansion. Such report shall include a recommendation for equitable distribution of players currently within the existing player pool (expansion draft). (Recommendation #19).
- Establish a draft of high school and junior college graduates along the same line as the

annual draft of college graduates
(Recommendation #20).

- Consider, evaluate and recommend some form of draft or distribution system whereunder the world supply of quality players would be evenly divided among NASL clubs for purposes of establishing competitive balance (Recommendation #21).
- Consider recommendations to upgrade the offense of "tampering" to Constitutional misconduct punishable by fine from the Commissioner up to \$20,000. It shall recommend auxiliary regulations to detect and enforce the new constitutional change, including but not limited to fines against NASL personnel who fail to report tampering (Recommendation #22).
- Develop and implement through the League office a system for identification of potential player and coaching talent, utilizing the most modern techniques and analysis, storage and retrieval. (Recommendation #23).

e. Television Committee (Recommendation #31)

Composition: The Committee shall consist of owners with some expertise or interest in television. The Committee shall be elected quadrennially by the Board of Directors upon nomination by the Executive Committee. The Committee could be expanded by one (if two Directors, or by two if three Directors), to include outside experts in the field of broadcast or television production.

Duties: The Television Committee shall assist the League and Commissioner to formulate and develop the NASL's long-range plan for League-wide television utilization and coverage. The Committee must be adequately funded and empowered to commission research where needed, on the subject of network,

VHF, pay television, UHF etc. The Committee shall:

- implement all Recommendations and apply League criteria in overseeing negotiation of a national TV contract.
- propose changes or new policies where appropriate.
- work closely with the Marketing and Executive Committees in developing educational programming ideas to assist the Marketing Committee in creating an awareness and understanding of the product.
- serve as the center of NASL information on broadcasts and shall assist member clubs in developing local broadcast packages by providing expert advice and information on potential advertisers.
- in conjunction with the Marketing Committee, exercise qualitative control over the execution of any contractual television arrangement wherein the NASL product is displayed or in any way involved. The Committee will be staffed and served by the Director of Broadcasting who shall become a League employee commencing January 1, 1979.

f. Player Relations Committee (Recommendation #49)

Composition: The Player Relations Committee shall consist of three or five persons at least one of whom shall be a player representative (active or recently retired) and owners, at least one of whom shall have had some experience in the labor relations field.

Duties: The Committee shall act as the communication link between players and club owners. The Committee's existence and operation shall be governed by the principle

that NASL players are valued employees with a vested mutual and economic interest in the success or failure of the League. It shall develop procedures whereunder player concerns can be made known and become a part of NASL policy and decisionmaking. The Committee shall prepare a report for presentation at each Annual Meeting on the state of player relations in the NASL. The functions of the Committee shall include the development of: League-wide or individual club programs or rules to accommodate for players' economic and security needs; programs for player economic and financial guidance; employment transition programs for retiring or injured players; job training and continuing education programs; player insurance programs.

The Committee shall oversee the development and proposal of amendments to the official NASL player agreement and shall undertake with the assistance of legal and labor counsel a full review, revision and simplification of the NASL Regulations (and where applicable the Constitution) and recommend such changes as will: eliminate defects and anachronisms; simplify the text; logically organize the format; remove those portions affecting the contract between player and club and incorporate same into the written text of the Uniform Players Agreement; eliminate those rules, textual references or words and phrases which contradict or are antithetical to the policies or Recommendations contained in this Report (Recommendation #51).

9. General Managers and Coaches Committee.

Composition: The Committees shall consist of one representative per club.

Duties: These Committees shall meet as needed to exchange information, establish communication, and make recommendations on

policy matters to the Executive Committee. The Committees will present a written report to the Directors at least 10 days prior to and for consideration at the Annual Meeting. The Report shall include recommendations for changes in Regulations, rules or other policies affecting the Committee's particular area of expertise.

3. Special Task Force--the Club Services Unit
(Recommendation #45)

Composition: The unit shall consist of:

- the Commissioner of the NASL;
- a Director of Sales and Management;
- a Director of Club standards.

The Unit members shall be paid employees of the NASL, and shall be selected by and receive policy from the Executive Committee.

Duties: The Club Services Unit will establish contact with and travel to various franchise cities, providing services and expertise to franchise owners and managers in the fields of marketing, sales, promotions, ticket structure, player and coaching acquisitions, etc. The function of the Club Services Unit is to:

- bring all franchises up to the minimum standards established for the League.
- act as an early warning system for emerging problems.
- become the center of information and vehicle for distribution and sharing information among franchises. Specifically, each of the members of the Unit shall have the following qualifications and responsibilities:

(i) the Commissioner will provide each franchise with information and guidance on matters relating to League policy. He will be given sanctions by the Executive Committee to enforce certain minimum standards.

(ii) The Director of Club Standards
(description below §4a.iii)

(iii) The Director of Sales and Management
(description below §4a. IV)

4. Staff

a. 1978 Additions

(i) Director (General Manager) of the U.S. National Team. Salary: \$35,000.

Duties: In accordance with Recommendation #28, the Director or General Manager of the U.S. National Team shall be responsible for the overall management of the National Team program. He will operate the team program in a manner somewhat similar to the operation of an NASL franchise under the guidance of the Deputy Commissioner but take policy direction from the Competition Committee. He shall be responsible for arranging the playing schedules, securing appearance fees, organizing domestic tours by foreign national teams and obtaining commercial sponsorship and television coverage.

(ii) Director of Officials. Salary \$25,000.

Duties: The Director of Officials shall be a full-time employee of the League and have the responsibility for recruiting, training and retaining the best qualified officials for NASL games in accordance with Recommendation #16. He shall report to the Deputy Commissioner but take policy guidance from the Competition Committee.

- (iii) Director of Club Standards. Salary \$40,000.

Duties: The Director of Club Standards shall be one of three members of the newly formed Club Services Unit (Recommendation #45). He shall be a person with experience in club management and be responsible for assisting the member franchises to attain League operating standards. Stadium leasing problems, financial and budgeting problems, and general organization problems come under his jurisdiction. He will keep a record of the terms and conditions of all stadium leases and act as a clearing house for information on budgetary and other financial matters. As a member of the Club Services Unit, he will coordinate all activities with the other members of the Unit and take policy direction from the Executive Committee.

- (iv) Director of Sales and Management. Salary \$40,000.

