

Outside the Lines

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MLB and Lobbying A Perennial Favorite

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Major League Baseball and the U.S. Congress maintain a unique relationship dating back more than 100 years to the initial struggles over authority in professional baseball. Neither entirely adversarial nor friendly, the two organizations mutually exist in a battle to leverage power and influence within the other's house.

After the courts tasked Congress with the job of overseeing MLB, Congress became the primary authority in determining the autonomy of baseball in operational matters. Over the past 15 years, however, MLB recognized the need for substantial lobbying influence within Congressional halls. An explosion in lobbying dollars on the part of MLB, its executives and its teams has added a new dimension to the relationship. The continued interest of Congress in MLB, including the issues of steroids and the antitrust exemption, makes understanding the lobbying influence of baseball important.



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Business of Baseball Committee Update

BusinessofBaseball.com, the committee's website, has been moved to the SABR servers. The current look is pretty utilitarian, but the functionality largely remains as it has been.

However, [Ken Cherven](#) has agreed to serve as webmaster, while [Brian Borawski](#) will serve as editor of the site. You should stay in touch with the site as we improve the look and add content.

If you have any skills/interest in helping update and improve our website, that would be greatly appreciated. It is our highest priority right now.

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See the first number of *The Farm Report*, a new SABR publication on the business of baseball in the minor leagues attached to OTL.

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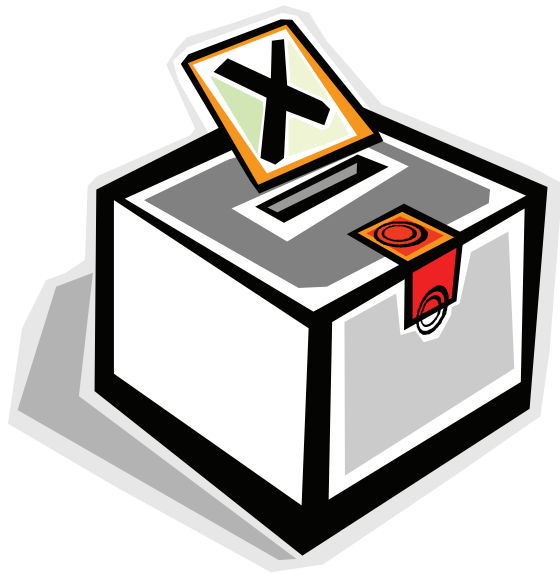


MLB and Lobbying (Continued from page 1)

THE ANTITRUST EXEMPTION FOR MLB THE ROOT OF CONGRESS-BASEBALL RELATIONS

In the 1922 decision *Federal Baseball Club of Baltimore, Inc. v. National League*, commonly referred to as *Federal Baseball*, the Supreme Court ruled that professional baseball is not interstate commerce and not subject to antitrust laws. Settling decades of dispute amongst competing leagues, the fateful decision, nonsensical in current terms but more logical in a historical context, began 100 years of an anomaly in federal law. The 1953 *Toolson v. New York Yankees* decision ruled that some aspects of Major League Baseball should be subject to antitrust laws, but after 40 years it was the responsibility of Congress to revoke any exemption. This was reaffirmed in 1972 in *Flood v. Kuhn*.

The status quo continued until the players' strike of 1994 and the accompanying cancellation of the World Series. After years of deliberation, Congress voted to revoke the antitrust exemption for MLB regarding matters of labor relations through the Curt Flood Act of 1998. This act, however, was fully endorsed by both MLB owners and players. The period surrounding the passage of the Curt Flood Act offers a unique opportunity to study Congressional behavior in the



relative absence of executive action. Even still, the usual methods of business in Washington, D.C., appear to dominate.

MAJOR LEAGUE BASEBALL AND LOBBYING: AN INDUSTRY WITH DEEP POCKETS

Both citizens and industries have methods to gain the attention of Washington, D.C., lawmakers. Industry and business interests contribute money—lots of it.

Constituents, on the other hand, primarily communicate through votes and voices. Though individual constituents can of course contribute money, the small donations of individual voters usually cannot compare with the ability of organizations to raise campaign contributions. More importantly, these campaign contributions often go in tandem with lobbyists who provide greater access to members of Congress for corporations or organizations. Average voters cannot usually utilize this leverage. Both deep pockets and votes are vital to the continued survival of an elected official in this day and age, but money and organization often win.



Lobbying as a profession as grown dramatically in past decades. Contributions from Political Action Committees (PACs) to candidates has increased from \$23 million in 1975-76 to nearly \$260 million in 1999-2000.¹ The total number of PACs grew from 608 in 1974 to 4,499 in 2000. According to Conway, Green, and Currinder, the steep rise in PACs is related to the Federal Election Campaign Act (FECA) amendments of 1974. Political contributions can also be tracked through “hard money” donations, those given directly to candidates by individuals or organizations such as PACs, and “soft money” donations, or those outside of FECA authority given under the auspices of party-building exercises. Hard money donations increased from \$445 million to \$741 million between 1991-92 and 1999-2000, while soft money contribu-

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¹ Cigler, A.J. and B.A. Loomis, “Introduction,” in *Interest Group Politics*, 6th Ed., Cigler and Loomis, Eds. 2002, CQ Press: Washington, D.C.

