

- 1 4) The fact that the NFLPA/NFLPI represents both the active and the retired players for group
2 licensing provides the union with leverage, akin to "market power," in its negotiations with
3 players and with licensees. Directionally, this will tend to result in higher licensing revenues
4 and, if that leverage is used against players, in a lower percentage of that revenue being paid to
5 the players.
- 6 5) From 2003-2005, the NFLPA/NFLPI kept 64% of group licensing revenues. A change in how
7 the NFLPA/NFLPI treated \$8 million in licensing revenues resulted in an increase in the
8 percentage kept by the union. As a result, the NFLPA/NFLPI kept 69% of group licensing
9 revenues in 2006 and 68% in 2007. Figures for other sports associations, such as the NBPA
10 and MLBPA, as well as for third-party licensing entities, are typically between 10% and 40%,
11 with levels around 25% the most common. It is my opinion that the NFL's 64% - 69% share is
12 outside of the customary range, and I know of no reason why it should be outside this range.
- 13 6) I have compared the executive director compensation of NFLPA/NFLPI with that of other
14 professional sports unions' executive directors. Based on that comparison, I have determined
15 that the executive director compensation paid by NFLPA/NFLPI far exceeds what is customary
16 in baseball and basketball. Gene Upshaw received 1.8 – 3.5 times more than his counterparts at
17 NBPA and MLBPA over the period 2003-2007. For 2007 alone, Mr. Upshaw's compensation
18 was between 2.9 and 6.7 times larger than what Mr. Hunter (NBPA) and Mr. Fehr (MLBPA)
19 received, respectively. I know of no reason why Mr. Upshaw's total compensation should be
20 so far in excess of that of the other unions' executive directors.

21
22 **IV. ANALYSIS**

23 1) *Did the retired NFL players help to make the game what it is today?*

24 As a matter of economics, the value to a would-be licensee to the rights to use the names and
25 likenesses of NFL players, as well as the logos of the NFL and NFLPA/NFLPI is based, in part, on
26 the brand value of those organizations and logos. Research shows, and common sense suggests,
27
28