

NATIONAL HOCKEY LEAGUE

Even though professional hockey has a long and storied history in the United States, it is currently at a crossroads. Its popularity in the United States is declining, whereas other sports such as soccer and auto racing are eagerly courting disenchanted hockey fans. The cancellation of the 2004–05 NHL season because of a bitter labor dispute certainly did not help matters. Regardless, hockey is still big business. Plunkett Research notes in "Sports Industry Overview" that league-wide revenue in the NHL was about \$2.2 billion during the 2006–07 season, less than half that of the NFL or MLB, and nearly a billion dollars less than the NBA, which has the same number of teams and games in a season. NHL players earn an average annual salary of \$1.5 million. The SportsBusiness Journal estimates that sales of merchandise licensed by the NHL and member teams generate about \$900 million annually, the lowest among the major sports. The values and recent revenue figures for NHL teams are shown in Table 4.9.

NHL Structure and Administration

The NHL is divided into the Eastern and Western Conferences. Each conference consists of three divisions, and each division has five teams. The Eastern Conference is split into the Northeast, Atlantic, and Southeast Divisions. The divisions that make up the Western Conference are the Northwest, Central, and Pacific. NHL teams play an eighty-two-game regular season, split evenly between home and away games. Before the 2004–05 lockout each team played all the others at least once during the season, but this is no longer the case. Teams now play ten games against opponents outside of their own conference, and forty games against teams in a different division within their own conference.

At the conclusion of the regular season, the champion of each division plus the five teams in each conference with the next best records compete in the Stanley Cup Playoffs. The structure is similar to that of the NBA: a single-elimination tournament consisting of four rounds of best-of-seven series, culminating in the Stanley Cup Finals, usually played in the late spring.

| Eastern Conference | Western Conference |
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| Atlantic Division New Jersey Devils New York Islanders New York Rangers Philadelphia Flyers Pittsburgh Penguins | Central Division Chicago Blackhawks Columbus Blue Jackets Detroit Red Wings Nashville Predators St. Louis Blues |
| Northeast Division Boston Bruins Buffalo Sabres Montreal Canadiens Ottawa Senators Toronto Maple Leafs | Northwest Division Calgary Flames Colorado Avalanche Edmonton Oilers Minnesota Wild Vancouver Canucks |
| Southeast Division Atlanta Thrashers Carolina Hurricanes Florida Panthers Tampa Bay Lightning Washington Capitals | Pacific Division Anaheim Ducks Dallas Stars Los Angeles Kings Phoenix Coyotes San Jose Sharks |

NHL History

Even though hockey in North America started in Canada, the first professional version of the game was launched in the United States. In 1904 the International Pro Hockey League was founded in the iron mining areas of Michigan's Upper Peninsula. That league lasted only a few years, but in 1910 a new league, the National Hockey Association (NHA), arose. The Pacific Coast League (PCL) was founded soon after the NHA. It was arranged that the champions of the two leagues would play a championship series, the winner gaining possession of the coveted Stanley Cup, a trophy named for Frederick A. Stanley (1841–1908), a former British governor-general of Canada.

World War I (1914–1918) put a temporary halt to the fledgling sport, but when the war ended professional hockey reorganized itself as the National Hockey League. At first the NHL was strictly a

Canadian affair. The league initially consisted of five teams: Montreal Canadiens, Montreal Wanderers, Ottawa Senators, Quebec Bulldogs, and Toronto Arenas (later renamed the Maple Leafs). The first game took place in December 1917. The NHL expanded into the United States in the 1920s, adding the Boston Bruins in 1924; the New York Americans and Pittsburgh Pirates in 1925; and the New York Rangers, Chicago Blackhawks, and Detroit Cougars (which later became the Red Wings) in 1926. By the end of the 1930–31 season, there were ten teams in the NHL. The Depression and World War II took their toll on the league, however, and by its twenty-fifth birthday the NHL was reduced to six teams. Those six teams—the Canadiens, Maple Leafs, Red Wings, Bruins, Rangers, and Blackhawks—are commonly referred to, though not very accurately, as the "Original Six" of the NHL.

The NHL did not expand again until 1967, when six new teams were added, forming their own division. Two other franchises came on board three years later. In 1972 a new rival league, the World Hockey Association (WHA), was formed. In response, the NHL accelerated its own plans for expansion, adding four new teams over the next three years. This double-barreled expansion of professional hockey in North America diluted the pool of available players, however, and the quality of play suffered as a result. The WHA folded in 1979, and four of its teams joined the NHL. The league continued to expand over the next two decades, as league officials sought to follow demographic trends in the United States. The NHL reached its current total of thirty teams in 2000. Unfortunately, the league's southward and westward expansion has not been entirely successful, as interest is weak in warm-weather regions. Even though many Canadian towns have lost their teams to U.S. cities, and suffered economically as a result, a large percentage of Canadians remain diehard hockey fans. In "'Hockey Night' Features Flicks Instead of Sticks", Damien Cox notes that the television show *Hockey Night in Canada* is consistently the highest-rated Canadian-produced television program on Canadian television. In the United States, though, hockey is in danger of losing its major sport status.

Labor Issues in the NHL: A Season on Ice

In its long history the NHL has been interrupted only three times by labor strife. The first, a 1992 strike by the NHL Players Association (NHLPA), lasted only ten days, short enough for all missed games to be made up. A lockout at the start of the 1994–95 season was more disruptive. It lasted three months and resulted in the cancellation of thirty-six games, nearly half of the regular season.

With the 1995 deal moving toward its 2004 expiration date, negotiations between players and owners turned bitter. Unlike the 1994 lockout, which came at a time when the NHL was enjoying strong fan support and rising popularity, interest in the league had been waning for several years by 2004. As in other major sports, one of the biggest points of contention was proposed limits on the amount teams could spend on player salaries. The league proposed what it called cost certainty, which the players' union argued was just a fancy term for a salary cap. The union rejected the idea and instead proposed a luxury tax. Not surprisingly, the owners were opposed. The two sides failed to reach an agreement, and the entire 2004–05 season, from preseason training through the Stanley Cup Finals, was canceled—the first time a major sport had lost a whole season to labor unrest.

In July 2005 the NHLPA and the league finally agreed to the terms of a new collective bargaining agreement, which was published as the *Collective Bargaining Agreement, 2005*. The deal, which runs through the 2010–11 season, gives players 54% to 57% of league-wide revenues, depending on the total. The agreement includes a salary cap that tops out at about \$39 million and enhances revenue sharing to help the smaller market teams remain competitive. It does not include a luxury tax.

Naturally, hockey fans across North America were greatly disappointed by the loss of an entire season. In response, the NHL took measures to try to lure fans—both those who had wandered away from the sport before the lockout and those who lost interest directly because of it—back. These measures included a handful of rule changes designed to speed up the pace of the game and increase scoring.

A bigger challenge to the NHL remains: making hockey popular in parts of the United States that do not have long-standing hockey traditions. The expansion that the league undertook in the last two decades of the twentieth century was focused primarily in the southern and southwestern regions of the United States, the very parts of the country experiencing rapid population growth. Even though this expansion strategy made sense at the time, to date it has not produced the expected new generation of hockey fans in these regions.