MLB and Lobbying (Continued from page 2)

tions increased dramatically from \$86.1 million to \$495.1 million during the same time period.²



Writing in the Washington Post, Jeffery Birnbaum cites statistics from *Politicalmoneyline.com* that the number of registered lobbyists has increased from 16,342 to 34,785 between 2000 and 2005.³

The Center for Responsive Politics cites the continual growth in lobbying spending from \$1.43 billion to \$2.28 billion between 1998 and 2005.⁴ In this environment of increased lobbying and organizational influence, MLB has certainly contributed to the trend.

A complicated interaction of lobbying, contributions, and voting behavior is evident regarding the interaction of Congress and MLB. The standoff that sometimes emerges at the national level pits the interests of Major and Minor League Baseball against the interests of Congressional constituencies. In some instances, this standoff is between MLB and one particular constituency, such as the residents and businesses of Minnesota in 2002 when MLB considered the contraction of the Minnesota Twins.



In other instances, multiple constituencies from various regions have showed virtual lockstep disapproval of the workings of players and owners, including after the MLB strike in '94-95. Strangely, these fights regularly elevate to Congressional hearings. In the

ideal situation, the merits of debate on each side would win out; in reality, constituent interests sometimes compete directly with the vast lobbying resources of the major and minor leagues.

The term “Congressional constituencies” as used above is purposefully vague in order to encompass the variety of interests that a member of Congress may represent. Through the course of Congressional hearings in 1994, 1995, 1997, and 2002, various Senators from California, Pennsylvania, Minnesota, and Florida offered testimony on the issue of MLB’s antitrust exemption, each time invoking the “fan interests” in their arguments. For instance, during the 1995 hearings before the Senate Subcommittee for Anti-



trust, Business Rights, and Competition, Senator Dianne Feinstein (D-CA) explained how the “loyal fans who stuck with them during the best and worst of seasons” would have lost out if the San Francisco Giants



had moved in 1994. In the same testimony, however, Senator Feinstein describes how franchises “improve the economic health of their cities” and that “relocation impairs the fiscal health of cities and states.”⁵ Thus, the complex constituency that Senator Feinstein is representing includes not only fans upset at the loss of a team, but also, and more significantly, business and governmental inter-

ests dependent upon a team’s presence.

The economic importance of teams arose again in 2002 hearings before the full Senate Judiciary Committee, when Florida Attorney General Bob Butterworth described the grave economic impacts to Florida should it lose one or both of its MLB teams. Inter-

(Continued on page 4)

² Conway, M.M., J.C. Green, and M. Currinder, “Interest Group Money in Elections,” in *Interest Group Politics*.

³ Birnbaum, J., “The Road To Riches Is Called K Street,” *Washington Post* (June 22, 2005), A01.

⁴ Center for Responsive Politics, Lobbying Database: Total Lobbying Spending. 2006: Washington, D.C.

⁵ Hearing to Consider S. 415, the Professional Baseball Antitrust Reform Act of 1995, and S. 416, the Major League Baseball Antitrust Reform Act of 1995, in Senate Subcommittee on Antitrust, Business Rights, and Competition. 1995: Washington, DC.

MLB and Lobbying (Continued from page 3)

estingly, though numerous members of Congress have invoked constituency interests in testimony regarding the MLB antitrust exemption, they have favored different viewpoints. Senators Feinstein and Arlen Specter (R-PA), supported the antitrust exemption in order to allow MLB to control the location of their smaller market teams. Senators Paul Wellstone (D-MN) and Mark Dayton (D-MN), however, invoked fan interests in supporting legislation to revoke por-

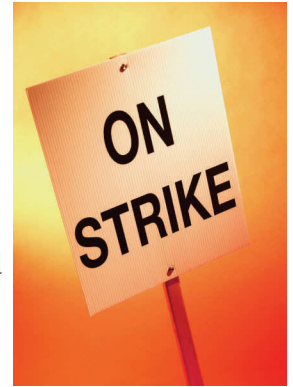


tions of the antitrust exemption in 2002, as they believed the exemption was allowing MLB to consider contracting their Minnesota Twins.⁶ As the examples above illustrate, constituency desires, often those of mobilized local business and governmental interests, prevail in dictating the involvement of a member of Congress in the antitrust debate, while the particulars of a local situation dictate the Senator's position.

Working in this politicized environment, MLB increasingly realized the need for organized lobbying. Jerold Duquette, citing numerous sources, offers the most complete history of this rise in lobbying presence up to 1997. MLB's modern lobbying functions began in 1993 with the creation of the Director of Government Relations. Based in Washington, D.C., the position was first staffed by Eugene Callahan, a former Congressional staff member and well-respected individual around Capitol Hill. In addition, the National Association of Professional Baseball Leagues (NAPBL), representing the minor leagues, began building its lobbying presence through its newly elected Vice-President Stanley Brand, a Washington D.C. lawyer and former General Counsel in the House of Representatives. These two men, in addition to the newly-formed Minor League Caucus in the House of Representatives, lobbied tirelessly for a continued an-

titrust exemption.⁷

Following the historic victory of Republicans in the 1994 mid-term elections, MLB needed to secure its continued exemption with the new majority in Congress. Following the labor conflicts of the early 1990's, MLB realized that public sentiment did not favor the business of baseball. To stem this tide on Capitol Hill, Callahan and Brand mobilized numerous lobbyists, including major and minor league owners, to be sure "every member of Congress [would] be contacted by baseball people".⁸



Several owners met with delegations from possible expansion states, bargaining the promises of a franchise for continued antitrust exemption. Former Senator Charles Robb (D-VA) said that while there was no "explicit quid pro quo" concerning support for the exemption, "it was sort of an informal understanding that baseball was coming to Northern Virginia".⁹

The trend continued through the 104th Congress (1995-1996), as Ed Henry of *Roll Call* magazine reported that MLB spent \$630,000 lobbying Congress in the first six months of 1996, and the MLBPA spent \$196,000 in the same period.¹⁰ It was during this session that the contentious players' strike of '94-95 raised the ire of fans and associated businesses against MLB's interests. This lobbying countered the significant barrage of fan disgust in order to maintain the exemption.

