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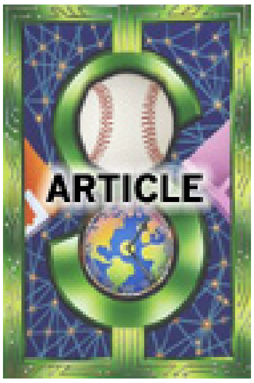

Mr. McDonnell, Jr. is a guest columnist for The Biz of Baseball.

Major League Baseball is on the doorstep once again to its “golden age.” Recently, the players and owners were able to amicably discuss topics such as the luxury tax, revenue sharing, drug testing, and contraction without using the terms “lockout” or “strike.” With a new collective bargaining agreement reached well before the December 2006 deadline, both the players and the owners have a lot to be proud of. League revenues are currently exceeding five billion dollars, there have been seven different world champions since 2000, advanced media is growing by leaps and bounds, and fans are turning out in droves to see Major League and Minor League Baseball games. However, during this period of labor tranquility and financial bliss, there are inherent behaviors that will challenge the principles of the new collective bargaining agreement. Will the owners abide by the economic parameters that they agreed to in the new collective bargaining agreement or will they revert back to fiscally irresponsible practices?

First and foremost, teams are once again spending exorbitant amounts of money. This time, they are allocating a substantial amount of their resources on mediocre pitching. To the casual baseball fan, it is obvious that there is a dearth of quality pitching. In this past offseason alone, second tier pitchers such as Gil Meche , Ted Lilly and Vicente Padilla received lucrative contracts from struggling franchises such as the Kansas City Royals, Chicago Cubs and Texas Rangers. These three franchises have agreed to pay $128.75 million dollars over the next twelve years for the services of pedestrian pitchers. Between the three of them, they have amassed a career record of 180-163 with an earned run average of 4.44. Last season alone, these pitchers averaged 13.67 wins against 10.33 losses. Since their careers began in 1999, not one of them has ever won more than fifteen games in a season.

In another case of fiscal paralysis, the San Francisco Giants have invested $126 million dollars in Barry Zito . The average annual value of the former 2002 Cy Young award winner's contract is $18 million dollars over seven years . By the time Barry Zito reaches the final year of his contract, he will be paid $20 million dollars per year. On top of the exorbitant salary, his contract with the Giants includes several lucrative financial incentives for professional accomplishments such as the Cy Young award, various M.V.P. awards, all star game appearances and gold gloves. Although many consider Barry Zito to be a top tier ace, an in-depth analysis of his seven year career proves that he is a quality pitcher, but not worthy of the largest contract for a pitcher in baseball history. Up until this point, Barry Zito has averaged 14.57 wins and 9 losses per season. Throughout his career with the Oakland Athletics, he averaged 32 starts and 204.3 innings pitched per season. This roughly equates to 6.38 innings pitched per game. Only once did he exceed the 200 strikeout plateau and win twenty games. Also, he hasn't thrown a shutout or complete game since 2003. Based on his career average of 32 starts per season, the San Francisco Giants will pay Barry Zito $312,500.00 per start for the 2007 season .

Major League Baseball has not seen this type of economic absurdity since the offseason of 2000-2001 where elite players and proven commodities such as Alex Rodriguez , Manny Ramirez and Mike Hampton signed contracts that totaled $533 million dollars. Since Bud Selig assumed control of the commissioner's office, he has preached financial restraint, competitive balance, parity and cost effectiveness. In an ironic twist of fate, the commissioner's biggest adversary is slowly becoming an unexpected ally.

The New York Yankees were targeted and victimized by the previous collective bargaining agreement and it seems as if the recently negotiated agreement would not serve in their favor as well. Over the past four years, the New York Yankees have been taxed close to $100 million dollars for exceeding the luxury tax thresholds . As a result of the escalating penalties and failure to win a World Series since 2000, the Yankees have reassessed their financial objectives through the trades of Gary Sheffield and Randy Johnson. In an attempt to alleviate specific salary burdens and bolster their minor league farm system, Brian Cashman is slowly redefining the Yankees' position on fiscal responsibility.

Commissioner Selig and the executives at Major League Baseball must look at the excessive and impractical spending of specific franchises and question their intentions. These careless and ill-conceived actions challenge the very essence of the current collective bargaining agreement. It seems logical to assume that within the next couple of years, several of the newly signed free agents will be included in trade proposals to teams either in contention for a playoff berth or teams who can financially afford the responsibility of the players' contracts. In the minds of many, this winter's free agent market was considered to be nondescript. However, franchises have been overtly generous to the financial demands of players based on position and potential. Next winter, perennial all stars such as Ichiro Suzuki, Andruw Jones and Torii Hunter will eagerly file for free agency with the hopes of capitalizing on certain franchises newly found plethoric wealth. Much to the chagrin of Bud Selig, several franchises have failed to learn from the mistakes of their colleagues and predecessors. It is acts like this that will keep Major League Baseball from opening the door and crossing the threshold into the “golden age.”

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McDonnell, Jr. is a former financial analyst and accountant for Madison Square Garden. He has also done extensive work with the New York Rangers' marketing game night staff department. Currently, Wayne is a clinical assistant professor of sports management in the Preston Robert Tisch Center for Hospitality, Tourism and Sports Management at New York University. McDonnell, Jr.'s complete profile can be viewed here.