

# EXHIBIT G



**NFL PLAYERS**  
ASSOCIATION

LEGAL DEPARTMENT

June 7, 2010

**VIA EMAIL AND FIRST CLASS MAIL**

Jeffrey Pash  
National Football League  
280 Park Avenue  
New York, NY 10017

Re: **Schedule of Club Costs for Collective Bargaining**

Dear Jeff:

Since June of last year we have had a total of thirteen bargaining sessions between our two bargaining committees and another series of subcommittee meetings dealing with specific subjects. We have also exchanged numerous written proposals and counter proposals on a variety of subjects, both economic and non-economic. Despite the large number of issues we have discussed, however, I think it is fair to say that the one core issue that has separated us the most has been your demand for an eighteen per cent reduction in the cost of player salaries and benefits.

You have consistently maintained in every one of our meetings that this eighteen per cent shift is necessary, not because of player costs, but instead because of significant increases in the clubs' non-player costs since our current CBA was first negotiated in 1993. You and other members of your committee have stated on numerous occasions that the owners are being "squeezed" (presumably a reference to cash flow) by the current system because their non-player costs have increased so significantly. You have made factual representations, for example, that the owners bear a much higher percentage of stadium and game day costs than they did when the CBA was first agreed to, and that they have had to spend considerably more money in recent years to promote ticket sales and to generate sponsorships. You have cited examples ranging from the Green Bay Packers having to pay for new high definition televisions in their luxury suites to the Dallas Cowboys having to spend money to promote the sale of lottery tickets because of their sponsorship agreement with the Texas Lottery.

In response, we have consistently told you that we needed to have relevant financial information from the clubs' books which would allow us to evaluate these assertions. As you know, under the salary cap system we have had direct access to club and league revenue and player cost information, and the right to audit the books of both the clubs and the League in those two areas on a confidential basis. Unfortunately,

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though, the one area of club and league financial information we have not had full access to is the non-player costs, and it is those costs which are at the very heart of the issue which now separates us at the bargaining table.

In one of our sessions last year, you did provide our committee with a one page "Schedule of Costs" which listed cost items in various general categories, including "Direct Costs," "Stadium Rent and Stadium Operating Costs," "Sales and Marketing," etc. for 2007, 2008, and projected costs for the 2012 season. But the listed costs were not broken down by club and were very general in nature. You later provided us with four more pages of general cost items in January of this year entitled "Schedule of Costs, Detail Information," but that schedule only provided subcategories of the same information provided previously for 2007 and 2008. It did not include any breakdown by club, and it did not provide any comparison of those costs to similar costs in any prior year of our CBA term.

It is incumbent upon the NFLPA as the players' bargaining agent to be able to evaluate and verify your assertions about cost increases so that we can properly respond and develop our own counterproposals. With that in mind, the NFLPA has retained the services of a labor economics consulting firm here in Washington to advise us on what is needed. The firm specializes in labor economics and analysis, and it believes that we need to obtain more specific, club-by-club data about the costs you listed in your Schedules.

In particular, we request that you make available those parts of the original books and records of the individual clubs which show the actual expenditures each club has made in the cost categories listed in your schedules (see copy of your schedules attached for your convenience). These original books and records should cover all of the years since 1993, since your assertions at the table have most often referred to 1993 as the comparison point. (For example, in our first session in New York on June 3, 2009 you personally stated that there had been "significant increases in stadium costs" and "other costs" since 1993, and in our session in Washington on November 24, 2009 you stated that there has been a significant "shift from public to private responsibility" for game day and stadium expenses from 1993 to the present.)

To properly evaluate and verify these and other assertions, we feel it is necessary to see the individual club books (or copies of those books) from 1993 and subsequent years which show expenditures in these important areas, and to compare them to the same categories of expenditures in 2008, 2009, and 2010. (It would be preferable to

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receive this information in electronic form, but we will work with you to make it as convenient as possible if you wish to provide it in some other form.) In turn, we can then see what percentage of all revenues these costs represented in 1993 (and later years) compared to the present. The data you have given us show that these costs, as a percentage of revenue, have remained relatively constant in recent years (17.9% in 2007, 18.3 % in 2008, and 18.1% forecasted for 2012), so a comparison to the earlier years of the CBA would be more meaningful. We would also request that you tell us how the percentage increases in the costs listed on your attached schedules compare to any increases in other non-player costs which are not listed on those schedules.

Of course, if some of the clubs do not have original books and records going back to 1993, we would like to see whatever they have from the earliest years available. Also, if it is instead your position that the cost increases in the areas in question are a more recent phenomena, and that a later year than 1993 is more useful as a comparison point, we request that you provide the requested club records from that year forward.

