

NBA Owners Meeting 1989 Building a Global Game

Head Chair: Vaibhav Srikaran

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Committee Overview

Following the NBA-ABA merger in 1976, one basketball league came to the forefront in the United States. With the lack of competition within its own sport, the NBA looked onwards to build out its niche in the American entertainment market by signing the first cable television contract in 1982 under commissioner Larry O'Brien.[1] However, just two years after that contract was signed, the NBA entered a new age under Commissioner David Stern. Commissioner Stern took a league riddled with public perception problems and stiff competition into a new product for the consumption of the American public. Stern ushered in an era focused primarily on growth, domestically and internationally, and cleaning up the negative impression about the league and its players. Traditionally, the Owner's Meeting consists only of the owners of all the leagues

franchises meeting to discuss how best to proceed with the growth of the NBA. With an almost limitless jurisdiction, owners have the power to control rules to how players are required to dress. The role of this body is to create a consistent product for the league. In this historic interaction of the Owner's Meeting in 1989, David Stern would like the meeting to include representatives outside of the traditional owner's meeting to provide outside perspectives on creating the most viable and equitable product for players, owners, and fans. These representatives will include individuals from the NBA Player's Association and vice presidents from various offices within the NBA. As a group it is their job to decide how best to help grow the game, while also working to benefit themselves and their own communities as well.

Chair Welcome Letter

Delegates,

I welcome you to the NBA Owners Meeting 1989: A Global Game here at UCBMUN XXI. I hope you enjoy your weekend in San Francisco and have an enjoyable time debating an alternate course for the NBA in its ascension as a powerhouse in the United States and global entertainment markets.

My name is Vaibhav (Vī-Bō) Srikaran and I will be serving as your chair for this glorious conference. I am a sophomore studying computer science and economics. I was raised among the rolling fields of soybeans and corn in Des Moines, Iowa. I have a fervent love for my state and can rattle off infinite facts as to why Iowa is the greatest place on Earth. I have been in UCBMUN for 3 years, but I also did 2 years of MUN in high school and this will be my second time chairing after chairing Margaret Thatcher's Cabinet at UCBMUN XX. Outside of MUN, I am a huge basketball fan and have been watching for most of my life. My favorite team is the Miami Heat who I have been following since 2005 (not a bandwagon). Other than basketball, I really enjoy reading about America's other pastime, politics. Other than those two, I do usual college things like explore the various foods and beers of the city and watch a lot of Netflix.

The intent of this committee is not to test delegates' basketball knowledge, but to focus on creating a refined basketball product for fans rather than altering the game to add depth. The goal is to run the NBA as the business that it is rather than just a sport. The time period was selected specifically to deal with changes in technology, which brings the NBA to a crossroads of globalization. In committee I hope to see substantive discussion about topics and delegates bringing new viewpoints to the forefront on the various issues. I encourage widespread collaboration and applaud detailed resolutions that flush out all the various nuances of the different topics.

Yours Truly, Vaibhav Srikaran, Head Chair

Modified Rules

In accordance with UCBMUN rules, all delegates in a specialized body committee are required to submit a position paper prior to the start of conference. In this committee, we will be focusing on multiple topics. For the purposes of position papers delegates are expected to write with a primary emphasis on the expansion of the game since this is the most dynamic of the three topics. Although there is a major focus on one topic in the position paper, all topics discussed in this background guide will be discussed during the course of committee.

Second, there will be a few adjustments to the resolution drafting process. One of the more tedious processes in committee revolves around the drafting of documents. For this reason, to reduce the drafting time and reduce paper usage, the following rules will be implemented.

- 1. Delegates should not include preambulatory clauses.
- 2. It is up to chair's discretion to request certain styles of resolutions depending on the topic at hand.

 Please note that these are not meant to be rigid rules, but to challenge delegates to work together to come up with concise solutions.

Third, all delegates should be mindful of a few modified voting procedures. The goal of

this committee is to pass resolutions, not to sit in voting bloc for extended periods of time. For this reason, "Motions for Roll Call Vote" will not be entertained during voting procedure. Second, although the real NBA owner's meeting consists of only owners of the various NBA franchises, this committee has members the NBA, individual teams and the NBA Player's Association.

If any other questions arise regarding these modified rules, please reach out to the head chair.

Background Information

The ABA-NBA merger of 1976 is often seen as the main catalyst for the widespread success of the NBA in the 1980s. The merger allowed for the NBA to become the primary professional basketball provider for the country. By not having another league standing in the way to split revenues, the NBA came into some of its most prosperous times. There were many factors for this widespread growth, such as more widespread TV ownership, increased distinguishing star players, and increased integration of African Americans into the sport.

