

Professional Football to Thrive and Grow

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Pro football will thrive and grow because it is based on a revenue-sharing model that strengthens all of its 32 teams simultaneously, says John "Jack" Mula, the noted players' representative. Going back to its earliest days, the executives who developed the sport "understood that in order for the league to survive, the weakest member had to survive so pro football has been built on a sharing foundation, one that said the league is only going to be as strong as its weakest member," he said.

Averting what might have been a disastrous lost NFL season required owners and players each to make concessions. Press photographs earlier this week showed them embracing each other with relief after their pact was signed. In light of the agreement, which runs through the 2020 season, Mula's comments are particularly pertinent. They will be aired at 11 A.M. this Sunday, July 31st, on the hour-long Comcast SportsNet broadcast "Educational Forum" produced by the Massachusetts School of Law at Andover(MSLAW). The show, titled, "The Business of Sports," will be hosted by Associate Dean Michael Coyne.

At the time of the signing, New England *Patriots* owner Robert Kraft echoed the same point that Mula made earlier in the taping of "*Educational Forum*." Apologizing to the fans on behalf of both sides, Kraft told the *AP*, "For the last five, six months we've been talking about the business of football and not what goes on on the field... (but) building the teams in each market. The end result is we've been able to have an agreement that I think is going to allow this sport to flourish over the next decade."

In a separate interview, Mula told Mike Reiss of ESPNBoston.com that the owners were concerned over team expenses "increasing at a rate higher than revenues" and that these would "eventually force owners into a position that no business owner desires." Where under the previous arrangement owners and players shared revenue 50-50, owners now do slightly better at 53 percent to 47 percent. The owners also won an important victory whereby the regular season is expanded from 16 to 18 games, producing more revenues. As a longer season inescapably means more injuries, players, the *AP* said, "won changes to offseason and in-season practice rules that should make the game safer." The deal also included unrestricted free agency for most players after four seasons. Currently, about 600 of the League's 1,500 players are free agents.

Elaborating on the principle of sharing all revenue equally among the 32 clubs, Mula said it had its basis 50-60 years ago, "which is why the NFL is the Number One spectator sport, why the amount of money that's taken in by the NFL through TV dwarfs other sports leagues...I believe there's such an allegiance to (the) amount of teams is because teams like Green Bay couldn't survive in an economic environment that didn't have some form of revenue sharing... The NFL has built a strong foundation and that's been an economic model that allows even the small market teams to survive."

Behind the recent unrest was the attitude of owners who believe "we need to continue to grow the pie, and to do that we need investment dollars off the top to invest in stadiums, to expand internationally for our NFL network," Mula said. Their interests ran parallel to those of many players who were saying "grow the pie and more money comes to us, it's as simple as that." Other plays contend, however, that the money is not that important.

Mula pointed, though, to the steadily sliding costs of the Green Bay *Packers*, a franchise that earned \$30 million a few years ago but only \$9 million last year. "There's a trend there that isn't good for sustaining those small market teams. If your level of expenses keep rising at a faster level than your revenue, eventually there's going to be businesses that fail."

Central to the profitability of the sport, Mula says, is the multi-purpose stadiums that hold high school football games, concerts, soccer matches, and perhaps in the future even tennis, boxing, and lacrosse games. "As a matter of fact, I think there's some outdoor hockey games that have taken place in football stadiums. So in and of themselves, they become destinations for more than football" and the surrounding areas benefit by having an athletic venue there... Any venue that brings tens of thousands of people in is going to certainly spur some economic development and success outside of it."

As players will be exposed to more injuries, Mula is unequivocal in his view that higher benefit levels are needed. Players get medical benefits for five years after they've hung up their uniforms for the last time, Mula says. "I don't know if you can name a whole lot of businesses that continue to cover you (that way). But even with that, can there be more done because some of the players suffer career-ending and debilitating injuries?" he asks. "The NFL has already instituted programs to achieve that." Mula goes on to say that while the benefits level is not all the the union would like it has led to private groups as Gridiron Greats "that are looking out for some of the older veterans who don't qualify."

Mula says it needs to be understood that sports are entertainment and professional football "is there to entertain." He says that's tough to tell players who are colliding with each other but they know "they're putting on a product for people who watch." He adds, "Those people pay for tickets, merchandise, concessions, parking," and there's also "TV rights fees, network fees, and radio fees, that's all part of the business and I see that expanding. I see the players getting paid a lot more money. I see the business owners making a lot more money."