Duties: As a member of the Club Services Unit, his primary responsibility will be to assist member franchises in marketing, sales and promotions. He shall be an individual with extensive experience in sales, promotion and marketing. He shall keep a full library of information on each club's sales, ticket, advertising and promotional policies and publish a weekly newsletter to all owners and general managers highlighting successful marketing programs in other cities and/or from other sports operations. He shall serve as a member ex officio of the NASL Marketing Committee and as such will have access to first-hand information on NASL marketing data, educational initiatives and consumer policy.

b. 1979 Additions.

- (i) Director of Broadcasting. Salary \$35,000.

Duties: In accordance with Recommendation #32, the primary function of the Director of Broadcasting shall be to assist the Television Committee (Recommendation #31) and the NASL to formulate and develop the NASL's long-range plan for League-wide television utilization and coverage. As staff to the Television Committee, he shall serve as the center of NASL information and expertise on broadcasts and shall assist member clubs in developing local broadcast packages by providing expert advice and information regarding production and sales techniques.

c. 1980 Additions.

(i) Director of Security. Salary \$30,000.

Duties: The Director of Security, in accordance with Recommendation #41, shall prepare, gather and investigate all information on behalf of the League with regard to stadium capacity, drug trafficking and undesirable criminal or illicit gamble associations; he shall be responsible for investigating the character and reputation of new owners of NASL franchises. The Director of Security shall report to the Commissioner and should possess professional and investigative skills (a former FBI Agent, for example).

(ii) Legal Counsel. Salary \$35,000 - \$50,000.

Duties: The Legal counsel, in accordance with Recommendation #41, shall pass upon a multitude of legal issues confronting the League and report directly to the Commissioner and Executive Committee. He shall assist in the preparation and review of documents, bonds and agreements; supervise and pass upon all contracts or agreements executed by or with the League and all commitments undertaken by League officials, committees or franchises. The Legal Counsel

shall coordinate with outside counsel and seek expert advice where necessary. His salary is purposely left variable to allow for differences in experience, capability, etc. It is presumed that an attorney with more experience (and a correspondingly higher salary) will justify the higher salary by reducing the amount of fees paid to outside counsel.

(iii) Assistant to the Commissioner.
Salary \$25,000.

Duties: It is estimated that by 1980 the Commissioner will need a full-time assistant to coordinate his schedule, assist in staffing, coordinating and monitoring assignments, prepare reports, testimony, etc.

(iv) Assistant Director of Public Relations. Salary \$28,000.

Duties: It is thought that by 1980 the Public Relations Director will need a full-time assistant to act as back-up to the Director and assist in the preparation of press releases, the gathering of information and appearances where necessary.

(v) Assistant to the Director of Administration. Salary \$25,000.

Duties: This individual will assist the Director of Administration as a Deputy Chief of Staff, by gathering information monitoring programs, keeping statistical data and preparing reports.

(vi) Assistant to Director of Officials.
Salary \$20,000.

Duties: He will aid the Director of Officials in carrying out the functions of that office with special emphasis upon establishing a system for evaluating and rating officials' performance at NASL games.

5. NASL Marketing, Inc.

NASL Marketing, Inc. estimates that the following personnel will be needed to assist the company to perform its synergistic licensing, advertising and promotional functions:

a. 1978 Additions.

- (i) Vice President, Promotions. Salary \$25,000.

Duties: To assist in arranging for joint promotions with major advertisers including awards, dedications, etc.

- (ii) Editor, KICK Magazine. Salary \$18,000.

Duties: To write and perform all editorial functions for the magazine.

- (iii) Sales Assistant, KICK Magazine. Salary \$15,000.

Duties: The Sales Assistant will aid the Director in soliciting advertising for KICK Magazine.

b. 1979 Additions.

- (i) Assistant to the Vice President of Licensing (Premiums). Salary \$17,000.

Duties: To assist the Vice President for Licensing, particularly in the area of premiums, i.e. discounted merchandise or the inclusion of coupons, notions, etc. in manufacturers' packaging.

c. 1980 Additions.

- (i) Production Supervisor, KICK Magazine. Salary \$17,000.

Duties: To bring the production of KICK Magazine "in house", this person is needed to assist with the logistics and mechanics of producing the periodical.

(ii) Assistant to the Vice President for Licensing (Retail). Salary \$15,000.

Duties: This individual would assist the Vice President for Licensing especially in the area of retail sales.

(iii) Sales Assistant, Promotions. Salary \$14,000

Duties: To help the Vice President in charge of Promotions interview and coordinate with national advertisers for League joint promotional projects.

6. Costs.

The cost of adding the recommended employees is reflected in the budgets set forth in Exhibits 1 and 2. These budgets show an expense increase in 1978 of 37% and by 1980 of 144% over 1977. Assuming an increase in the number of franchises to 24 in 1978, the annual increase in operating costs for the League in 1978, 1979 and 1980 will be 10%, 14% and 52% respectively. In the case of NASL Marketing, Inc. (Exhibit 2), the pro forma indicates an increase in the expense budget for 1978 of 32% and by 1980 of 83% versus 1977.

VIII. FOOTNOTES

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- 1/ Survey of Current Business, Department of Commerce, July, 1976.
- 2/ Dr. Henry G. Demmert, THE ECONOMICS OF PROFESSIONAL TEAM SPORTS, pp. 2-3.
- 3/ In 1976 there were 20 teams in the NASL that played 12 home games. There were 11 playoff games, total 251 games. In 1977 there were 18 teams that played 13 home games. There were 17 playoff games, total 251 games.
- 4/ TELEVISION/RADIO AGE, August 1, 1977, p. 28.
- 5/ Michael Roberts, FANS, HOW WE GO CRAZY OVER SPORTS, 1976.
- 6/ FORBES, April 1977, pp. 37-40.
- 7/ Attendance of regular season Baseball games:

<u>Year</u>	<u>Attendance</u>
1978	30.8*
1977	31.3
1976	29.8
1975	29.8
1974	30.6

*Estimated by U. S. NEWS AND WORLD REPORT, Sept. 19, 1977, p. 56.

- 8/ PUBLIC ATTITUDE TO BIG BUSINESS, The Harris Survey, March 14, 1977; U. S. NEWS & WORLD REPORT, September 6, 1976, "Why Business Has a Black Eye."
- 9/ Even today, in a normal week 13 of the 14 NFL games are played on Sunday.
- 10/ In 1976 the NASL teams' total gate receipts were \$7 million and approximately \$11.6 million in 1977. According to a July 1976 issue of "Survey of Current Business", U. S. Department of Commerce, Bureau of the Census, the total revenues for the "Spectator Sports" was \$1.7 billion for the 12 months ending July 1976. The same Survey reports total revenues for the Recreation Industry was \$72.6 billion.