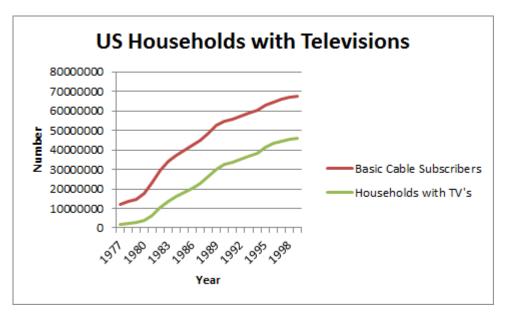
[2]

The growth of the NBA was strongly correlated with the increase in households having televisions. From the chart below, one can see television set ownership went

up from 7.8 million in 1980 to nearly 26.6 million in 1988. Although one can see that cable subscriptions dampened NBA viewership, the popularity of the league on television was booming. Although the 1989 Finals were one of the least exciting due to the Pistons' sweep of the Lakers, the 7 game thriller in 1988 was the 2nd highest rated NBA game of all time with a Nielsen rating of 21.8. [3] The growth of television gave the NBA the bolster it needed to remain profitable throughout the 80s.

The NBA was lucky to have two star rivals throughout the entire 80s to pique the interest of even the most casual fans. The star power of Larry "Legend" Bird and Magic Johnson helped shape the modern NBA landscape. Star players were becoming household names with the mid 80s shaping the modern basketball landscape. These stars coincidentally each catered to a different audience. "Magic Johnson personified a person having fun with his job and Bird represented work ethic, while Dr. J was the symbol of grace and dignity as well as the ambassador of basketball, and Abdul-Jabbar was quiet consistency and excellence."[4] The various player motifs held a wide appeal to viewers and hence produced even higher ratings for the NBA.

The final piece that helped the rise of the NBA in the 1980s was Commissioner David Stern's leadership. The previous commissioner Larry O'Brien had led the NBA into becoming a unified league. However, David Stern focused on building the NBA into an actual brand. From revamping the All-Star game to attempting to curb drug problems, David Stern pushed for measures to make the NBA into more than just a sport. David Stern built a set of marketing tie ups with large corporations like Coke and McDonald's to add legitimacy to the brand. Although initially, these "started out with [as] a wish list of companies, "David Stern pushed the people within the NBA to make these large scale partnerships a reality.[5] Television is another space in which David Stern had immense influence. He pushed for making the NBA a scarce commodity. Television and the game always remained a fine balance for the NBA in the 80s. Stern made a conscious decision to create a false sense of scarcity by only televising a limited number of games. This reduction, more than any other reason, explained why the NBA's network ratings had improved over the five years previous to 1985-86. [6]

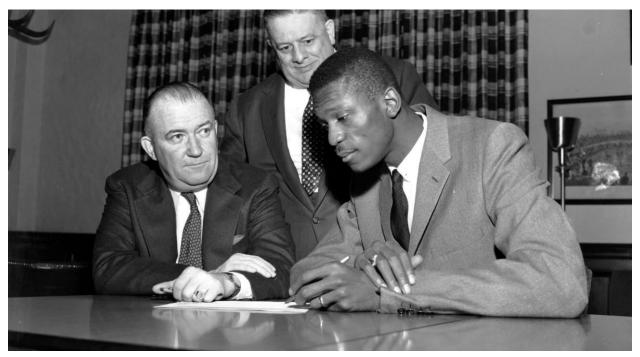


Although it is difficult to pinpoint one single reason for the growth of the NBA, the combination of the increase in TV ownership, the influx of marketable stars, and the leadership of David Stern pushed the NBA into the fastest growing sport in the United States.

Racism in the NBA

Unlike the other major American sports, the NBA has been an early adopter of acceptance for diversity. After just the first season in the NBA, the first non-white player had joined the NBA ranks. Wataru Misaka may have played in just 3 games before being released, but breaking the stereotype of traditionally Caucasian-dominated sports goes to show that the NBA was generally more progressive than

some of the other sports leagues in the United States. Just 3 years after Misaka, the first black players entered the NBA with the drafting of Chuck Cooper and Earl Lloyd in 1950. The decision to include African Americans into the NBA came straight from the top, not through a societal struggle of non-acceptance; it came more from a respect for the talents of some of the best players in the college game. When drafting Chuck Cooper, the owner of the Celtics, Walter Brown responded to another owner's criticism of him drafting an African American with, "I don't give a damn if he's striped, plaid, or polka dot! Boston takes Chuck Cooper of Dusquene!"[7] Although the NBA had African American players for much of its history, it is important to note that the NBA began its maturation during the heart of the civil rights movement.