Relations between Congress and MLB, the NAPBL, and the MLBPA in the 105th Congress (1997-1998) centered on passage of the consensus Curt Flood Act of 1998. MLB continued to fortify its lobbying presence, with major league teams, owners, and executives contributing almost \$2.4 million in hard and soft

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⁶ The Application of Federal Antitrust Laws to Major League Baseball, in Hearings before Judiciary Committee. 2002, GPO: Washington, D.C.

⁷ Duquette, J.J., *Regulating the National Pastime: Baseball and Antitrust*. 1999, Westport, CT: Praeger Publishers. 184.

⁸ Chass, M., "Halls of Congress Fill With New Lobbyists," *New York Times* (Jan 8, 1995), S10.

⁹ Lipton, E. and M. Maske, "Aide Says Warner Cut Deal for Baseball Team," *Washington Post* (Feb. 23, 1995), B1.

¹⁰ Henry, E., "Baseball Lobbying Hits Major League on Hill," *Roll Call* (October 21, 1996), 15.

MLB and Lobbying (Continued from page 4)

money contributions during the 1997-98 election cycle. With retirement of Eugene Callahan in 1997, Allan Sobba took over the lobbying duties for MLB in Washington and MLB retained several other firms to lobby on its behalf as listed in Table 4.¹¹ The NAPBL, with its Minor League Caucus, found increased voice and importance during this period, and used that advantage to heighten its bargaining position with MLB during the 1997 Professional Baseball Agreement negotiations.¹² The Minor Leagues were especially important in passage of the Curt Flood Act, representing a new force in the lobbying patterns of baseball on Capitol Hill.

With continued appreciation for Congressional relations, MLB had to position itself for the upcoming labor negotiations with the MLBPA in 2000. In the 1999-2000 election cycle, Holly Bailey at the Center for Responsive Politics estimated that MLB teams and owners contributed \$3.9 million in soft money and campaign contributions to candidates, including over \$75,000 to President Bush.¹³ I estimate this number to be slightly higher, with over \$4.2 million contributed by owners and executives affiliated with MLB offices

and teams. Both of these estimates, however, do not include contributions from corporate owners such as The Walt Disney Co. or AOL Time Warner. Additionally they do not include contributions from minor league interests or the MLB Players Association.

After 2000, MLB restructured its lobbying efforts by closing its Washington, D.C. offices formerly staffed by Sobba, but pledging to “still keep a presence” by retaining firms such as Baker & Hostetler and Timmons & Co.¹⁴ The new efforts were spearheaded by Republican William H. Schweitzer, a partner at Baker & Hostetler and former general counsel for the American League, and Democrat Lucy J. Calautti, former chief of staff to Sen. Byron Dorgan (D-ND). Under their leadership, Major League Baseball began its own Political Action Committee (PAC), The Office of the Commissioner of Major League Baseball Political Action Committee (OCMLB PAC), through which owners and associates have contributed over \$400,000 in each of the last two election cycles. The OCMLB PAC first filed disclosure reports with the Federal Election Commission in 2001.

Table 1 Political Contributions From MLB Owners, Executives and OCMLB PAC <i>Data downloaded from the Center for Responsive Politics,</i> http://www.crp.org as of 6/23/05				
	1997-98	1999-2000	2001-02	2003-04
Offices of MLB (including PAC)	11,766	131,640	498,708	404,450
Teams and Executives	2,365,510	4,077,716	4,791,249	2,692,820
Totals	2,377,276	4,209,356	5,289,957	3,097,270

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¹¹ Preston, M., “Baseball Closing Lobbying Office,” *Roll Call* (March 2, 2000).

¹² Duquette, *Regulating*, above.

¹³ Bailey, H., “Major League Donors: A Look at Contributions from Major League Baseball Teams and Owners,” in Center for Responsive Politics, Money in Politics Alert (November 14, 2001) at http://www.opensecrets.org/alerts/v6/alertv6_32.asp

¹⁴ Preston, “Baseball Closing Lobbying Office”.

Contributions for the 2001-02 election cycle continued to increase, and the 2003-04 contributions, while lower than the previous two cycles, still remained significant. MLB has strategically targeted its recipients, with \$102,500 in contributions going to members of the House and Senate Judiciary Committees since 2002.¹⁵ The wealth, however, was spread all over. Senator John Breaux (D-LA) received \$2,500 in 2003 despite the fact that Louisiana has no MLB team.¹⁶



Table 1 (previous page) displays the political contributions of MLB for each election cycle since 1996. Table 2 (next page) provides a more detailed breakdown of these contributions by team and campaign cycle.

As previously mentioned, campaign contributions from an organization go hand-in-hand with lobbyists hired by the organization to promote its interests

aggregate totals for 1998-2005, and Table 4 on page 8 provides detail on the firms and persons paid for such services.