Triangle Publications, Inc. reported in their 1975 Survey of Sports Attendance that the total number of Admissions tickets sold were 310 million for the "major eleven attendance sports." At an average admission price of \$6 (including concessions, parking and admissions) this category represents a \$22 billion business. The NASL would have approximately 1/2% of this category.

- 11/ Eastern Educational Network (EEN) has acquired the rights to distribute a "Game-of-the Week" program from International Television Corporation (ITC), the U. K. commercial company that produces The (U. K.) Football League Game of the Week for English television. In 1976/77, EEN distributed the U. K. games weekly to 8 affiliates: New York (WNET); Baltimore; Los Angeles (KCET); Miami; Tampa; Maine; Boston; Houston. In 1977/78 EEN has sold the weekly game to the following markets: New York, Baltimore, Miami, Tampa, Boston, Los Angeles, Houston, Gainesville, Jacksonville, Washington, D.C., Dallas, Cleveland, Buffalo, Providence, Scranton, Watertown and Madison. In addition, 10 Rocky Mountain educational stations will broadcast the game.
- 12/ NCAA-- National Collegiate Athletic Assn.; NJCAA-- National Junior Collegiate Athletic Assn.; NAIA--National Association of Inter-Collegiate Athletics; NFSHSA-- National Federation of State High School Associations.
- 13/ NEW YORK TIMES, July 5, 1977, pp. 1 and 39.
- 14/ Mackey v. National Football League, 543 F. 2d 606 (8th Cir. 1976) modifying, 407 F. Supp. 1000 (D. Minn. 1975); Kapp v. National Football League, 390 F. Supp. 73 (N.D. Cal. 1974); Smith v. Pro-Football, 420 F. Supp. 738, 741 (D.D.C. 1976).
- 15/ See Chapter VI, D.
- 16/ Interview with Gordon Bradley, Vice President, N. Y. Cosmos.
- 17/ In 1977, NASL teams employed 6 high school graduates. Many coaches intend to offer contracts to high school

graduates in the future, as these players can develop faster and better in the NASL than in college.

- 18/ Federation International de Football Association
- 19/ "Behind Baseball's Comeback: 'It's an Island of Stability'", U. S. NEWS AND WORLD REPORT, September 19, 1977, 78, 1675.
- 20/ American Youth Soccer Organization (AYSO) is not affiliated with USSF and therefore FIFA.
- 21/ United States Soccer Federation Handbook, 1975
- 22/ The American Soccer League (ASL) was founded in 1933. The ASL maintained franchises during the 1977 season in the following locations: New York, Cleveland, Los Angeles, Sacramento, Santa Barbara, New Jersey, New England, Connecticut, California.
- 23/ Cascio, Chuck: SOCCER U.S.A., p. 35 (1975)
- 24/ Host countries for the World Cup: 1930-1978 -- in 1930 Uruguay, 1934 Italy, 1938 France, 1942 and 1946 cancelled, 1950 Brazil, 1954 Switzerland, 1958 Sweden, 1962 Chile, 1966 England, 1970 Mexico, 1974 Munich, 1978 Argentina.
- 25/ Horowitz, I., SPORTS BROADCASTING, Chap. 8
- 26/ FORTUNE, May 1977, Page 298
- 27/ FORBES, April 1, 1977, page 40; based on Baltimore Orioles data.
- 28/ Based on 54.9 million (in 1967) and 56 million (in 1968) U.S. TV Households, assuming three people per house.
- 29/ Based on 72.9 million U.S. TV Households; three people per house and between 98-110 stations providing between 75% to 85% coverage of U.S. TV Households.
- 30/ Source: April 5, 1977 Survey of NASL Clubs, updated in September, 1977, Office of the Commissioner
- 31/ Produced for the Cosmos by Mislou Productions, Inc.

- 32/ Play-off games included
- 33/ Interview with Steve Caspers, President of NASL Marketing, Inc., July 29, 1977.
- 34/ The NASL contracted with World Sports Marketing, Inc. from 1973-75 for the production of KICK Magazine and promotional arrangements with advertisers.
- 35/ Report to the Directors of NASL Marketing, Inc., October 15, 1976, Exhibit 2.
- 36/ See Exhibit 2
- 37/ Christian Science Monitor, August 30, 1977, pp. 1 and 22: "Despite all pressures, Pele resolutely refuses to endorse cigarette or liquor advertisements on grounds that he loves and feels responsible for children."
- 38/ NFL Properties, Inc. generated \$6.5 million in 1976 and provided each club with \$18,770. All but one club assigned this income (and the income from NFL Films, Inc.) to NFL Charities.
- 39/ Noll, GOVERNMENT AND THE SPORTS BUSINESS, Page vii Forward, I. Kermit Gordon (1974)
- 40/ Interview with Lamar Hunt, Tampa, Fla., March 10, 1977
- 41/ October 1975, Annual Meeting
- 42/ October 1976, Annual Meeting, Minnesota
- 43/ Sources: Planning Committee and Board of Directors Questionnaire Responses, April 1977. 14 owners responded to this question.
- 44/ Current franchises which will be upgraded from "below standard" to "standard" in the three year period, 1978-80.
- 45/ Op.Cit. Section 3.5 NASL Constitution Page 3.
- 46/ Population rank based upon January 1976 A.C. Nielsen statistics, using population data only.

- 47/ The League had a franchise in Montreal from 1971 until 1973; Toronto has had a franchise since 1967 with interruptions from 1968 to 1971; Vancouver joined the League in 1967 and re-joined in 1974 after having dropped out at the end of the 1973 season.
- 48/ The WALL STREET JOURNAL, page 1, September 1, 1977.
- 49/ Supra, Recommendation #40, #41 and #42.
- 50/ The sale of the Philadelphia franchise in 1975 and the Connecticut franchise in 1977.
- 51/ Abraham Lincoln's second inaugural address.
- 52/ Planning Committee interview with Consultant Richard Lurie, CPA and financial consultant. Lurie has been retained by the Minnesota Vikings and the Chicago Bears to provide financial advice to players. Financial service is offered free of charge to all contract players as a fringe benefit.
- 53/ Robertson v. National Basketball Assn., 389 F. Supp. 867 (S.D.N.Y. 1975), clarified 67 F.R.d. 691 (S.D.N.Y. 1975)
- 54/ Smith v. Pro-Football, 420 F. Supp. 738 (D.D.C. 1976)
- 55/ Kapp v. National Football League, 390 F. Supp. 73 (N.D. Cal. 1974), vacated in part, 1975 Trade Cas. #60,543 (N.D. Cal. 1975).
- 56/ Op.Cit. Mackey, Smith and Kapp Cases
- 57/ NFLPA, NFL Management Council Collective Bargaining Agreement, 1977. Article XXI, Sections 2-4.
- 58/ Supra Note 57, Article XXX
- 59/ NHL Collective Bargaining Agreement, September 15, 1975 - September 20, 1980, Article V.
- 60/ Major League Benefits Plan, Hearings Before the House Select Committee on Professional Sports, Part I, Page 381, August 2, 1976.

