

= 1998 ? 99 NBA lockout =

The 1998 ? 99 NBA lockout was the third lockout of four in the history of the National Basketball Association ( NBA ) . It lasted from July 1 , 1998 to January 20 , 1999 , and forced the 1998 ? 99 regular season to be shortened to 50 games per team and that season 's All @-@ Star Game to be canceled . NBA owners reopened the league 's collective bargaining agreement ( CBA ) in March 1998 , seeking changes to the league 's salary cap system and a ceiling on individual player salaries . The National Basketball Players Association ( NBPA ) opposed the owners ' plans and wanted raises for players who earned the league 's minimum salary . After the two sides failed to reach an agreement , the owners began the lockout .

The dispute received a tepid response from sports fans , and provoked criticism from media members . It continued into January 1999 , threatening cancellation of the entire season . After division within the players union , however , NBPA executive director Billy Hunter reached an agreement with NBA commissioner David Stern on January 6 to end the work stoppage . Quickly ratified by the owners and players , the deal was signed later in January , ending the lockout after 204 days . The settlement provided for maximum salaries for players and a pay scale for first @-@ year players . In the months after the lockout , television ratings and ticket sales declined during the 50 @-@ game season , and both remained below pre @-@ lockout levels in subsequent seasons .

= = Background = =

Before 1998 , there had been two lockouts in the previous three years : a labor dispute that lasted more than two months in 1995 and a brief work stoppage in 1996 that ended within three hours . However , on both occasions , the players and owners reached a deal before the start of the season , and before 1998 , the NBA was the only major sports league in the United States that had never lost a game because of a work stoppage . A six @-@ year CBA had been in place since September 1995 , but it included a clause allowing NBA owners to reopen the contract after three years if more than 51 @-@ 8 percent of " basketball @-@ related income " went to player salaries .

By the 1997 ? 98 season , 57 percent of basketball @-@ related income was used to pay players , while the previous deal called for a 48 percent split . According to the NBA , 15 of the 29 teams posted losses that season . The NBPA disputed this figure and claimed that only four teams had losses . The league 's owners voted on whether to reopen the CBA on March 23 , 1998 , and the vote passed by a 27 ? 2 margin . Negotiations between the NBPA and owners started on April 1 , and nine further bargaining sessions took place in the next three months .

The primary issue was that of player salaries , which owners sought to curb . A salary cap had been a part of the CBA since 1983 , but it included loopholes that allowed teams to exceed the payroll limit . Among them was the " Larry Bird exception " , named after the former player who was an early beneficiary of the rule . The Bird exception enabled teams to spend an unlimited amount of money to re @-@ sign their own players , causing a substantial increase in the value of upper @-@ end contracts . Club owners wanted to remove the exemption and place limits on maximum player salaries . Owners also desired a modified pay scale for rookie players that would prevent them from gaining unrestricted free agency after three seasons , and wanted to ban the use of marijuana and performance @-@ enhancing drugs . The players union , wanting to avoid a decline in salaries , opposed changes to the salary cap system , in particular those involving the Larry Bird exception . Other NBPA positions included opposition to a cap on individual player salaries and support for a raise of the minimum salary , which 22 percent of NBA players earned during 1997 ? 98 .

= = Lockout = =

After negotiations between the sides broke off on June 22 , the lockout started nine days later . Teams were barred from making player transactions and holding workouts and meetings for the duration of the work stoppage . The Hofstra Labor and Employment Law Journal 's Grant M. Hayden described the NBA 's action as an " offensive lockout " , in which an employer attempts to force its

workers into a settlement that does not favor them . An early byproduct of the lockout was the exclusion of NBA players from the U.S. national team that played at the 1998 FIBA World Championship . USA Basketball , the governing body for the sport in the U.S. , elected to send a team consisting of lower @-@ level professional players and amateurs . Negotiations resumed at an August 6 bargaining session , the first since the start of the lockout . NBA commissioner David Stern and several owners left the talks after the NBPA presented an offer that included increased revenue sharing between teams .

By September 25 , 24 exhibition games were canceled and training camps were postponed indefinitely as a result of stalled talks . Further negotiating sessions took place in October and November , but no agreement was reached . The season 's first two weeks were officially canceled on October 13 , and 99 games scheduled for November were lost as a result . It was the first time in NBA history that games were canceled due to a labor dispute . On October 20 , arbitrator John Feerick ruled that the owners did not have to pay players with guaranteed contracts during the lockout . Feerick 's decision gave the owners leverage in bargaining talks . Another factor favoring the owners was that their teams received money from the NBA 's television broadcasters , whose contracts with the league called for payments to be made if games were not played .

Further games were canceled as the lockout continued through November and December , including the 1999 All @-@ Star Game , which had been scheduled to be played on February 14 , 1999 at the First Union Center in Philadelphia . As a result of the All @-@ Star Game 's cancellation , the NBA later awarded the 2002 All @-@ Star Game to Philadelphia . Discussions during the lockout were characterized by frequent hostility between the players and owners . One example of the heated nature of the talks came at an early December bargaining session , when Stern and NBPA executive director Billy Hunter became involved in what CBS News called " an extremely heated , expletive @-@ laden screaming match " . Both men temporarily walked away from the bargaining table , and indicated after the session that the entire season might be canceled . Although the 1998 portion of the schedule was not played because of the lockout , 16 NBA players participated in a December 19 exhibition game in Atlantic City , New Jersey . The event 's organizers intended to give NBPA members a share of the money raised , but the idea proved controversial , and charities ultimately received the proceeds .