Table 3

Lobbying Expenditures by MLB and MLB Players Association 1998-2005

Data downloaded from the Center for Responsive Politics, <http://www.crp.org> as of 9/23/06

	MLB	MLBPA	Totals
1998	\$1,566,096	\$480,000	\$2,046,096
1999	\$1,754,257	\$60,000	\$1,814,257
2000	\$692,500	\$120,000	\$812,500
2001	\$1,145,000	\$180,000	\$1,325,000
2002	\$920,000	\$180,000	\$1,100,000
2003	\$1,107,500	\$180,000	\$1,287,500
2004	\$1,290,500	\$120,000	\$1,410,500
2005	\$960,000	\$305,000	\$1,265,000
Totals	\$9,488,824	\$1,565,000	\$11,053,824

While the reasons for the stark increase in lobbying expenditures to 2002 are evident, the reason behind the decrease in expenditures in 2003-04 is curious. One possible explanation is that restrictions placed on political contributions by the Bipartisan Campaign Reform Act (BCRA), which took effect on Nov. 6, 2002, reduced the ability of MLB interests to contribute to political campaigns. Among other provisions, the BCRA restricted contributions of so-called “soft money,” contributions made to political organizations outside of the election cycle spending limits for party-building and other activities. MLBPA itself had contributed about \$230,000 in soft money between 1997-2002, not counting contributions by teams and associated persons. This effect is questionable, however, as the BCRA also raised the limits on campaign contributions from individuals, which MLB benefits from through its extensive network of associates. Overall, MLB interests have given a staggering \$15 million to federal candidates since 1997. Comparatively, the Center for Response Politics reports that the tobacco industry gave approximately \$30 million during the same time period.

amongst legislators. The Center for Responsive Politics also compiles and publishes these values. According to CRP, Major League Baseball has paid seven different lobbying firms or persons for such services between 1998 and 2005, spending over \$7.6 million in the process. Likewise, MLBPA has spent over \$1.6 million on similar services. Table 3 below shows these

In October 2000, MLB began quietly studying contraction as a method to improve competitive balance in the league. The exploratory meetings, led by Robert

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¹⁵ Fainaru, S., “Expos for Sale: Team Becomes a Pawn of Selig, Part II,” *Washington Post*, (June 28, 2004), A01.

¹⁶ Federal Election Commission, *FEC Disclosure Report*. 2004: Washington, D.C.

Table 2**Political Contributions by Team***Data collected from the Center for Responsive Politics as of 7/7/05*

Team	1997-98	1999-2000	2001-02	2003-04	Team Totals
Arizona Diamondbacks	23,050	54,900	26,000	123,780	227,730
Atlanta Braves	17,750	19,915	144,405	38,750	220,820
Baltimore Orioles	365,485	968,900	1,894,500	252,900	3,481,785
Boston Red Sox	1,000	26,250	316,500	184,864	528,614
Chicago Cubs	20,000	74,500	21,500	2,500	118,500
Chicago White Sox	180,200	171,650	161,637	235,458	748,945
Cincinnati Reds	1,091,000	1,205,380	1,339,900	237,300	3,873,580
Cleveland Indians	2,800	28,500	12,000	12,278	55,578
Colorado Rockies	23,750	51,920	94,790	280,200	450,660
Detroit Tigers	0	5,250	4,300	85,100	94,650
Florida Marlins	418,250	318,000	106,000	2,400	844,650
Houston Astros	19,000	51,500	13,200	20,950	104,650
Kansas City Royals	0	49,200	23,500	30,000	102,700
Los Angeles Angels	0	0	7,000	3,250	10,250
Los Angeles Dodgers	18,000	141,500	19,500	62,500	241,500
Milwaukee Brewers	11,500	18,000	33,249	27,250	89,999
Minnesota Twins	13,400	107,350	36,650	136,057	293,457
Montreal Expos	5,500	4,000	500	0	10,000
New York Mets	9,475	16,150	14,800	51,250	91,675
New York Yankees	9,600	26,029	28,600	35,000	99,229
Oakland Athletics	4,750	15,850	10,500	33,000	64,100
Philadelphia Phillies	33,000	20,250	23,750	35,250	112,250
Pittsburgh Pirates	250	9,750	33,484	58,921	102,405
San Diego Padres	30,000	219,757	48,800	159,250	457,807
San Francisco Giants	500	23,250	207,856	336,181	567,787
Seattle Mariners	15,600	58,100	18,250	22,786	114,736
St Louis Cardinals	11,000	281,466	84,300	140,781	517,547
Tampa Bay Devil Rays	3,700	13,029	6,000	45,250	67,979
Texas Rangers	36,950	97,370	59,778	39,614	233,712
Toronto Blue Jays	0	0	0	0	0
Team Totals	2,365,510	4,077,716	4,791,249	2,692,820	
MLB	11,766	131,640	498,708	404,450	1,046,564
Annual Totals	2,377,276	4,209,356	5,289,957	3,097,270	14,973,859

Table 4:
MLB And MLBPA Lobbying Expenditures
1998-2005
By Lobbyist
Data collected from the Center for Responsive Politics as of 9/23/06