61/ NBA and NBAPA Collective Bargaining Agreement,
1975-1979, Article XV.

62/ Supra Note 57, Article X, page 19.

IX. EXHIBITS

EXHIBIT 1

NASL

PRO FORMA BUDGET

LEAGUE OFFICE

1977-1980

EXHIBIT 1

NASL
Pro Forma League Office Budget^{*/}
Years Ending September 30

<u>CATEGORY</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>
Administrative Salaries	\$ 248,000 ^{1/}	\$ 416,800 ^{5/}	\$ 507,480 ^{11/}	\$ 794,280 ^{14/}
Accounting Services	8,000	15,000 ^{6/}	15,000	17,500
Clerical & Secretarial	2,000	2,500	2,500	3,000
Payroll Taxes	14,500	25,000	30,500	47,700
Administrative Travel (Comm)	25,000	25,000	25,000	20,000 ^{15/}
Administrative Travel (Staff)	10,000	15,000	20,000	22,000
Game Officials	175,000	250,000 ^{7/}	267,000 ^{12/}	540,000 ^{16/}
League Meeting Expenses	10,000	11,000	12,000	12,000
Executive Committee	7,500	10,000 ^{8/}	10,000	12,000
Other League Committees	53,000 ^{2/}	24,000 ^{8/}	30,000 ^{13/}	30,000
Public Relations	45,000	45,000	50,000	50,000
Telephone	28,000	35,000 ^{9/}	37,500	50,000
Rent	26,800 ^{3/}	34,800 ^{9/}	34,800	50,800 ^{17/}
Postage	4,000	5,000	5,500	6,000
Office Supplies	12,000	14,000	14,000	15,000
Subscriptions	5,500	5,500	5,750	6,000
Insurance	7,000	8,000	8,500	9,000
Office Equipment	14,500	15,000	15,000	15,000
Trophies	1,000	1,000	1,500	1,500
Contributions	3,000	3,000	3,500	3,500
Miscellaneous	10,000	10,000	10,000	10,000
Office Maintenance	3,000	3,000	3,250	3,500
Professional Services	-	50,000 ^{10/}	60,000	70,000
Legal	-	25,000	30,000	35,000
Total	<u>\$712,800^{4/}</u>	<u>\$1,048,600</u>	<u>\$1,198,780</u>	<u>\$ 1,823,780</u>
Number of Clubs	18	24	24	24
Cost Per Club	<u>\$ 39,600</u>	<u>\$ 43,692</u>	<u>\$ 49,949</u>	<u>\$ 75,991</u>

^{*/} This budget does not include the National Team, NASL Merchandising, Inc. and outside counsel in 1977.

NASL - League Office Budget

Assumptions

1977

1. 12 person staff.
2. Planning Committee budget.
3. The League has 6,063 sq. ft. of office space at \$8.03/sq. ft. or \$48,708 which is divided between the League office (\$26,800 (55%)) and NASL Marketing, Inc. (\$21,908 (45%)).
4. Prepared by the League office staff.

1978

5. a) Assumes 10% raise for all employees plus the addition of:

<u>Title</u>	<u>Salary</u>
Director of Club Standards	\$ 40,000
Director of Sales Management	40,000
Director of Game Officials	25,000
3 Secretaries	<u>39,000</u>
Total	\$144,000

- b) 18 person staff
6. Big 8 Accounting firm will be retained for League audit, tax counsel and gate sharing audit.
7. 15 home games with 24 teams (360 games); 1 official traveling, including some international officials.
8. 4 Committees will meet at least quarterly, at a cost of \$1,500 per meeting.
9. In 1978, the League office will require an additional 1,000 sq. ft. The League office share of total office rent will be 85%.
10. Consulting and research services.

1979

- 11. a) Assumes 10% raise for all employees plus the addition of:

<u>Title</u>	<u>Salary</u>
Director of Broadcasting	\$35,000
Secretary	<u>14,000</u>
	<u>\$49,000</u>

b) 20 person staff

- 12. 16 home games, 24 teams and 1 official travelling for a total of 384 games.
- 13. League sub-committees will be necessary, increasing budget \$6,000.

1980

- 14. a) Assumes 10% raise for all employees plus the addition of:

<u>Title</u>	<u>Salary</u>
Asst. to Director of Officials	\$ 20,000
Asst. to the Commissioner	25,000
Asst. to Director of Administration	25,000
Legal Counsel	50,000
Asst. PR Director	28,000
Director of Security	30,000
4 Secretaries	<u>58,000</u>
TOTAL	\$236,000

b) 35 person staff.

- 15. The Commissioner will travel less, with more of his time devoted to management.
- 16. 17 home games, 24 teams, with 3 travelling officials for a total of 408 games. It is assumed that the average cost per game for officials, including travel and accommodations, is \$1,320.
- 17. In 1980 the rental agreement expires and the League has an option to acquire additional space for rent. The League will have approximately 8,063 sq. ft. and could pay \$9.00 per sq. ft. of which the League office could pay 70%.

EXHIBIT 2

NASL

PRO FORMA STATEMENT OF INCOME
AND EXPENSES

NASL MARKETING, INC.