I look forward to your response to this information request. Please be assured that we will work with you to make the process of providing it as convenient as possible for the NFL and the clubs. This task may be somewhat time-consuming, but we think it is a necessary one in order to advance the bargaining process. In an interview last month, Bob Batterman was quoted as saying that "we are as far apart as [he] could imagine" in our current bargaining. We acknowledge that we are "far apart", but we believe the reason is that we do not have the information requested in this letter. Hopefully we can begin to narrow the gap by your agreeing to provide that information as soon as possible. In making this request, the NFLPA is not superseding our repeated requests for the full audited financials. We continue to believe those audited financials would be an effective way to move forward to an agreement, but we are making this narrower request in hopes of making progress.

Sincerely,



Richard Berthelsen  
General Counsel

cc: DeMaurice Smith  
w/ enclosures

## Schedule of Costs

CONFIDENTIAL - for Collective Bargaining Purposes Only

## EXHIBIT A

(\$ in millions)

	2007 Season		2008 Season		2012P Season	
<u>Direct Costs (not deducted from TR)</u>						
Fulfillment Costs	42.6		47.5		59.5	
Direct Labor	38.8		41.3		51.8	
Cost of Goods Sold	31.4		39.3		49.3	
Printing / Signage / Production	20.9		15.0		18.8	
Rent/Utilities	19.2		24.1		30.1	
Merchandising Direct Costs	18.0		16.7		20.9	
Sales Commissions	10.5		10.6		13.3	
Suite Costs	6.2		7.1		8.9	
Other	9.8	197.4	5.6	207.2	7.0	259.6
<u>Stadium Rent</u>	51.6		56.3		49.4	
<u>Stadium Operating Costs (non D&amp;A)</u>						
Day of Game	84.7		86.4		97.0	
Facility Maint / Repairs	71.7		70.4		74.1	
Stadium related non DOG.	49.2		56.8		109.4	
Practice facility	35.3	292.5	42.4	312.3	41.9	371.8
<u>Sales and Marketing</u>						
Comp. & Benefits/ T&E	104.3		108.6		120.9	
Advertising & Promo	29.8		35.7		29.8	
Credit Card Fees	24.3		28.7		24.0	
Supplies / Shipping	15.2		15.1		14.4	
Barter and other Fulfillment	8.1		8.0		6.5	
Prof. Fees	6.5		7.0		5.6	
Excess Comps.	3.0		9.0		7.6	
Occupancy	2.9		3.1		2.6	
Other	12.9	207.0	15.7	230.8	13.2	224.6
<u>Stadium Debt Service</u>						
Interest Expense	125.0		158.3		201.9	
Principal	64.7	189.7	83.8	242.1	157.2	359.1
<u>Game Travel</u>						
Air Charters / Travel		72.2		86.8		90.9
<u>Post Season Operations</u>		55.0		54.3		63.6
<u>Capital Expenditure (not including stadium construction or major renovation)</u>		262.0		245.0		280.0
<b>Total Costs</b>		1,275.8		1,378.5		1,649.6
<b>Total Revenue ("TR")</b>		7,129.2		7,546.3		9,099.0
<b>Costs as % of Current TR</b>		17.9%		18.3%		18.1%

This schedule is prepared for discussion purposes only, the NFLMC expressly reserves all rights to amend or supplement.

**Schedule Of Costs**

**Detail Information - Direct Costs not Currently Deducted from TR**

(\* in millions)

	2007	2008
<b><u>Fulfillment Costs - Sponsorship rights fees</u></b>		
Game day Hospitality	13.6	10.2
Non Game - Sponsor events; trips , etc.	11.0	12.4
Game day Other	4.1	7.4
Non Game Day T&E / Hospitality	5.0	4.8
Non Game Day Promo Events	5.3	6.4
Other	3.6	6.3
	42.6	47.5
<b><u>Direct Labor</u></b>		
Website	4.0	4.2
Concessions	4.3	8.3
Parking	4.9	3.8
Stadium Clubs	0.3	0.6
Merchandise / Novelties	22.6	21.8
Other	2.7	2.6
	38.8	41.3
<b><u>Cost of Goods Sold (not currently deducted from TR)</u></b>		
Concessions	3.4	8.8
Parking	2.4	1.3
Signage	4.9	4.0
Stadium Clubs	4.8	2.4
Merchandise / Novelties	9.6	15.7
Other	6.3	7.1
	31.4	39.3
<b><u>Printing / Stadium Signage / Production</u></b>		
Naming Rights	0.3	0.1
Stadium signage	3.3	2.1
Merchandise / Novelties	5.9	4.9
Stadium clubs		0.2
Production - purchase of time	4.8	4.5
Website hosting fees	2.1	1.9
Website Design	0.9	0.6
Production equip costs	0.4	(0.2)
Other	3.2	0.9
	20.9	15.0