	1998	1999	2000	2001	2002	2003	2004	2005	Totals
Major League Baseball									
Stroock, Stroock, and Lavan	\$80,000	\$60,000	\$0	\$0	\$0	\$0	\$0	\$0	\$140,000
Timmons & Co.	\$300,000	\$320,000	\$200,000	\$0	\$0	\$0	\$0	\$0	\$820,000
Arnold & Porter	\$80,000	\$40,000	\$0	\$0	\$40,000	\$140,000	\$400,000	\$0	\$700,000
Cassidy & Associates	\$240,000	\$240,000	\$140,000	\$40,000	\$220,000	\$220,000	\$200,000	\$200,000	\$1,500,000
Duane, Morris, & Heckscher	\$80,000	\$40,000	\$0	\$0	\$0	\$0	\$0	\$0	\$120,000
Baker & Hostetler	\$0	\$60,000	\$300,000	\$1,080,000	\$620,000	\$720,000	\$660,000	\$720,000	\$4,160,000
Stuart J. Gordon	\$0	\$40,000	\$52,500	\$25,000	\$40,000	\$27,500	\$30,500	\$40,000	\$255,500
<i>Subtotals</i>	<i>\$780,000</i>	<i>\$800,000</i>	<i>\$692,500</i>	<i>\$1,145,000</i>	<i>\$920,000</i>	<i>\$1,107,500</i>	<i>\$1,290,500</i>	<i>\$960,000</i>	<i>\$7,695,500</i>
MLBPA									
Verrill & Dana	\$240,000	\$60,000	\$60,000	\$100,000	\$60,000	\$120,000	\$80,000		\$720,000
Patton Boggs	\$100,000	\$0	\$0	\$20,000	\$40,000	\$0	\$0	\$140,000	\$300,000
McGuiness & Holch	\$80,000	\$0	\$0	\$40,000	\$40,000	\$40,000	\$40,000		\$240,000
Kevin S. McGuiness	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$180,000	\$180,000
Steven A. Fehr	\$40,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$40,000
Walsh Jolley et al	\$20,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$20,000
Harbour Group	\$0	\$0	\$0	\$20,000	\$20,000	\$20,000	\$0	\$20,000	\$80,000
Berlin Swidler et al	\$0	\$0	\$0	\$0	\$20,000	\$0	\$0		\$20,000
Glover Park Group	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$40,000	\$40,000
<i>Subtotals</i>	<i>\$480,000</i>	<i>\$60,000</i>	<i>\$60,000</i>	<i>\$180,000</i>	<i>\$180,000</i>	<i>\$180,000</i>	<i>\$120,000</i>	<i>\$380,000</i>	<i>\$1,640,000</i>

DuPuy and Paul Beeston of MLB's front offices, also included lobbyists Calautti and Schweitzer in order to "gauge the potential reaction on Capitol Hill".¹⁷

After the November 6, 2001, announcement to contract two franchises (possible candidates included Montreal, Minnesota, Toronto, Oakland, Florida, Tampa Bay, and Anaheim), the House Judiciary Committee responded, with Rep. Conyers sponsoring a bill to remove the antitrust exemption over matters of franchise location. The committee grilled Commissioner Selig during hearings concerning the plan, threatening to revoke the exemption in order to get MLB's attention. Months later, the ever-vigilant Senate Judiciary Committee held hearings on a complementary bill sponsored by Minnesota's Senators Wellstone and Dayton. Working to protect their Minnesota Twins, the senators, along with Congressional delegations from other states, chastised MLB for its contraction plans. The two admonishments before Congressional committees eventually contributed to the abandonment of contraction in favor of relocation.¹⁸

MLB appears to have increased their political contributions during this period in order to gain favorable treatment. Later, when the contraction controversy quieted, such significant lobbying was no longer necessary.

Sometimes, a reverse lobbying situation has evolved between Congress and MLB. Attempting to bring a team to the Northern Virginia area, in October 2001, several Virginia members of Congress, including Senators George Allen (R) and John Warner (R) and Representatives Frank Wolf (R), Tom Davis (R) and Jim Moran (D):

... hinted in a letter to baseball commissioner Bud Selig that they, too, would take a second look at the league's antitrust exemption should he not support Northern Virginia's bid for a major league franchise. Davis...told reporters that he would do

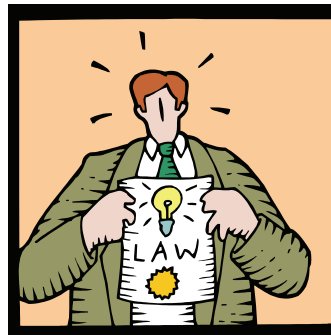
what it takes to keep the Minnesota Twins from folding--so that the team ultimately could be moved to Virginia.¹⁹

This action, built on an earlier promise to Senator Warner in 1995,²⁰ represented political opportunism for constituencies using baseball's antitrust immunity as leverage.

The above examples highlight how smaller constituencies fight the enormous monetary influence of MLB by appealing to their legislators regarding matters of MLB operations. Northern Virginia did not in the end receive a baseball team—partly because of the actions of Northern Virginia localities. However, numerous other examples show members of Congress using the antitrust exemption as leverage to protect fan interests in particular constituencies.



The regulatory environment for MLB has often spurred legislators to defend their constituencies with disproportionate influence. For example, in the 1995 Senate debates concerning the antitrust exemption, Senator Feinstein argued for maintaining the exemption in order to protect cities with teams in California, specifically San Francisco. In a court battle, MLB was able to thwart the sale of the Giants to a group of Florida investors looking to move the franchise to St. Petersburg, a situation that would not have occurred if MLB did not have an antitrust exemption. Senator Feinstein's vocal input for maintaining the exemption benefited fans in the Bay Area at the expense of those in northern Florida.



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¹⁷ Fainaru, "Expos for Sale".

¹⁸ Fainaru, "Expos for Sale".

¹⁹ Bailey, "Major League Donors".

²⁰ Lipton and Maske, "Aide Says Warner Cut Deal".