1977-1980

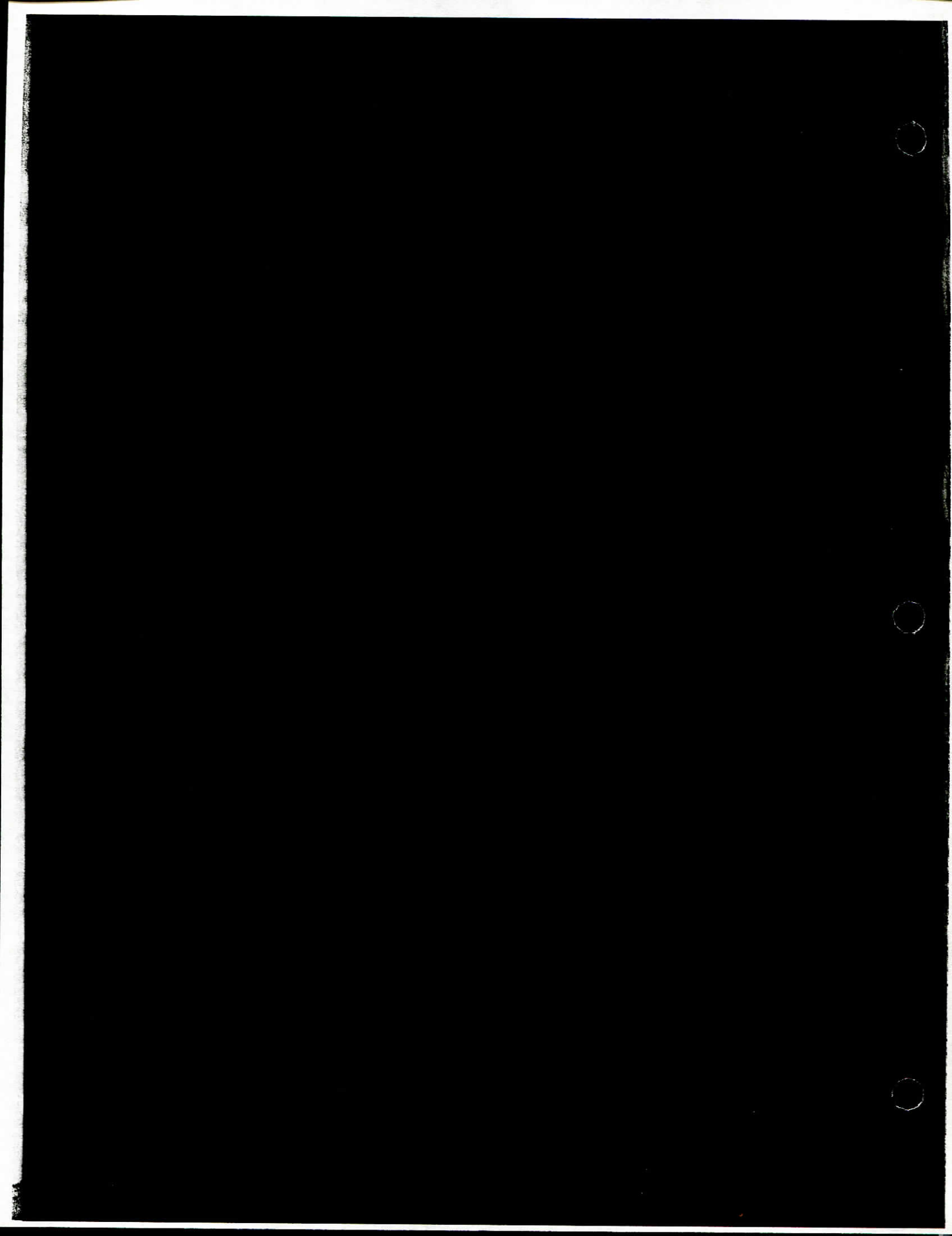


EXHIBIT 3

NASL

PRO FORMA BUDGET

U.S. NATIONAL TEAM

1978

EXHIBIT 3

NASL

U.S. NATIONAL TEAM PRO FORMA BUDGET
Year ending September 30, 1978

Salaries

Director	\$35,000	
Coach	-	<u>1/</u>
Assistant Coaches	-	<u>2/</u>
Secretary	-	<u>3/</u>
Team	-	<u>2/</u>

Travel

Director	\$ 8,000	
Coaches	10,000	
Team	80,000	<u>4/</u>
Managers, Trainers, Doctors,	15,000	<u>5/</u>
Miscellaneous	10,000	
	<hr/>	
Total	\$158,000	
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Cost per U.S. NASL Club (21 clubs)	\$ 7,524	
	<hr/>	

1/ USSF will supply the National Coach.

2/ Coaches and players will be supplied by NASL clubs if necessary.

3/ Available in League Office in 1978.

4/ 4 trips, 16 man squad @ \$1200 each

5/ Party of 4 on 4 trips @ \$1200 each.

EXHIBIT 4

NASL
Planning Committee Report

Questionnaire Responses

EXHIBIT 4

Introduction

In May 1977 the Planning Committee issued a Questionnaire to the Board of Directors. This appendix presents the results of that Questionnaire.

The Questionnaire was completed by 17 NASL Clubs. Only Rochester and Toronto failed to return their Questionnaire.

Methodology

The enclosed results have not been analyzed. The Questionnaires have been tabulated without reference to particular responses. Not all clubs answered all questions, therefore certain questions have less than 17 total responses.

Legend

Terminology used in this appendix is explained below:

- a) frequency refers to the number of clubs that mentioned/rated a particular item;
- b) ranking refers to the order of importance of the group of potential responses.

The questions on budgets, projections for attendance and revenues were either not answered or answered inconsistently. Therefore this section is not presented herein.

I. GOALS AND OBJECTIVES OF NASL

The first two questions ask about the current objectives of the League and your preferred objectives.

A. What are the primary objectives of NASL at the present time?

1. To promote soccer in the U.S. and Canada
2. To create franchise value
3. To develop profitably operating member clubs
4. To obtain national television coverage
5. To establish NASL as the premier sports League in the world
6. To provide quality entertainment
7. To achieve a competitively balanced League
8. To attain an average paid attendance of between 500,000 and 1,000,000 for each club per year
9. To qualify for the World Cup
10. To secure the best players in the world
11. To place a high proportion of NASL players on the National Team
12. To increase playing opportunities
13. To qualify for the Olympic Games

B. What should be the primary emphasis of NASL?

1. To develop profitably operating member clubs
2. To create franchise value
3. To promote soccer in the U.S. and Canada
4. To provide quality entertainment
5. To attain an average paid attendance of between 500,000 and 1,000,000 for each club per year

- 6. To obtain national television coverage
- 7. To achieve a competitively balanced League
- 8. To establish NASL as the premier sports League in the world
- 9. To qualify for the World Cup
- 10. To increase playing opportunities
- 11. To secure the best players in the world
- 12. To place a high proportion of NASL players on the National Team
- 13. To qualify for the Olympic Games

C. What are your personal goals, as an owner in the NASL?

- 1. To create franchise value
- 2. To develop North American soccer
- 3. To provide a diversion from ordinary business and personal activities
- 4. To successfully manage an unusual type of business
- 5. To create operating losses and other tax benefits to offset other sources of income

D. How many years do you envision being an owner of an NASL team?

- 1. 11 years (average of 13 responses)
- 2. Life (4 responses)

E. If and when you sell your club, what value do you project for your franchise?

- 1. Present value \$1.34 million (average of 15 responses)
- 2. 1980 - \$2.49 million (average of 15 responses)
- 3. 1985 - \$5.52 million (average of 14 responses)

