

August 29, 2002

Members of the Chargers Task Force:

Thank you for the opportunity to speak with you this evening.

My name is Mark Fabiani. I am Special Counsel to the San Diego Chargers and the Spanos Family. I have been charged with finding a publicly acceptable way to keep the Chargers economically competitive, in San Diego, for the long haul.

The Chargers respect the complete independence of the Mayor's Task Force. We have no intention of lobbying Task Force members, or trying to force our views on anyone. We will answer your staffs' questions if we can, and provide whatever information we can in accord with NFL rules and sound business practices. But our hope is that the members of the Task Force will come to your own conclusions in support of a new stadium, based on the work of the Task Force and its staff – not because of lobbying by the Chargers or any other interested party. So, if you find that we are not as aggressive as perhaps some other professional sports representatives you have heard about, it is not because we are disinterested. It is because we respect your independence – and because we believe that only a truly independent Task Force report will win the respect of the public at large.

The Chargers and the Super Bowl have been an important part of the San Diego community for years. Now, our community faces a basic question: Do we want to search together for ways to ensure future Super Bowls for San Diego and to allow the Chargers to become economically competitive in San Diego for the long term?

We must face this question now for two reasons. First, given the NFL's current Super Bowl commitments and goals, and the high quality of the stadiums available in potential Super Bowl cities (including, as one example, the new retractable dome in Houston), it is unrealistic and unreasonable to hope that the league's membership would approve the playing of another Super Bowl in San Diego unless there is a state-of-the-art facility here

Second, the Chargers are becoming less and less financially competitive with the team's NFL rivals. In the mid-1990's, the Chargers were in the middle of the pack on the NFL's revenue chart. Today, the team has fallen into the bottom quarter of all NFL teams. Forecasts indicate that this fall is likely to continue. The reason for the precipitous decline is simple: In the last decade, 21 new stadiums have been constructed or are in development around the country. And as these stadiums have generated more revenue for their teams, the Chargers have fallen farther behind.

Our collective civic debate began last spring, when it appeared that a Los Angeles group might try to lure the Chargers north. And, no doubt, there will always be attractive opportunities for NFL teams in Los Angeles and in other cities. But for the Chargers,

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that is all beside the point. The Chargers goal is clear: We want to play championship caliber football in San Diego. But the hard fact is that the team cannot compete on an equal footing for players and coaches over the long term against teams that are generating many millions more in revenue from new stadiums.

Therefore, the task facing the Chargers is to find a publicly acceptable way to ensure that the Chargers are economically competitive over the long term in San Diego. At the same time, our goal is to come together as a community to find a way to continue to attract the Super Bowls that are a significant boost to the San Diego economy.

The Chargers have now been working for three months to help find a solution that is acceptable to our community.

Just as we have found General Manager John Butler and Coach Marty Shottenheimer to lead the Chargers to victory on the field, we have engaged the best experts in the country in the areas of sports finance, stadium design, and marketing to create possible solutions for consideration by San Diego. Although we still have a great deal of work to do, we hope to present the conclusions of our effort to the Mayor's Task Force before your work here is completed.

We know it is too soon to say whether an acceptable solution can be found. At the very start, though, the Chargers intend to work together with all of San Diego to explore the ideas and proposals that we hope will emerge from this independent Task Force.

Thank you again for the opportunity to speak with you tonight.