Losing this battle, however, motivated Florida Senators Bob Graham (D) and Connie Mack (R) to advocate for a repeal of the exemption.²¹ After contentious communications, Florida eventually received expansion franchises in Miami and Tampa Bay with the Marlins and Devil Rays, respectively. The exemption gave the Florida senators leverage to press MLB for expansion in the state, again a situation unlikely to occur absent the exemption. The keen awareness of MLB concerning Congressional actions, shown through its massive lobbying presence, creates this situation where legislators can directly influence MLB decisions concerning their constituencies by wielding the antitrust exemption as leverage.

MONTREAL, WASHINGTON, AND REPRESENTATION IN CONGRESS

As the above examples show, the presence of the antitrust exemption has led to unusual intervention by Congress into matters of MLB, and has actually increased the input of fans into MLB operations for particular constituencies. Certainly, constituencies have



benefited in relation to the relative power their legislators yield on Capitol Hill. For two constituencies, however, the absence of representation in Congress has led to a lack of voice in the game. In-

deed, since the modern era of the business of baseball in the early 70's, only Montreal and Washington D.C. have suffered the loss of a franchise through the actions of MLB executives. Further, Washington D.C. had to overcome enormous struggles to get a new franchise in 2004. Through coincidence or correlation, neither region has a vote in Congress necessary to use as leverage for their interests.

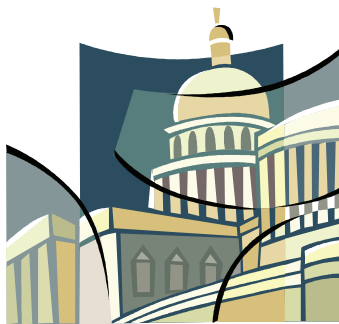
Though a fairly successful franchise with a score of young stars in the early '90s, the Expos had suffered financially since '94-'95, when, as they were 30 games above .500 and most likely heading for the playoffs, the players went on strike and the season was cancelled. Former Montreal Expos managing partner

Claude R. Brochu had reportedly tried to move the struggling franchise to Washington or Northern Virginia as early as 1999, but Commissioner Bud Selig blocked any such action.



Concerned about competitive balance in the game, Selig announced in 2001, after a 28-2 vote in favor, that two struggling MLB teams would be contracted for the 2002 season. Unable to complete the contraction in the midst of severe public criticism, Selig orchestrated the sale of the Expos to MLB owners, who collectively bought the franchise for \$120 million. The former Expos' owners were satisfied, however, because they received ten times their initial investment in the sale. After acquiring the team, Selig and MLB operated it for two years, having the Expos play some home games in Puerto Rico. Montreal fans became dejected, and on October 3, 2004, the Expos played their last game before a season high 31,395 fans.

While constituencies for other franchises on the short list for contraction in 2001 such as Minnesota, Florida, and Tampa Bay possessed vocal Congressional delegations to protect their interests, as a Canadian team, Montreal had no such representation in the U.S. Congress. For Montreal, no senator or representative could make an impassioned speech or work a backroom deal using the antitrust exemption as leverage.



Washington, D.C., has had an even more contentious baseball history. Having lost two franchises, most recently in 1971, the city could remember the difficulties in dealing with MLB. After the departure of the Senators in 1971, hearings were held under the chairmanship of California Democrat B.F. Sisk for the purposes of persuading MLB to locate another expansion franchise in the city. Though the Sisk Committee had expanded

(Continued on page 11)

²¹ Duquette, *Regulating the National Pastime*, 184.

(Continued from page 10)

influence into other matters, no legislation came of the work.

For over 30 years, Washington existed without a franchise, until its name appeared as a possible candidate for the relocated Expos in 2001. Although one of the largest markets in the nation, Washington had not received a baseball franchise. Among other impediments, Baltimore Orioles owner Peter Angelos insisted that such a franchise would cause severe financial damage to his neighboring Orioles. MLB dragged several cities, including Washington, D.C., Norfolk, VA, Portland, OR, Monterey, Mexico, Las Vegas, NV, and the Northern Virginia region through an extended selection process over the course of four years. Some commentators speculated that the alternate selection sites were simply used to bid up the price for Washington, D.C., as all had to agree to build a new stadium with public funds to house the relocated team. More likely, however, the grueling process showed the contentious nature of franchise relocation among the owners, especially in appeasing Angelos.

While areas like Northern Virginia had Congressional delegations to pressure MLB, no voting voice existed in the Congress to tout the Washington site and apply pressure through Congressional hearings. Even still, on September 29, 2004, Washington officially received the relocated Expos, later renamed the Nationals. The passage of a stadium deal through the Washington, D.C., City Council in the winter of 2004 was an embroiled and contentious process, with the city

contributing a large portion of the reported \$500-600 million cost. MLB then sold the team, after a 17-month search, to a group headed by real estate investor Theodore Lerner for \$450 million—more than \$300 million more than the original purchase price by the MLB owners. Throughout this process, if Washington D.C. had voting representation in Congress, it may have used the Congressional stage to apply public or private leverage, possibly to get a better stadium deal or an expedited sales process. The contentious history of Washington and MLB mirrors the exemplary fate of Montreal, and represents contributory evidence for the importance of Congressional interaction in protecting fans' interests throughout MLB cities.

More Lobbying to Come ...

The Washington, D.C. environment, even after campaign finance reform, is replete with lobbying dollars from industries far and wide. MLB is no exception. During the 2005 steroid hearings, *Roll Call* magazine described in May 2005 how MLB lobbyists stormed Capitol Hill. Little doubt exists that Congress will continue its interest in MLB, and in turn the two organizations will continue their mutual interaction of necessity. Studying the recent history of MLB lobbying gives us insight into the personalities and tactics that will likely appear in the coming years.