F. Would an acceptable selling price for your franchise be equivalent to your losses?

- 1. Yes 5
- 2. No 8
- 3. Not applicable (NA) 4
- Total 17

G. How much of a loss have you sustained since you acquired your franchise?

- 1. \$500,000 per year (average of 15 responses)
- 2. Not applicable 2

II. COMPOSITION OF THE LEAGUE

A. How many franchises would be appropriate for NASL in the future?

- 1. 1978 20
- 2. 1980 24
- 3. 1984 28
- 4. 1988 34

B. What potential market area/city could be important for NASL expansion?

<u>City</u>	<u>Frequency</u>	<u>City</u>	<u>Frequency</u>
Atlanta	8	Cincinnati	1
Philadelphia	7	Edmonton	1
Detroit	6	Indianapolis	1
Boston	4	Kansas City	1
Houston	3	Nashville	1
Montreal	3	Salt Lake City	1
Buffalo	2	San Antonio	1
Memphis	2	San Diego	1
New Orleans	2	San Francisco	1
Phoenix	2	Spokane	1
Anaheim	1	Tulsa	1
Calgary	1		

C. What do you regard as appropriate indices of franchise quality?

1. Club management personnel
2. Club's marketing approach
3. Home game attendance
4. Size of club budget
5. Image of NASL
6. Media interest
7. Quality of service and caliber of staff in League office
8. Local interest in sports

D. How important is the quality of the franchise to franchise value?

1. Very important	14
2. Important	2
3. Not important	-
4. NA	<u>1</u>
Total	17

E. Does the number of franchises impact on the image of the League?

1. Yes	15
2. No	2
3. NA	<u>0</u>
Total	17

F. If yes, how many franchises are necessary for NASL to be recognized as a major league?

1. 20

2. Why?

1) National coverage in major markets 5

2) Help secure national television contact 2

G. Is revenue sharing necessary and desirable in the NASL?

1. Yes 11

2. No 5

3. NA 1

Total 17

H. Should revenue sharing be part of the NASL at its current level of development (i.e., when 16 of 18 franchises are unprofitable)?

1. Yes 7

2. No 10

3. NA 0

Total 17

I. If you answered no to question "II. H.", at what stage of the League's development should revenue sharing be instituted?

Check only those that seem reasonable and appropriate:

1. When 50% of clubs are profitable

2. When all clubs are profitable

3. When average attendance per club is 20,000 per game

4. When total NASL attendance is 3 million people

5. When total revenue per game exceeds \$60,000	2
6. When gross income from the lowest ranking club is 50% of the highest producer (e.g., \$1/2 million vs. \$1 million)	5
7. NA	2
Total	<u>10</u>

J. Should NASL adjust its revenue sharing policy according to stages of development?

1. Yes	12
2. No	3
3. NA	2
Total	<u>17</u>

K. Should clubs that do not conform to minimum standards for operations participate in revenue sharing? (Assume rigorous standards for clubs' front offices, squad size, and a significantly larger League office budget)

1. Yes	3
2. No	12
3. NA	2
Total	<u>17</u>

L. In your opinion, should gate receipts go to:

1. The host club	7
2. The two competing clubs	5
3. NASL	3
4. All of the above	1
5. NASL and then the two clubs	1
Total	<u>17</u>

M. Should gate receipts from play-off and championship games, after expenses, be:

- | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|----|
| 1. Shared equally by all NASL clubs | 11 |
| 2. Shared equally by qualifying clubs only | 1 |
| 3. Allocated among clubs that qualify in proportion to their success (e.g., clubs eliminated in round I only share in revenues from that round, etc.) | 1 |

Other

- | | |
|-----------------------------------------------|----------|
| 4. 1978-80 equal sharing, then #3 above | 1 |
| 5. Larger amount to qualifiers, then #1 above | 1 |
| 6. No answer | <u>2</u> |
| Total | 17 |

N. Should television revenues be included in the distribution of play-off and championship game revenues?

- | | |
|---------|----------|
| 1. Yes | 12 |
| 2. No | 3 |
| 3. NASL | 1 |
| 4. NA | <u>1</u> |
| Total | 17 |

O. Who is responsible for assuming the contractual obligation of an unpaid player?

- | | |
|-------------------------------------------------|----------|
| 1. The League | 0 |
| 2. The defaulting club | 16 |
| 3. The Players' Association (assume one exists) | 0 |
| 4. NA | <u>1</u> |
| Total | 17 |

III. LEAGUE OFFICE

What types of services do you expect from the League office? (Assume that the League will continue to grow in terms of number of franchises, average attendance per club, and League office)

<u>Category</u>	<u>Frequency</u>
1. Handle government relations (e.g., immigration)	15
2. Conduct market research	15
3. Provide League-wide player insurance	13
4. Provide legal advice	13
5. Act as players' liaison/ombudsman	10
6. Supply youth development programs	9
7. Develop a club marketing plan	9
8. Prepare scouting reports - International	8
9. Conduct personnel or executive search	6
10. Help with club advertising	6
11. Prepare scouting reports - North America	5
12. Provide leadership	3
13. Coordinate promotions	3
14. Provide accounting and financial advice/service	2
15. Provide/arrange travel discounts	1
16. Improve officials	1
17. Arrange ball park security	0

B. In what areas does the League office not provide the services you need or provide them unsatisfactorily?

- | | |
|--------------------------------------|--------------------------------------|
| 1. All of the above | 7. Financial services |
| 2. Publicity | 8. Investor loads |
| 3. Marketing | 9. Leadership |
| 4. Labor Relations | 10. Scouting |
| 5. Immigration | 11. Personnel |
| 6. Development of partnership notion | 12. Enforcement of minimum standards |

C. What expectations do you have for the League office, assuming NASL continues along its present growth pattern?

1. Stronger staff
2. Strengthen national image and public relations
3. Stronger leadership
4. Better marketing and promotion expertise
5. Enforcement of minimum standards

D. Do you expect help from the League office in your own marketing program?

1. Yes	10
2. No	7
3. NA	0
	<hr/>
Total	17

E. If yes, what type of help?

1. Corporate sponsors (leads)
2. Promotion ideas
3. Films
4. Marketing

F. Do the licensing and promotion efforts of NASL Marketing, Inc. build awareness in your market for the NASL and your club?

1. Yes	11
2. No	4
3. NA	2
	<hr/>
Total	17

G. Should the world-wide licensing rights to NASL and NASL clubs (i.e., logos, names, identify, and likeness) be sold to a licensing company with NASL receiving a minimum annual guarantee?

