

MEMORANDUM

To: Chief Executives

Club Presidents General Managers

From: Ray Anderson

Date: August 29, 2012

Re: Use of Replacement Officials/Status of Negotiations with Game Officials

This memo will review our plans for the replacement officials in the regular season and the status of our labor negotiations with the NFL Referees Association, the labor union that represents our game officials.

Regular Season Planning – In light of the current state of negotiations, we will have replacement crews on the field when the regular season begins. The replacements have undergone extensive training and evaluation, and have shown steady improvement during the preseason. We will continue the training with each crew and they will work as much of the regular season as necessary. The replacement officials are dedicated and enthusiastic, have worked very hard to improve, and have persevered despite the attacks on their qualifications and performance. We are all grateful for their service to the NFL.

As part of our effort to support the replacement officials, we will employ procedures similar to those in effect in the postseason. We will have an officiating supervisor from our staff in the replay booth at each game whose job will be to help ensure correct penalty enforcement, administration of rules not involving fouls, operation of the game and play clocks, and game administration. The supervisor will be able to communicate directly with the alternate official on the sidelines. The supervisor will not be involved in either the instant replay system or any judgment made by the officials on the field. As in all games, the final decision will be made by the referee on the field and no decision will be revisited or changed once the ball has been snapped for the next play.

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<u>Status of Negotiations</u> – Our negotiations with the game officials' union remain deadlocked. Although we continue to be in touch with federal mediators, and are prepared to resume negotiations at any time, no discussions are currently scheduled.

We remain apart on economic issues, as well as on fundamental non-economic matters. From an economic perspective, the differences involve both pay and pension. Our last offer, tendered to the union prior to the beginning of the lockout, would have given officials significant annual pay increases. Nonetheless, there remains a considerable gap between us. The officials continue to insist on larger overall pay increases, as well as greater amounts devoted for nongame compensation, than we consider reasonable in light of economic developments of recent years and compensation trends for other league and team employees.

We also continue to differ on the appropriate retirement arrangements for the officials. The NFLRA seeks both to retain the current defined benefit pension plan for the current staff for at least another 5-6 years, and to increase the amount of the defined benefit. We have proposed to freeze the defined benefit plan (preserving all vested benefits for all officials) and replace it with a defined contribution/401(k) arrangement – the same arrangement that is in place for all other league employees and which 13 clubs have adopted. We have offered a defined contribution that would average \$20,000 per year, while the officials' union has proposed a substantially higher amount.

Apart from the economic issues, we have a substantial difference on operational issues that directly affect the quality of officiating. One of our key goals in this negotiation is to enhance our ability to recruit, train, and replace officials who are not performing adequately. We believe that officials should be evaluated and performance issues addressed in the same way as players, coaches, club management and league staff. We have proposed several steps to accomplish this, including having a number of full-time officials and expanding the overall number of officials. We think these steps, along with improvements in training and evaluation, an increased emphasis on consistency, and an enhanced ability to bring in new officials when necessary, will lead to long-term improvements in officiating. As part of this effort, we will work with our game officials and each of you to identify ways in which we can support our game officials, offer them better training, more technology and additional resources, and thereby improve our game for years to come.

We appreciate your continued support. Please call any of Joel Bussert, Carl Johnson or me with any questions or comments.