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From the Editor

Attached to OTL is a new publication focused on minor league business of baseball which will be distributed to both the Business of Baseball and Minor League Committees, *The Farm Report*, edited by Anthony Salazar. We expect this to be a regular publication. This time around, Anthony looks at minor league affiliation shifts and the flight of minor league baseball from Canada.

We are always looking for contributions from our members to *Outside the Lines*. If you are working on any aspect of the business of baseball, we would like to share your research with the committee. In most instances, we will send your work past a peer reviewer who will provide both evaluation and suggestions. We are happy to assist with editing—heavy or light depending upon your needs.

The next issue of *Outside the Lines* will be come out in mid-January, with a final deadline for copy of January 7, 2007. Please contact me if you have research you would like to share.

John Ruoff
jruoff@bellsouth.net

Business of Baseball Committee

The Business of Baseball Committee co-chairs are Gary Gillette (GGillette@247Baseball.com) and John Ruoff (jruoff@bellsouth.net). Ruoff edits *Outside The Lines*.

The committee's website is at <http://www.businessofbaseball.com>. The Committee's discussion group, Businessof-Baseball, is on YahooGroups. If you are a member of the Committee and want to join, go to <http://sports.groups.yahoo.com/group/BusinessofBaseball/> or send an e-mail to [Business of Baseball-subscribe@yahoo.com](mailto:BusinessofBaseball-subscribe@yahoo.com).

Thank You to Our Contributor

[Erik Porse](#)

Outside the Lines is published quarterly. Contributions should be sent to jruoff@bellsouth.net.

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THE FARM REPORT

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BE SURE TO CHECK OUT:

- The new Minor League Baseball affiliation charts and look for your favorite team
- Attendance figures for the 2006 season, by league and the top five teams by average and total
- Mapping the Canadian flight to the US
- Really cool baseball artwork



MINORS COMPLETE AFFILIATE SWITCH FOR NEXT TWO YEARS

The dance is over – at least for the next two years. The dance is a biennial process between major league clubs and the minor league teams where players are developed to support the parent franchise.

For the next two years, minor league teams will continue to feed the parent organization and develop the farm hands until the players are ready for the “Show.”

There were a number of affiliation changes. The major league team initiated some and the minor league club, shopping around, initiated others. There were a few surprise affiliation-switches after partnering for many years.

For some major league teams, the switch brings their minor league clubs closer to the parent organization.

In major Triple A news, the New York Yankees are leaving Columbus, hooking up with Scranton/Wilkes-Barre. This move was precipitated by the Philadelphia Phillies partnering with the Ottawa Lynx, a team that will re-locate to Allentown, PA, following the 2007 season. After a partnership lasting many years, the Baltimore

Orioles have signed with Norfolk, VA, a former affiliate of the New York Mets. The Mets signed with New Orleans, while the Washington Nationals signed Columbus.

Be sure to check out the affiliation charts from the various leagues throughout this issue.

Affiliate	2006 Team	New Team
High Class A		
Bakersfield	Rangers	Rangers
Brevard County	Brewers	Brewers
Daytona	Cubs	Cubs
Frederick	Orioles	Orioles
Fort Myers	Twins	Twins
High Desert	Royals	Mariners
Inland Empire	Mariners	Dodgers
Kinston	Indians	Indians
Lake Elsinore	Padres	Padres
Lancaster	D-Backs	Red Sox
Lynchburg	Pirates	Pirates
Modesto	Rockies	Rockies
Myrtle Beach	Braves	Braves
Potomac	Nationals	Nationals
Rancho	Angels	Angels
Salem Avs	Astros	Astros
San Jose	Giants	Giants
Sarasota	Reds	Reds
Stockton	A's	A's
Vero Beach	Dodgers	Devil Rays
Visalia	Devil Rays	D-backs
Wilmington	Red Sox	Royals
Winston-Salem	White Sox	White Sox

ATTENDANCE AT MINOR LEAGUE GAMES REACH ALL-NEW HIGH

For the third consecutive year, Minor League Baseball reach record heights in attendance. A total of 41,710,357 fans went to the ballgame in minor league towns. The figure is up 377,078 fans from the 2005 season's 41,333,279. In 2004, minor league ball drew 39,887,755 fans. The 2004 figure broke records that stood over 50 years.

Totals include figures from 176 teams in 14 affiliated leagues, including the Triple A Mexican (Pacific) League.

The Pacific Coast League led all leagues with 7,413,505 fans. The International League came in next with 6,416,200 fans. See attendance chart on page 5 for more details.

O CANADA, CANADA! WHEREFORE ART THOU CANADA?

BY ANTHONY SALAZAR

For the past several seasons, our neighbors to the North have witnessed a migration of their baseball teams. Since the 1999 season, Canada has lost the Vancouver Canadians, the Calgary Cannons and the Edmonton Trappers.

The Canadians moved to greener pastures in Sacramento. The Cannons became the Albuquerque Isotopes—the former Albuquerque Dukes moved to Portland to become a new generation of the Beavers. The Trappers found a deal with Round Rock, Texas, too good to pass up and became the Express, a Nolan Ryan property.

Now, Canada faces yet another club departure as the Ottawa Lynx are slated to move to Allentown, PA, after the 2007 season. The club signed a new Player Development Contract (PDC) with the Philadelphia Phillies, with the major league team intending to have their Triple A affiliate close to home in 2008.

With the demise of the Lynx, the Triple A baseball in Canada will cease. Though the Vancouver Canadians re-surfaced as a short-season Single A affiliate of the Oakland A's in the Northwest League.