1. Yes	8
2. No	5
3. NA	4
	<hr/>
Total	17

H. Should the individual clubs retain the rights to license their own logos, etc.?

1. Yes	7
2. No	7
3. NA	3
	<hr/>
Total	17

I. If yes, should NASL office provide support services to help clubs with their own licensing program?

1. Yes	4
2. No	1
3. NA	2
	<hr/>
Total	7

rn?

J. What is the purpose of NASL marketing (licensing promotions, advertising)?

- 1. Establish the identity of the League
- 2. Produce revenues
- 3. Produce publicity
- 4. Publicize the League schedule

K. At its current stage of development, NASL cannot sell its national television rights and yield meaningful revenues per club.

Should NASL games be on national television at the present time?

1. Yes	14
2. No	3
3. NA	0
	<hr style="width: 10%; margin-left: auto; margin-right: 0;"/>
Total	17

L. Why? Exposure.

IV. ORGANIZED SOCCER

A. How important is organized soccer (USSF affiliate or USSF state association, AYSO, college and high school teams) to your attendance?

1. Very important	5
2. Important	8
3. Not important	4
4. NA	0
	<hr style="width: 10%; margin-left: auto; margin-right: 0;"/>
Total	17

B. What percentage of your club's attendance is made up of active participants? 30%

C. Are you actively involved in promoting/developing youth soccer programs?

1. Yes	15
2. No	2
3. NA	0
	<hr/>
Total	17

D. If yes, does your relationship with organized soccer help you develop good community relations?

1. Yes	15
2. No	0
3. NA	2
	<hr/>
Total	17

E. Does community involvement help build attendance?

1. Yes	17
2. No	0
3. NA	0
	<hr/>
Total	17

F. In identifying your club's target audience, is organized soccer your primary group?

1. Yes	4
2. No	13
3. NA	0
	<hr/>
Total	17

- F. Which aspects of organized soccer are your primary targets?
1. High School 7
 2. Other youth group 8
 3. USSF affiliate (i.e., clubs/leagues) 7
 4. AYSO 6
 5. USSF state association 5
 6. College 3

G. Which of the groups listed above will help build attendance in the future? All

H. What are the characteristics of your target audience?

Please check the appropriate grouping:

<u>Category</u>	<u>Frequency</u>
<u>Income</u>	
1. \$0 - \$15,000	3
2. \$15,000 - \$25,000	15
3. Above \$25,000	3
<u>Education</u>	
4. High school diploma	8
5. College degree	12
6. Graduate degree	2
<u>Age</u>	
7. 5 - 10	2
8. 11 - 15	5
9. 16 - 22	9
10. 23 - 35	15
11. Above 35	3
<u>Family Status</u>	
12. Head of household	13
13. Participant - male	9
14. Participant - female	7
15. Housewife	7
16. Other	3

<u>Category</u>	<u>Frequency</u>
<u>Interest</u>	
17. Sports spectator	16
18. Sports participant	6
19. Soccer player	8
<u>Residence</u>	
20. Inner city	3
21. Suburban	17
<u>Group Size</u>	
22.	1-4

I. Was your target audience identified through your club's own consumer research?

1. Yes	8
2. No	9
Total	<u>17</u>

J. What are your aspirations for the U.S./Canada in the Olympic Games?

1. Qualifying
2. Participating
3. Not important
4. Winning

K. If #2 or #3 above, in what year would you hope to see this realized?

1980	6
1984	2
Don't care	1
No answer	4
Total	<u>13</u>

L. What are your aspirations for the U.S./Canada in World Cup competition?

1. Qualifying
2. Participating
3. Winning
4. Not important

M. If #2 or #3 above, in what year would you like to see this realized?

1978	3
1982	7
1986	2
No answer	4
Total	<u>16</u>

N. What would success of either the Olympic or World Cup teams in international competition mean to your club?

<u>Category</u>	<u>Frequency</u>
1. Increased attendance	11
2. Higher player salaries	5
3. Awareness	5
4. Higher ticket prices	4
5. No change	1

O. Which organization is responsible for preparing the national teams for international competition?

1. USSF or CSA	11
2. NASL	5
3. USOC	1
Total	<u>17</u>

P. Should NASL be actively represented on USSF/CSA and FIFA?

1. Yes	15
2. No	1
3. N.A.	1
	<hr/>
Total	17

Q. Would you be interested in serving USSF and/or FIFA, if elected?

1. Yes	10
2. No	6
3. N.A.	1
	<hr/>
Total	17

R. Does NASL have a responsibility to develop Canadian and U.S. talent? Yes: 17

S. If yes, at what level?

1. Professional	10
2. Youth	8
3. All of the above	6
4. High school	5
5. College	4
6. Girls and boys	3

T. How should NASL help develop soccer players?

1. Supply club facilities/ fields, films, etc.	13
2. Provide or contract coaches and players' time	10
3. Provide cash contributions	1
4. Farm team	3

V. PLAYER RELATIONS

A. What should be the approach to developing U.S. and Canadian talent in NASL?

1. Establishment of a "B" Team for North American nationals only
2. Reduction in the number of loan players
3. Establishment of an exchange program with foreign teams for new college draft choices
4. Purchase of a foreign team (not necessarily division I caliber) by NASL or a group of NASL clubs

B. If NASL is to reduce the number of loan players per club, what should be the maximum number of loan players?

4 (only 11 clubs responded)

C. Would you consider a joint-venture with another NASL club in establishing a "B" Team?

1. Yes	8
2. No	8
3. NA	<u>1</u>
Total	17

D. Do you think there will be two divisions in the NASL in the future? (Each club would have an "A" and a "B" team.)

1. Yes	7
2. No	9
3. NA	<u>1</u>
Total	17

If yes, what year?

1980	2
1983	1
1985	1
NA	3
Total	<u>7</u>

E. If a NASL Players' Association were formed, would you

1. Let it emerge without help of resistance	10
2. Oppose it	4
3. Welcome it	3
Total	<u>17</u>

F. Should NASL establish a bargaining committee in anticipation of the emergence of a NASL Players' Association?

1. Yes	12
2. No	5
Total	<u>17</u>

G. Should a players' representative committee system be established?

1. Yes	13
2. No	4
Total	<u>17</u>

H. Should a players' representative committee have the same privileges as a regular NASL committee?

1. Yes	6
2. No	8
3. NA	3
Total	<u>17</u>

I. Should NASL clubs sign high school graduates?

1. Yes	16
2. No	1
Total	<u>17</u>

J. Why? Young players require proper coaching. NASL is the only opportunity for suitable coaching.

K. What special considerations should NASL give to high school age players?

<u>Category</u>	<u>Frequency</u>
1. Education provisions	14
2. Insurance coverage	9
3. Amateur contract	8
4. None	2

L. If a player is selected to a representative team (e.g., National team, NASL All Star, etc.) should he be paid a bonus?