= = = Settlement = = =

On December 23 , Stern announced that he would recommend canceling the season if there was no deal by January 7 , 1999 . At a December 27 meeting , a " final " deal was proposed by the owners . The sides met again on January 4 , and the NBPA gave its last proposal to the owners , who turned it down . Stern discussed the possibility of having replacement players brought in to begin the following season . As Stern 's deadline approached , the NBPA showed signs of division from within . Highly paid players were seen as the ones most affected by the disputed issues , rather than the union 's membership as a whole . Agent David Falk , who was considered an influential voice for the players , represented NBPA president Patrick Ewing and nine players on the union 's 19 @-@ person negotiating committee .

The NBPA scheduled a meeting in New York City on January 6 , where players would vote on the proposal by the owners , which the committee had recommended opposing . Several players , including Shaquille O 'Neal and Hakeem Olajuwon , wanted the vote to be conducted by secret ballot , while others indicated a desire to return to competition regardless of how the vote went . Kevin Johnson stated that most players " were just ready to throw down [ fight ] Wednesday at our meeting if an agreement hadn 't been reached . " Faced with a splintering union , Hunter moved to resume talks with Stern . On January 6 , the day before Stern 's deadline , he and Hunter reached an agreement , which was ratified by the NBPA later that day and by the NBA Board of Governors on January 7 .

Widely viewed as a victory for Stern and the owners , the agreement was signed by both parties on January 20 , officially ending the lockout after 204 days . It capped players ' salaries at between \$ 9 million and \$ 14 million , depending on how long they had played in the NBA . The league became

the first major sports organization in the U.S. to limit the salaries of its players . A rookie pay scale was introduced , with salary increases tied to how early a player was selected in the NBA Draft . The Larry Bird exception was retained , though maximum annual pay raises were capped . New " average " and " median " salary cap exemptions , which the NBPA had proposed , allowed teams to sign one player per category even if they were over the spending limit . For teams that wished to exceed the salary cap , a luxury tax was instituted requiring offenders to pay on a dollar @-@ for @-@ dollar basis , provided total league salaries were above a specified level . The league 's minimum salary was increased to \$ 287 @, @ 500 , a \$ 15 @, @ 000 raise from before the lockout . The players were promised that their salaries would equal 55 percent of league revenues over the agreement 's final three seasons . However , any higher percentage would lead to a salary decrease . The NBA 's drug policy was expanded to cover performance @-@ enhancing drugs and marijuana , with once @-@ yearly testing .

= = Reaction and aftermath = =

The lockout prompted indifference among most American sports fans , who thought that greed was shown by both sides ; the latter was a similar sentiment to what fans voiced during the 1994 ? 95 Major League Baseball strike . A CBS News ? New York Times poll conducted in October 1998 showed that , while most fans ' opinion of professional basketball was unaffected by the work stoppage , 29 percent reported that their views had become more negative . The same poll showed that fans backed the NBPA in the dispute by a 36 ? 29 margin , while the general public supported the owners 24 percent to 22 percent . One @-@ quarter of basketball fans who responded to the poll stated that they did not know enough about the lockout to give an opinion , along with 45 percent of the general public . Media members were frequently critical of the owners and players . Sportswriter Tony Kornheiser described the labor dispute as one " between tall millionaires and short millionaires . " An article in Newsweek termed the lockout " an incomprehensible and unconscionable dispute between rival gangs of millionaires " . Time 's Bill Saporito believed that each side was damaged by the lockout , in terms of financial losses and negative publicity . Stern said that he had made concessions in the agreement , while Hunter said that the parties " both blinked . "

From a broader labor perspective , Hayden commented that the lockout was " rather pedestrian " and " made no noteworthy contributions to legal doctrine . " He considered the NBPA to be a union that had more power , and a greater ability to enter a labor dispute , than most other labor organizations , which he believed to hold weaker positions comparatively . In addition , Hayden noted that a contrast existed between the work activities of regular workers and NBA players , as perceived by typical employees , and that " the NBA lockout may have strengthened the view of many that unions are out of touch with their lives and thus have little to offer them . "

The 1998 ? 99 season , which began on February 5 , 1999 , was shortened to 50 games per team , as opposed to the normal 82 . As a result of the 204 @-@ day lockout , 464 regular @-@ season games were lost . In addition to the lockout , the NBA 's popularity was affected by the second retirement of Michael Jordan , who had been largely responsible for an increase in fan interest during his career . The average attendance during the shortened season was 16 @, @ 738 fans per game , down 2 @. @ 2 percent from the 1997 ? 98 average of 17 @, @ 117 spectators per contest . Ticket sales fell nearly two percent further in the opening months of 1999 ? 00 , and remained under 17 @, @ 000 per game for the following three seasons . The league also saw television ratings drop for three consecutive seasons after the lockout .

In the years following the lockout , a higher percentage of players signed contracts worth the maximum amount possible under the cap . Some young players , such as LeBron James , began signing shorter contracts that allowed for more flexibility in team choice and salary . The agreement expired in 2005 , and both sides became concerned about the possibility of another work stoppage . A lockout was prevented , however , when a six @-@ year CBA was reached in June 2005 . After the expiration of that CBA , a lockout occurred in 2011 ; it was the fourth in league history and lasted for about five months before the sides came to an agreement . Each team 's schedule in the 2011 ?

12 NBA season was cut by 16 games .