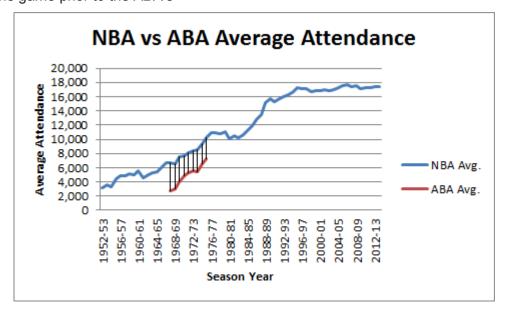
The financial struggles of the 1970's show that there was a common narrative "that professional basketball in America struggled because it was 'too black' and too 'drug-infested' for a white audience. [8] In order to change this perception, owners and executives of the NBA tried to break down the black stereotypes that were being cast at the League. The NBA has developed a kind of dichotomy of race through the embrace of colorblindness, but also evidence of biological racial differences. Players before the 70s were selected on the basis of an implicit quota. Rather than

focusing on the star players to transfer from the predominantly black league, owners would intentionally select players who could fill key role positions. Although African Americans were given a chance in a unified league, many of the best players of time who would have outshined their white counterparts remained in the ABA such as Oscar Robertson and Julius Erving. One of the glaring points of contrast between the two leagues was the existence of TV contracts - the TV-less ABA had a much less heavy-handed approach to league image as compared to the NBA.



The visual contrast between the two leagues was stark. The NBA was known for having a slower methodical game, while the ABA had fully harnessed the "Black Aesthetic" of "improvisational" and "creative" basketball. [9] The high flying dunks and the fancy dribble moves were never a focal point of the game prior to the ABA's

insistence that they created higher entertainment value. This is evidenced by the relatively small growth of the Spurs' attendance numbers following their entrance into the NBA even with the additional support from the rest of the league.



Following the merger of the NBA and ABA in 1976, the NBA "faced a dilemma: how to harness the "black aesthetic "that whites found appealing while rendering "blackness" invisible?"[10] The NBA's renaissance during this time can be equally credited to David Stern, who benefitted from an upturn in the economy and the racial politics of Reaganism. By the 1980s, the term "colorblindness," which was embraced by conservatives and the Reagan administration, emerged as "the neoconservative racial doctrine". This concept of "colorblindness" appeared effective because the vast majority of Americans wanted to deny that racial categories affected their daily lives. As a result, Commissioner David Stern was able

to take actions to "clean-up" the NBA that were, in hindsight, largely racially motivated. NBA promoted this philosophy through disciplinary actions against those who evoked negative associations of "blackness" to whites, such as Michael Ray Richardson who failed repeated drug tests and was eventually banned. In contrast, more "acceptable" and "clean-cut" African American players such as Michael Jordan were heavily marketed. From a bird's-eye view, even the control of African American players by a white commissioner was euphemized by the principle of "colorblindness" that chose to ignore any racial stigmas that existed at the time. [11]



With nearly three-fourths of the League being Black, the NBA owners continue to take the game and shape it to cater to the wider masses of the League. That is where we leave the Board of Governors to decide how best to push forward in a racially integrated society and ever-crowded entertainment industry.

Topic 1: Player Conduct and League Image

As a predominantly African-American entity, the league had to try to gain market share in a primarily Caucasian television and consumer market. The ways in which the League office and owners dealt with player conduct issues was a method of inadvertently dealing with the racial discrepancy between the content creator and producer. The NBA followed the Reagan's neoconservative doctrine of colorblindness and applied the same logic to racial and disciplinary policies. Jersey style, drug usage, and disciplinary actions all shaped the league outside of the traditional style of play differences seen when the NBA and ABA were separate entities.

Although the public held private suspicions of cocaine usage in the NBA, it wasn't until Chris Cobbs article in the LA Times that

whistle blew the League and shifted the conversation to revolve around drugs, particularly cocaine. In the article, Cobbs has many unnamed players who estimate the league-wide usage. One illuminating quote came from an unnamed player who claimed "75 percent use it. It's like drinking water. You 'hit the blow' (sniff cocaine) to be sociable."[12] Four years later when David Stern became commissioner, he created the Drug Education Prevention Committee, which was meant to help teams develop programs to reduce usage and rehabilitate users. Many of these moves remained symbolic until 1986 when a turning point in the NBA's war on cocaine fully manifested itself.