1. Yes	6
2. No	11
Total	<u>17</u>

M. In order to help build an Olympic team, would you sign amateur contracts but provide such players with the equivalent "non-cash" compensation as other team members of comparable ability?

1. Yes	8
2. No	7
3. NA	2
Total	<u>17</u>

N. Is the college draft important to your search for players?

1. Yes	11
2. No	<u>6</u>
Total	17

O. Should NASL have an international draft to assure that talent is distributed equitably among clubs?

1. Yes	4
2. No	9
3. NA	<u>4</u>
Total	17

EXHIBIT 5

NASL
PLANNING COMMITTEE

Planning Committee Meetings

EXHIBIT 5

NORTH AMERICAN SOCCER LEAGUE
PLANNING COMMITTEE MEETINGS

ATTENDANCE

October 1976 - October 1977

<u>DATE</u>	<u>LOCATION</u>	<u>NUMBER OF DAYS</u>	<u>ATTENDANCE</u> ¹	<u>TOPIC FOR DISCUSSION</u>
10-26-76	Bloomington, Minn.	2	PC (7)	Organization and Structure
12-11-76	Chicago, Illinois	1	PC (8) and P. Woosnam S. Caspers	Development of a Strategic Marketing Plan
1-8-77	Chicago, Illinois	1	PC (5)	Development of a Strategic Marketing Plan (continued)
2-11-77- 2-12-77	Minneapolis, Minn.	2	PC (6)	Development of a Strategic Marketing Plan (continued): Organized Soccer; Other Marketing Considerations: Public Relations, Players, Coaches and Officials, Office of the Commissioner, Gambling
3-9-77- 3-10-77	Tampa, Florida	2	PC (8) and P. Woosnam	Composition of the League-- Member Franchises
4-19-77-	Dallas, Texas	1-1/2	PC (7) and R. Lurie (Consultant)	Player Relations
5-30-77- 5-31-77 (Memorial Day)	Minneapolis, Minn.	2	PC (7) and P. Woosnam (5-30-77 only)	Structure of NASL
6-30-77	Washington, D. C.	1	PC (4)	Report Review (Special Mtg.)
8-7-77 8-8-77	Washington, D. C.	2	PC (6)	Report Review and Discussion
8-28-77	Portland, Ore.	1	PC (5)	Report Review
9-27-77	New York, N. Y.	1	PC (6)	Report Review
10-10-77	New York, N. Y.	1		Report Presentation to Club Owners

¹ Attendance: Planning Committee consisted of: Stephen I. Danzansky (Convener), Walter R. Daggatt, Lamar Hunt, Joseph Robbie, James H. Ruben, Lee B. Stern, Clive Toye and Malcolm Bund (Consultant).

Legend:

PC=Planning Committee
(#)=PC Attendance

EXHIBIT 6

NASL
PLANNING COMMITTEE

Bibliography

Books:

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Fortune Magazine: May, 1977

Kick Magazine

Soccer American

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Sport Magazine

Television and Radio Age, August 1, 1977

U. S. News and World Report, September 6, 1976; September 19, 1977

Services:

The Harris Survey, March 17, 1977, July 1, 1977, September 1, 1977

EXHIBIT 7

NASL
PLANNING COMMITTEE

Consultants

INTERVIEWS

Commissioner and Staff, NASL

Carbray, John, General Manager, Washington Diplomats

Frank, Stephen, Former Member, St. Louis Stars

Fricker, Werner, Vice President, USSF

Grantham, Charles, Assistant to the Executive Director,
NBA Players Association

Hadden, Alexander, Secretary-Treasurer, Major League Baseball
(Assistant to Commissioner Kuhn)

Holt, Samuel, Television Consultant

Kennedy, Walter, Former Commissioner, NBA

Kerr, John, former NASL Player (Diplomats, Cosmos, Vancouver)

King, Eric, Executive Director, Canadian Soccer Association

King, Robert, King World Productions, Inc.

Lamm, Kurt, Secretary, USSF

Lipton, Harold, Co-Owner, Boston Celtics, NBA

Lurie, Richard, Consultant to Chicago Bears, Minnesota Vikings
and Player Agent

Mord, Marvin, Vice President, Research, American Broadcasting
Corporation

Nichter, Michael, President, Media Communications, Inc.

O'Malley, Peter, President, Washington Capitals, NHL

Rote, Kyle, Jr., player with Dallas Tornado

Tagliabue, Paul, Partner, Covington & Burling

Thomas, Richard, Eastern Educational Television Network

Trost, Al, player with St. Louis Stars

Ziegler, John, Chairman and Current President, NHL

Planning Committee, NASL

Danzansky, Stephen I., President, Washington Diplomats

Daggatt, Walter, Managing General Partner, Seattle Sounders

Hunt, Lamar, Director, World Championship Tennis, President,
Kansas City Chiefs and American Football Conference,
Director, Dallas Tornado (ex officio)

Robbie, Joseph, Managing General Partner, Miami Dolphins (ex officio)

Ruben, James H., Partner, Minnesota Kicks

Stern, Lee B., Chairman, Chicago Sting

Toye, Clive, President, Chicago Sting and former President,
The Cosmos

NASL Club Representatives

Interviews Were Also Conducted With the Following:

Gordon Bradley, V. P., Player Personnel, Washington Diplomats
Capozzi, Herb, Chairman, Vancouver Whitecaps (formerly The Cosmos)

Carbray, John, General Manager, Washington Diplomats

Chaffetz, John, Managing General Partner, Los Angeles Aztecs

Cox, William, former President/General Manager, Connecticut
Bicentennials

Firmani, Eddie, former Coach, Tampa Bay Rowdies, now with
The Cosmos

Goodwin, Freddie, President/Coach, Minnesota Kicks

Lay, H. Ward, Owner/President, Team Hawaii

Marcos, Francisco, Director of Public Relations, Tampa Bay Rowdies

Miller, Al, Coach, Dallas Tornado

Moore, Johnny, Assistant to the President, San Jose Earthquakes

Rogers, T. Beauclerc IV, General Manager, Tampa Bay Rowdies

Schiano, Charles A. Chairman, Rochester Lancers

Strawbridge, George, Jr., President, Tampa Bay Rowdies