

National Sports Law Negotiation Competition 2011

Judge's Information Sheet

Final Round

CONFIDENTIAL SUMMARY FOR JUDGES

This negotiation is between the Boston Celtics and the Denver Nuggets. In this round, the National Basketball Association (NBA) Collective Bargaining Agreement is to be ignored and the teams must abide by their limitations contained within their confidential facts. This round is a discussion of trading players with the discussion centered on the Celtics Rajon Rondo and the Nuggets Ty Lawson. Each of these players are point guards and extremely talented.

The Celtics last won a NBA title in the 2007-2008 season and have since watched their core players get older and more injury prone. In addition, these players have also commanded very high salaries, which have limited the potential of adding additional players that the team needs to play specific roles outside of the core-starting lineup. While Rondo is in his prime, he is a valuable trading piece that could help the team get younger in several key areas and help the team get rid of some salary concerns.

The Nuggets have significantly different issues than the Celtics. During the 2010-2011 season, the Nuggets traded their star player, Carmelo Anthony, and received a number of players in return that have proven to be wonderful additions to the team. The Nuggets lack consistent seasoned players with leadership ability. Right now, Lawson is splitting time in the starting lineup and although he is playing well, he is expendable and has great value in a trade because he is a quality player who is under contract for a low amount in a multi-year contract.

Overall, the Celtics are looking to gain an NBA-ready player for each veteran they give up. The players that acquire must be capable of being starters. One of them must be a guard, and this guard does not necessarily have to be Lawson, but it should be a player that can start. If they cannot get a starter for each veteran they give, the Celtics require two draft picks for that player, including a first round pick because they believe that it will take two picks to find a true starter.

The Nuggets are looking at Rondo because he is consistent, reliable, and cost effective. The Nuggets want to keep as many experienced players as possible. In addition

to Rondo, the Nuggets should explore the possibility of acquiring a forward, or an experienced center. Draft picks are valuable and the Nuggets should not give these up without a fight.

The Celtics must cut their payroll by \$12.875 million to \$72 million for the 2011-2012 season, and the Nuggets may only add \$11.3 million to their current payroll. ***Thus, the parties have a gap of \$1.575 million, which prevents both from meeting their goals during this negotiation.*** This makes it impossible to reach an agreement at the table without obtaining additional authority. They also have incompatible instructions about draft choices: the Celtics want a first-round choice and Nuggets are not allowed to give one up. The challenge for the negotiators is to get as close as they can to an agreement and propose some solutions, which might bridge the gap and leave the negotiation with a plan to consult and reconvene. It will take some creativity by the each team to make this happen. Each team has an overall list of additional players who could be traded and those they might like to obtain. Exhibit A: “list of tradeable players” matches the competitors’ lists and produce the names and 2011-2012 salaries of the other potential pieces of the puzzle.

ISSUES AND INSTRUCTIONS FOR EACH SIDE:

ISSUE	BOSTON CELTICS	DENVER NUGGETS
<i>Desires</i>	1. Lawson 2. Lower Salary 3. Durable Players	1. Rondo 2.Experienced Players 3. Leadership
<i>Willing to Give</i>	1. Rondo 2. Experienced Players [See Exhibit A for list]/ 3. Leadership	1. Lawson 2. Youth 3. Draft Picks 4. Reliable Players [See Exhibit A for list]
<i>Limitations</i>	1. Must get starting player or two draft picks for each veteran they give up; one must be a first round choice 2. Must drop salary by \$12.875 million to \$72 million	1. Cannot trade first round draft picks 2. Must not add more salary than \$11.3 million

WHAT TO LOOK FOR IN EVALUATING NEGOTIATORS:

The key to this negotiation is two skills: (1) exchanging enough information to shape a deal and learn the other side's needs and (2) what the teams do when they discover that their instructions prevent a deal at the table. Unsatisfactory teams will panic and violate their instructions, satisfactory teams will walk away from the table; better teams will recognize the impasse and seek to get the parties as close to a deal as possible and then agree to take the package back to their clients to gain additional authority.

EXHIBIT A: TRADEABLE PLAYERS FOR EACH SIDE & THEIR 2011 SALARIES.

Celtics players' who Celtics are willing to trade and whom Nuggets are interested:

Kevin Garnett	\$21.2 million
Ray Allen	\$10.0 million
Rajon Rondo	\$10.0 million
Jermaine O'Neal	\$6.2 million
Nenad Krstic	\$5.5 million
Glen Davis	\$3.0 million
Avery Bradley	\$1.5 million
Delonte West	\$.85 million
Sasha Pavlovic	\$.475 million
Carlos Arroyo	\$.5 million

Nuggets players' who Nuggets are willing to trade and whom Celtics are interested:

Kenyon Martin	\$18.0 million
Raymond Felton	\$8.0 million
J.R. Smith	\$6.9 million
Al Harrington	\$6.2 million
Danilo Gallinari	\$4.2 million
Wilson Chandler	\$3.1 million
Arron Afflalo	\$2.9 million
Ty Lawson	\$1.7 million

Note: The salary instructions on each team severely limit what deals can be made. However, these are the facts the teams have and neither team knows fully the complexity without learning it from the other team during the negotiation.