As for players' salaries, Mula said thorny issues of fairness continue to nettle the NFL. "You have a group of athletes who are being paid, in some cases, tens of millions of dollars, and they haven't stepped foot on the field. The argument is they've been auditioning for four years in their college and by virtue of their success they're now placed at the head of the class and they deserve all that money. Some would say, 'How can you argue with that?'" Others might say, he continued, those players are entering the work force for the first time and they're being paid tens of millions over and above players who are much more accomplished "who are being paid a tenth of that, so where's the fairness?" Mula points out that other Leagues have adopted a wage scale which says, "Come into the League. You'll be paid a base salary, and perhaps some little extra money depending on how much you play." This arrangement would be basically uniform for every rookie entering the League. "The money that would normally be paid to these (rookies) will be distributed somewhere. Is it distributed in the form of expenses back to the owners for further investment in their venues, in their teams, in the game? Should it be distributed as the players want, all back to

the veterans? Should some go to retired players?" (Under the new agreement, an innovative arrangement has been set up that limits spending on first-year draft picks.) Mula explains he does not believe the issue confronting the players and the owners during the recent lockout was whether there would be a wage scale or not but a question of "Where might some of these savings go? Where should they go?"

Looking ahead, Mula says, "I look for expansion. There's more exposure through the media and I think it's all a good thing. I think you continually have to invest in that product, just as we need to invest in our youth, just as we need to pay the teachers a heck of a lot more than they are making now. And some would say, "Jack, you're making a pretty good leap from teachers to NFL players, and I say, 'It's the principle of business development that you need to invest, to continue to grow and if you stay stagnant, you'll be passed over."

Mula says that, as a players' representative he derives satisfaction from helping young men grasp the realities of the pro football world. "I'm teaching them how the agents recruit them, and how in some cases, they are filling them with inaccuracies and falsehoods about what they are going to be facing over the next few years." He adds, "Just the fact that I'm there with some of these guys causes agents who would ordinarily give a presentation to recruit a guy one way, they just totally change it." Mula explains, "I don't even have to ask questions but I sit there with parents and players and the agents come in to put their pitch on and some of them are shocked (by my presence). One guy just lost his entire presentation, he didn't know what to say, which obviously meant that he was going to BS through the whole thing. Oh, I love it, I love it."

The young men he counsels, Mula says, "come out without knowing anything. They're tremendous athletes and they're being exposed to a business, the entertainment business. The product on the field is put on for the enjoyment of those people in the stands and the countless millions who are watching on TV. That's entertainment. They (the athletes) become part of that and it's no longer a game to them and you need to educate, counsel and advise them, (as) they're still kids."

Mula says he also likes the bonding between him and his young players. "I'm working with 21- and 22-year-old young men who, when they finish their playing career are married, in their Thirties and have matured so much their kids are playing youth football. You're part of their success, you're part of their misfortune in some cases. You see kid's dreams get wasted because they no longer have the ability to compete at that high level. So you see a whole range of human emotions and you connect with that much more, say, than you do with a Super Bowl ring or a Lombardi trophy."

Mula said that his client Doug Flutie, the great *Patriots* starting quarterback, was successful in pro football because he "enjoyed the game so much" and he had self-confidence. There was a time, Mula said, when Flutie had to play in Canada as no NFL team would bring him down. "And when he did get his shot, he took a 75% pay cut to go from Toronto of the Canadian league to Buffalo. It ended up working out financially well for him, as he became an all-pro and signed a multi-million dollar deal, but Doug did that because he was a competitor and he enjoyed the game. He didn't make that decision (for financial reasons.)"

Canny players, he points out, use their celebrity to form the business connections that will sustain them for life after football. "As long as you're on top of the world and in the public eye and you've got the good image, you can make those extra dollars (from advertising). ..There are players who are getting a few hundred dollars to show up at the local cell phone

store, and there are players who are making tens of millions to be part of endorsing household products or men's care products. Not everyone gets them and not in the same amount."

"Every player is in and of itself his own corporation. Now he gets signed to a standard player contract and he gets a check. But the fact that he is seen by millions of people, and is (known throughout) New England (means) the public knows who he is. These athletes have a leg up. People know who they are and with just a little bit of effort their mini corporations are going to be a lot more than just a paycheck from the team, and I think this actually helps the team."

Mula says a great many former *Patriots* players remain in the Boston area where their celebrity has greater value. And they make public appearances whether they like to do so or not, he explains, "because they're taking that incremental revenue and they're supplementing themselves, and that's money that in times of perhaps a work stoppage that could come in handy to them."

The Massachusetts School of Law, producers of "Educational Forum," was founded in 1988 to provide a rigorous, practical, affordable legal education to students who would otherwise be denied the opportunity to obtain one. The law school defines its educational role broadly to include presenting issues of vital importance to the public through its seminars and conferences, publications, and television presentations.

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