**Schedule Of Costs**  
**Detail Information - Direct Costs not Currently Deducted from TR**  
(in millions)

	2007		2008	
<b><u>Rent / Utilities / Maintenance</u></b>				
<b>Rent</b>				
Concessions	0.4		0.4	
Parking	5.6		6.0	
Stadium clubs	0.2		0.7	
Merchandise / Novelties	<u>8.9</u>	15.1	<u>9.2</u>	16.3
<b>Utilities</b>				
Parking	0.2		0.2	
Merchandise / Novelties	<u>1.4</u>	1.6	<u>0.6</u>	0.8
<b>Maintenance</b>				
Concessions	0.1		-	
Parking	1.1		0.7	
Stadium clubs			0.6	
Other	<u>1.3</u>	2.5	<u>2.9</u>	4.2
<b>Catering</b>				
Concessions	-		0.4	
Stadium clubs	<u>-</u>	-	<u>2.4</u>	2.8
		19.2		24.1
<b><u>Merchandise Direct Costs</u></b>				
Merchandise/Novelties	0.7		0.6	
Online Sales	-		0.9	
Proshops	1.4		2.3	
In-house merchandising	<u>15.9</u>	18.0	<u>12.9</u>	16.7
<b><u>Sales Commissions</u></b>				
Sponsorship	10.7		10.4	
Other	<u>(0.2)</u>	10.5	0.2	10.6
<b><u>Suite Costs</u></b>				
Depreciation	3.1		4.3	
Rent	2.8		1.8	
Interest	-		(0.2)	
Taxes	<u>0.3</u>	6.2	<u>1.2</u>	7.1
<b><u>Other</u></b>				
		<u>9.8</u>		<u>5.6</u>
<b>Total Direct Costs</b>		<b>197.4</b>		<b>207.2</b>

Schedule Of Costs  
 Detail Information - Stadium Rent and Operating Costs  
 (in millions)

	2007		2008	
<b><u>Stadium Rent</u></b>		51.6		56.3
<b><u>Stadium Operating Costs</u></b>				
<b>Day of Game</b>				
Compensation & Benefits		10.0		10.8
Travel / Meals / Entertainment		5.7		6.4
Supplies		3.8		4.9
Building / Facility Rent		4.5		4.3
Utilities / Communications		3.5		3.4
Maint. & Repairs		1.0		1.0
Sanitation		6.6		6.1
Security		22.0		22.0
Insurance		0.4		0.4
Media Relations		1.1		1.5
Special Events		4.3		1.3
Outside Labor		10.0		10.6
Game Entertainment		6.7		8.0
Other		5.1	84.7	5.7
				86.4
<b>Facility / Maint.</b>				
Compensation & Benefits		16.7		15.6
Travel / Meals / Entertainment		0.1		0.1
Utilities / Communications		18.3		19.2
Maint. & Repairs		18.1		19.9
Supplies		5.6		5.8
Other		12.9	71.7	9.8
				70.4
<b>Stadium Related</b>				
Compensation & Benefits		20.8		23.8
Travel / Meals / Entertainment		1.2		1.8
Supplies		3.0		4.3
Occupancy		24.2	49.2	26.9
				56.8
<b>Practice Facility</b>				
Compensation & Benefits		6.3		7.9
Travel / Meals / Entertainment		0.1		0.2
Supplies		3.1		4.0
Occupancy		25.8	35.3	30.3
				42.4
			292.5	312.3



Schedule Of Costs  
 Detail Information  
 (in millions)

	2007	2008
<b><u>Sales &amp; Marketing</u></b>		
Compensation & Benefits	104.3	108.6
Advertising	29.8	35.7
Credit Card Fees	24.3	28.7
Supplies / Shipping	15.2	15.1
Barter & other Fulfillment	8.1	8.0
Professional Fees	6.5	7.0
Excess Comps	3.0	9.0
Occupancy	2.9	3.1
Other	12.9	15.6
	<u>207.0</u>	<u>230.8</u>
<b><u>Stadium Debt Service</u></b>		
Interest Expense	125.0	158.3
Principal	64.7	83.8
	<u>189.7</u>	<u>242.1</u>
<b><u>Game Travel - Team Charter Flights</u></b>	<u>72.2</u>	<u>86.8</u>
<b><u>Post Season Operations</u></b>		
Transportation	15.5	13.8
Entertainment / Lighting / Sound	7.9	6.5
Construction	6.7	6.5
Facility rent / utilities	9.9	8.8
Security	6.4	5.8
Game Operations	4.7	4.6
Insurance	1.8	1.8
Staff Costs	1.1	1.4
Promotional / Media	1.0	0.6
Other	-	4.5
	<u>55.0</u>	<u>54.3</u>
<b><u>Capital Expenditures</u></b>	<u>262.0</u>	<u>245.0</u>