On June 15, 1986, the Boston Celtics had just finished a championship and took Len Bias as second pick in the NBA draft. However, two days after being drafted, Len Bias was found dead in his dorm at the University of Maryland due to an apparent cocaine overdose. Following the death of Len Bias, the NBA rapidly changed its internal drug policy as the issue came to the forefront of American society. The death of a star basketball player had significant implications for the rest of League as well as American society. The inaction of the committee put in place by Commissioner Stern, took its first sizeable measure by

instituting a "three strike policy." The implemented policy banned players

indefinitely by removing them from the league after three failed drug tests.



the League due to infractions of the substance abuse policy.

Micheal Ray Richardson was the first NBA player to face the wrath of the new evolved drug policy from the NBA due to cocaine was the first instance of the NBA's new substance abuse policy in action. On the third failure of the new substance policy, David Stern sent Micheal Ray out of the League for life with the option of appeal after 2 years. Stern had firmly taken action with Richardson's "life in [his] hands," it was the first action taken against a player that did not directly affect the competitive integrity of the game.[13] Prior to Richardson's dismissal, every indefinite suspension in league history revolved around match fixing. The NBA finally began legislating on drug usage, which had indefinitely banned a total of 6 players from

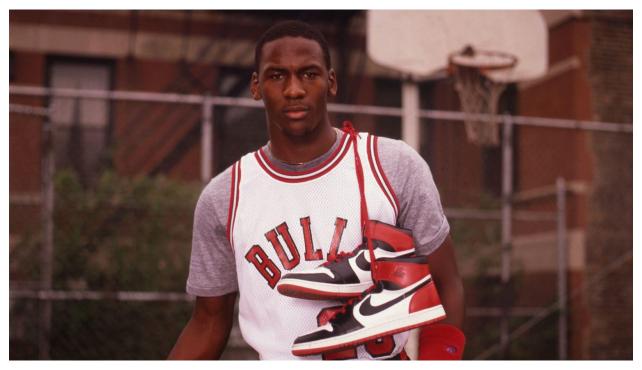
Another image issue the NBA tried to counter was the racially charged perceptions of "thugness" of the African American players in the league. The beginning of this came from "The Punch", which occurred on December 9, 1977 between Rudy Tomjanovich and Kermit Washington. The Punch led to Tomjanovich being nearly killed from the impact, spurring a flurry of rules aiming to prevent on-court fights. The NBA swiftly responded with a 60 day suspension and \$10,000 for Kermit Washington, which was one of the first disciplinary moves for actions outside of a play. To help prevent more players from entering altercations on the court, Commissioner O'Brien increased the fine for players on the bench who get involved by \$50 to \$150. Once again, David Stern instituted a much harder punishment once he took the helm. In Stern's first season as Commissioner, the fine jumped from \$150 to \$500, again exemplifying Stern's insistence on 'cleaning up' the sport for mass marketability. [14] Even with these new policies, "frequency of violent incidents barely decreased for over a decade, but increasingly severe fines and penalties for full-blown fights restricted its severity." [15]

Although an official NBA dress code for off-court apparel was not created until 2005, many steps were taken in the 1980s to standardize what players were wearing on the court. This ranged from the traditional jersey to the new-found world of personalized sneakers, which first started in 1984. In pursuit of a streamlined global image, the Board of Governors worked to foster individuality and assimilation all at once.

The year of 1989 marked an opportunity for the NBA to look at new apparel providers. Prior to 1989, the players wore Macgregor Sand Knit jerseys with minimal team customizability.^[16] With an expiring apparel

contract, the Board of Governors has the ability to decide what the new jersey of the NBA will look and feel like. With a shift at the collegiate level to baggier shorts and jerseys, players, namely Michael Jordan, started wearing their collegiate gear under their NBA sanctioned uniform out of comfort. The real ability for customization did not come from the jersey, but from shoes.

For a league obsessed with its image, the NBA faced an unprecedented challenge in 1984 when a player wanted to wear his own sneakers during a game. That player of course was Michael Jordan who was seeking to wear Air Jordan 1's (There is controversy whether the Air Jordan 1 was banned, but for the purposes of this committee it is irrelevant).[17] This was met with great resistance from the league, which imposed a fine of \$5000 per game where Jordan wore the shoe. The "uniformity of uniform rule" stated that a player's shoe "must match their uniforms, but match the shoes worn by their teammates."[18] With the potential for other individualized shoes and creative apparel makers, the NBA had to make a decision to bend the rules of individuality on the court.



