



NATIONAL FOOTBALL LEAGUE

November 18, 2002

Mr. Ron Saathoff
Finance Committee Chairperson
Citizens' Task Force on Chargers Issues
c/o Ms. Libby Coalson
Special Programs
Special Projects Administration
1010 Second Avenue, Fifth Floor
San Diego, California 92101

Dear Mr. Saathoff:

We are writing in response to your September 17, 2002 letter to Mark Fabiani, Special Counsel to the San Diego Chargers and, in particular, to your inquiry concerning the National Football League Quartile report and other franchise financial data.

The Club-specific information provided by Clubs and assembled into the Quartile report is provided to the League on the premise that the NFL will maintain it in strictest confidence and will not, among other things, disseminate it in a way that it could become part of a publicly available record. As private businesses generally, the NFL and its Clubs have a strong interest in maintaining the confidentiality of their respective financial information. For example, NFL Clubs' ability to compete with each other for talent depends on team-by-team financial information not being disclosed. If each NFL Club's profitability (or lack of profitability) were widely disseminated, the competition for players, head coaches, scouts, team presidents, etc. would be severely compromised. It is for this and many other reasons that we are strongly opposed to NFL Clubs "opening up their books" for the public record as part of public stadium campaigns.

Nonetheless, we appreciate the Task Force's need to understand the Chargers' relative financial position among NFL Clubs to determine whether the Chargers are at a competitive disadvantage in the NFL as a result of Qualcomm Stadium. Toward that end, we are enclosing a summary of the Chargers' Quartile report data that indicates the Chargers' rank among NFL Clubs in each category of stadium related revenue that we track. We hope this is helpful as you continue your analysis.

Sincerely,

FRANK HAWKINS
Senior Vice President, Business Affairs

cc: Mark Fabiani

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San Diego Chargers -- Quartile Rankings 1994-2005

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Total Revenues	15	16	19	16	20	24	24	26	29	30	31	31
Total Stadium Revenues	14	16	22	13	16	19	21	26	28	29	30	30
Gate	10	14	16	12	16	13	11	22	21	23	22	23
Club Seat Premiums Less VTS Receipts	26	26	26	8	10	12	14	16	20	23	24	24
Luxury Suites	19	18	17	13	16	19	19	25	28	29	30	30
Concessions	19	18	24	17	19	20	20	20	23	25	26	26
Advertising, Naming Rights, Sponsorship, Parking, Novelties and Programs, Signage	10	14	16	17	21	22	25	26	28	29	30	30
Number of NFL Clubs	28	30	30	30	30	31	31	31	32	32	32	32

*Source: NFL Management Council data. 2002-2005 projections are League estimates that are subject to change.

MARK D. FABIANI
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November 15, 2002

Mr. Ron Saathoff
Chairperson
Finance Committee
Citizens' Task Force on Chargers Issues
C/o San Diego City Manager
202 B Street
San Diego CA

Dear Mr. Saathoff:

Thank you for the letter that you faxed to us today.

In response, we have arranged for the National Football League to forward you more specific information on the Chargers' financial situation. That information will be mailed to you on Monday, November 18th from the NFL's offices in New York. After you have reviewed that information, we would be pleased to meet with you again.

Please do not hesitate to call with any questions.

Sincerely,

MARK D. FABIANI

Cc: David E. Watson
Task Force Chairperson