

Duration - 4 years

August 7, 1985 – After a 2-day strike, players and owners reach a labor agreement altering salary arbitration and free-agent compensation provisions. Canceled games are rescheduled as doubleheaders or on open dates.

Principals

- **Commissioner Peter Ueberroth**
- **MLB**: PRC Chief Lee MacPhail, PRC counsel Barry Rona
- **MLBPA**: Acting director Donald Fehr (replacing Ken Moffett, who served as the union's executive director from December, 1982, to November, 1983), Associate General Counsel Gene Orza, special assistant to the executive director Mark Belanger

Issues

- **Term**: 1985 – December 31, 1989
- **Free Agency**: Owners and players eliminate the free-agent draft, allowing free agents to negotiate with all clubs. A club wishing to retain negotiating rights to a free agent, the club must agree to allow him to go to salary arbitration the following February, if the player wishes.
 - **Free Agent Compensation**: The new agreement eliminates professional-player compensation for clubs losing free agents. Compensation in the form of selections in the amateur draft remains.
 - **Salary Cap**: Owners drop their proposal of an average payroll plan which would serve as a salary cap. Owners also drop proposal to cap salary arbitration awards.
 - **Salary Arbitration**: At the urging of Commissioner Peter Ueberroth, service time required to be eligible for salary arbitration increases from two years to three years, beginning in 1987. Owners drop their attempt to cap salary arbitration awards to 100 percent over the previous year's salary.
 - **Service Time**: Players are credited with service time for period during the Aug. 6-7 strike.
 - **Pro-ration of Salaries**: Players receive a full day of pay for games rescheduled on open dates. Players receive half a day of pay for games rescheduled as part of a doubleheader.
 - **Drug Testing**: In 1983, owners and players launch a joint committee to study guidelines for dealing with players who commit drug or alcohol offenses. Players' union counsel Donald Fehr and special assistant to the executive director Mark Belanger oppose union involvement in discipline of players, preferring that the union retain the right to contest any management action

through the grievance procedure. Moffett's support of the joint committee's work reportedly leads to his eventual dismissal as the union's executive director. Marvin Miller briefly returns to the post on an interim basis, before Fehr is named the union's acting director. In May, 1984, owners and players agree to create an independent committee to determine whether a player has a drug or alcohol problem, and if so, how to handle it. The union retains the right to challenge any resulting disciplinary action.

- **Minimum Salary:** The minimum salary is increased to \$60,000 for 1986, with cost-of-living adjustments made in subsequent seasons. The minimum reaches \$62,500 for 1987 and 1988, and \$68,000 for 1989.
- **Winners' Shares:** The players receive a larger cut of the World Series pool.
- **Scheduling:** The owners and players agree to keep the League Championship Series at seven games for the duration of the agreement.
- **Pension:** Owners agree to contribute \$33 million annually to the benefit plan from 1985 through 1988, with an increase to \$39 million in 1989. The owners also agree to retroactively increase their \$15.5 million contributions for 1984 and 1985 to \$25 million and \$33 million, respectively (increases of \$9.5 million in 1984 and \$17.5 million in 1985). Over six years, the owners will contribute a total of \$196 million, about 18 percent of the newly signed \$1.1 billion television contract. (Under previous agreements, the players had received a share of about one-third of the national television revenue.) The players originally demanded annual contributions of \$60 million, then offered to reduce the demand to \$40 million, with the difference going to low-revenue clubs playing in the smallest markets. The owners rejected that plan.