

Blue Ribbon Panel on Baseball Economics

Written by Commissioner's Blue Ribbon Panel
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The Report of the Independent Members of the Commissioner's Blue Ribbon Panel on Baseball Economics

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The Commissioner's Blue Ribbon Panel on Baseball Economics, representing the interests of baseball fans, was formed to study whether revenue disparities among clubs are seriously damaging competitive balance, and, if so, to recommend structural reforms to ameliorate the problem. After 18 months of extensive investigation, we conclude:

- Large and growing revenue disparities exist and are causing problems of chronic competitive imbalance.
- These problems have become substantially worse during the five complete seasons since the strike-shortened season of 1994, and seem likely to remain severe unless Major League Baseball ("MLB") undertakes remedial actions proportional to the problem.
- The limited revenue sharing and payroll tax that were approved as part of MLB's 1996 Collective Bargaining Agreement with the Major League Baseball Players Association ("MLBPA") have produced neither the intended moderating of payroll disparities nor improved competitive balance. Some low-revenue clubs, believing the amount of their proceeds from revenue sharing insufficient to enable them to become competitive, used those proceeds to become modestly profitable.
- In a majority of MLB markets, the cost to clubs of trying to be competitive is causing escalation of ticket and concession prices, jeopardizing MLB's traditional position as the affordable family.