Basketball team owners prevail as NBA lockout ends

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After a five-month lockout, the players and the owners in the National Basketball Association have tentatively agreed to a new Collective Bargaining Agreement (CBA). The proposal, which contains significant concessions by the players in favor of the owners, would be in effect for the next ten years with both sides having the option to end the agreement after six years.

As it stands the preseason training camps and the free agency market (for players currently without a contract, or with special provisions allowing them to opt out of an existing contract) will resume on December 9. The season, originally scheduled to begin on November 1, will start on December 25, with the loss of hundreds of games. An abbreviated 66-game regular season schedule will conclude April 26.

All 30 teams and 500 NBA players must ratify the deal. The players must first reconstitute their union, the National Basketball Players Association (NBPA), which had been dissolved into a “trade association” on November 14, without a player vote. The move was part of an unsuccessful legal effort to get a court injunction against the owners on the grounds they have a monopoly and had locked out the players illegally. As of two weeks ago it appeared the owners were prepared to cancel the entire 2011-2012 season to achieve their demands.

The agreement reached November 26 is a major setback for the players. The NBA generates approximately $4 billion in Basketball Related Income (BRI) on a yearly basis. The previous agreement allowed for a 57-43 percent split of the BRI in favor of the players. The current deal provides the 50-50 split sought by the owners, with certain provisions allowing for a one percent increase or decrease depending on yearly projections. All in all, the new BRI agreement represents a yearly reduction of at least $300 million in player salaries, or $3 billion over the course of the proposed CBA.

Numerous new clauses and payroll “exceptions” have also been inserted. Some of the details on these matters--drug testing laws and developmental league restrictions--are still being negotiated in the lead up to the ratification vote. In total they represent a tighter grip of the owners around player pay and mobility.

A new “amnesty clause,” for instance, would allow for owners to cut one salaried player from their roster, and in the process also save the owners millions of dollars in penalties related to the so-called “luxury tax,” a penalty for teams that have payrolls over the NBA’s “soft cap” limit. Another clause, the “stretch exception,” allows for owners to waive the last year of a contract with a player. As many NBA player contracts are structured to progressively increase in value each year, this provision will likely be invoked early and often by the owners.

While representatives from both the players and owners are publicly stating they are confident the deal will be ratified, it is clear most players are upset with the deal. While players have publicly appealed to fans to support the resumption of the upcoming season, no player has publicly gone on record supporting the proposal. Several players are reportedly working to remove NBPA executive director Billy Hunter because they believe he convinced the players to accept a rotten agreement. One player anonymously told *NBA.com*, “He’s [Billy Hunter] trying to tell us it’s a good deal. It’s not a good deal. It will get approved but it’s not a good deal.”

The players were subjected to enormous pressure from the owners and the corporate-controlled media. The players collectively lost an estimated $200 million in revenue from the canceled games. The media, particularly the pool of sports commentators at the Disney-owned ESPN, have subjected the players to a constant onslaught about the need for players to accept “shared sacrifice” with the owners.

In fact the deal will only further enrich the already fabulously rich owners. At least a third are multibillionaires, including New Jersey Nets owner Mikhail Prokhorov, the Russian metals magnate with a $13.4 billion net worth, and Portland Trail Blazers owner and Microsoft executive Paul Allen, worth an estimated $13 billion. Other include: Los Angeles Lakers' owner Philip Anschutz ($7 billion), the Orlando Magic's Richard DeVos ($4.3 billion) and Miami Heat's Micky Arison ($4.1 billion). Dallas Maverick's owner, investor Mark Cuban ($2.5 billion) is one of several owners who have enriched themselves from buying and selling sports teams.

The CBA proposal will allow for the highest paid players—those who are the most commercially marketable or earn the most lucrative individual contracts and sponsorship deals—to continue to command large salaries and pursue free agency with relatively little difficulty.

But according to a November 26 *New York Times* analysis of the proposal, the great majority of NBA players will face shorter contracts on average, smaller raises, and less ability to pursue free agency. Those considered "mid-level" or "role" players—athletes who are more easily replaced in the short term—are going to see a significant drop in pay over the course of their career. They will also be subject to a number of other retrograde salary deductions, and endure shorter tenures in the league.

It is these latter players—the great majority of the league—who will be subject to the most onerous aspects of the new deal. The average career for a player is 4.71 years—less than the five full seasons in the league needed to qualify for a pension. Only 21 percent of current players in the league have a college degree, and a recent study in the *New York Times* found that over 60 percent are jobless or financially insecure within 5 years after leaving the league.