In addition to all the above player conduct rules, David Stern provided the Commissioner with a backdoor in the discipline process. Although the NBA Constitution and Bylaws were not public information until 2014, we can glean that many of the terms currently under the "Eligibility of Players" subsection were additions during the reign of Commissioner Stern. [19] The unilateral power for the Board of Governors to deem "good character" is far from the lesser powers afforded to Commissioner O'Brien. The only defense a player currently has is "the Player shall be afforded the right to call witnesses, to submit written evidence, and to be represented by counsel."[20] The Board of Governors has a final say to all appeals of

the actions of the Commissioner, giving the members a key role in the disciplinary process of players.

Topic 2: Expansion of the Game

Commissioner Stern helped drive the NBA's growth like no one had done before him. It is important to note that there is a possibility "Stern didn't make the league, take off, but he was flying the plane masterfully when it happened." The increasing presence of televisions in the American household led to a heavy focus by the League office to bolster their television presence. 1989 marked the first year during David Stern's tenure where he had the opportunity to switch to another primary television networks.

Since 1973, the NBA was primarily aired on CBS. The jump in television revenue came in 1978 when a deal was chalked for \$74 million over 4 years. This deal included 38 nationally televised games, 2 less than the previous year's contract. Although CBS signed for exclusive broadcasting rights, the NBA failed to capture the attention of television viewers across the country. Games including the NBA finals between the Washington Bullets and Seattle Supersonics (Rest In Peace) were still tape delayed by CBS. This control of broadcasting led to less market penetration and didn't change until the stars of the 1980s emerged to create global awareness of the game.

The two stars that transformed the NBA on television were the stars of the matchup from the 1979 NCAA Championship, Larry Bird and Magic Johnson. Even though more nationally recognizable players were at the forefront of the league, the NBA was trailing in viewership to popular shows like *The Superstars* on NBC and even college basketball. Due to the NBA not reaping the benefits of the TV deal, the NBA office called for live broadcasting of the NBA finals. In addition to the agreement with the NBA, the NBA worked to make the game more watchable with the implementation with more lax rules in terms of foul calling

and reducing the overall number of play stoppages.

The other pivot the NBA took was in the marketing of its star players. Rather than relying on localized marketing of individual players, the NBA began to market the league through its players. This was assisted by the rise of highly recognizable stars like Magic, Bird, and Jordan who ushered in the world of widespread branding to the NBA. The NBA once again faced image issues in this regard due to the astronomical marketing clout wielded by Air Jordans. Due to the scarce nature of the shoe, there have been many welldocumented instances of youth killing each other over the shoes. The NBA, although it did not have the power to legislate the marketing decisions made by individual companies in the athletic retail space, was still forced to answer questions about the greater role the NBA had in controlling the retail aspects of the League. The question for this committee is how best to the NBA should proceed in its monetization and commoditization of individual stars in the league.

Domestic expansion was primarily conducted through TV and effects on local communities. Formal programs to bolster the NBA image were not seen until 1996

when the WNBA was created. One area of focus for the NBA central office was growth internationally. Although the NBA brought in talent from all over the globe starting in 1946, many of the players did not reach the levels of stardom that we see in modern-day NBA stars like Dirk Nowitzki, Giannis Antetokounmpo, or even Zaza Pachulia. The growth of the modern-day international superstar was opened up partially by the Fiba ruling in 1989 allowing professional basketball players to participate in international play including the Olympics. The foray into the international scene was at its very early stages and growth in popularity and monetization is up to the discretion of this body as to how best to approach spreading the NBA abroad.

Questions to Consider by Topic

Player Conduct and League Image:

- 1. How does the NBA want to legislate the "image" of players?
- 2. What race related issues still exist in the NBA? Should changes be made to address them?
- 3. What is the ideal drug and disciplinary policy for the NBA?
- 4. What are the plans for the NBA in terms of apparel and individuality?

Expansion of the Game:

- What the is the new TV deal going to be? Address but not limited to: Blackouts, Revenue Sharing, Team Selection, Advertising
- 2. How does the NBA stand in comparison to the NFL and MLB? What can be done to improve watchability from a gameplay perspective (Think macro-game, not minute rule details e.g. hand-checking)?

 3. How does the NBA want to expand globally?

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