Independent baseball remains in Canada with Northern League teams in Winnipeg, Calgary and Edmonton.

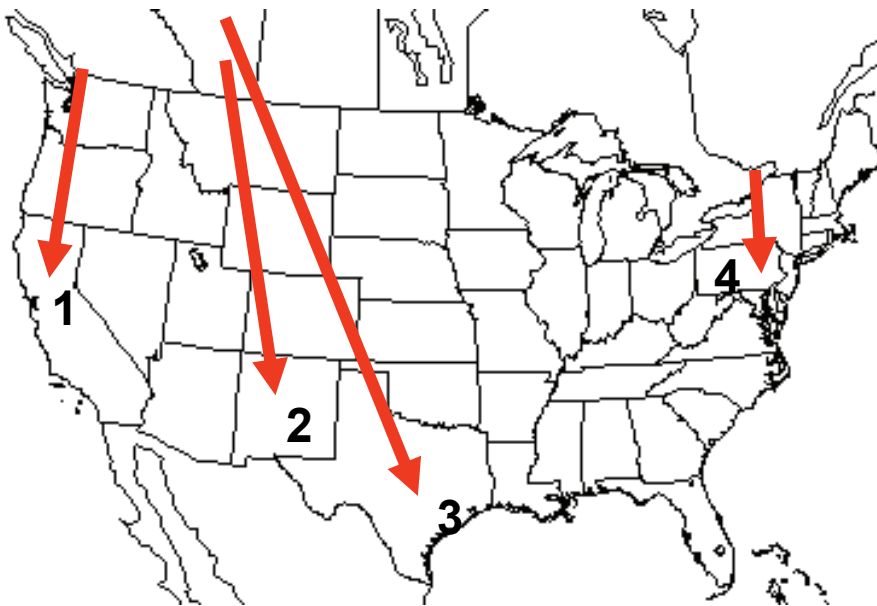
The sole major league team is, of course, the Toronto Blue Jays.

Arguments have been made as to why Canadian baseball, in a sense, failed. (The failure of the Canadian Baseball League is another story.) Geographic isolation, the difficult travel schedule and the aging facilities certainly contributed. The main problem, however, was declining attendance. The cities simply could not support the teams.

It is perhaps no coincidence that three former Canadian clubs were leaders in Minor League Baseball (MiLB) attendance this year. Check the attendance charts located within this issue.

Baseball in Canada has seen better days. It could only be hoped that Northern League teams have a better go at it than their MiLB counterparts.

Going, Going....South!



	OLD TEAM	NEW TEAM	DATE MOVED
1	Vancouver Canadians	Sacramento RiverCats	1999
2	Calgary Cannons	Albuquerque Isotopes	2002
3	Edmonton Trappers	Round Rock Express	2005
4	Ottawa Lynx	Allentown, PA	2008

Affiliate	Team	New Team
Class AAA		
Albuquerque	Marlins	Marlins
Buffalo	Indians	Indians
Charlotte	White Sox	White Sox
Colorado Springs	Rockies	Rockies
Columbus	Yankees	Nationals
Durham	Devil Rays	Devil Rays
Fresno	Giants	Giants
Indianapolis	Pirates	Pirates
Iowa	Cubs	Cubs
Las Vegas	Dodgers	Dodgers
Louisville	Reds	Reds
Memphis	Cardinals	Cardinals
Nashville	Brewers	Brewers
New Orleans	Nationals	Mets
Norfolk	Mets	Orioles
Oklahoma	Rangers	Rangers
Omaha	Royals	Royals
Ottawa^	Orioles	Phillies
Pawtucket	Red Sox	Red Sox
Portland	Padres	Padres
Rochester	Twins	Twins
Round Rock	Astros	Astros
Sacramento	A's	A's
Salt Lake	Angels	Angels
Scranton/W-B	Phillies	Yankees
Syracuse	Blue Jays	Blue Jays
Tacoma	Mariners	Mariners
Toledo	Tigers	Tigers
Tucson	D-Backs	D-Backs

BEHIND THE SCENES IN THE MINORS:

An Interview with Jason Klein of Plan B. Branding

By Anthony Salazar

Jason Klein and business partner Casey White of **Plan B. Branding** have created quite a buzz throughout the country with their fun and innovative logos for a number of minor league teams. Their branding services have produced profitable results for their clients. *THE FARM REPORT* caught up with Jason Klein to talk about the more creative side of minor league baseball business.

Does the club come to you and say, "We need a new image, can you help us out?" Or do you go to them tell them, "We have some ideas that might freshen your look a bit?"

Generally, clubs come to us with a business problem:

1. Attendance is falling;
2. Sponsorship sales are falling;
3. Retail sales are falling; or
4. Team is up for sale, and management wants to increase the team's worth

Sometimes attendance is down, and the team wants to communicate: "Hey, we have a new ballpark experience here!" So, not only do we develop their identity, we provide custom ideas to improve their experience. This can be anything from developing rituals and traditions, to creating unique concession items, to selecting music and staff uniforms.

Remember, you can have the best logo in the world, but if fans don't have a great time, they won't buy your merchandise. When a fan buys a retail item, they're saying "This experience was great, I want a keepsake." Furthermore, wearing team apparel publicly makes the statement that your experience is worthy enough to identify with.

Plan B. Branding

I D E A S C O M P A N Y

How does your process begin?

As I mentioned, a brand is the sum total of all of the experiences people have with your club. We begin by visiting the team in their home town, meeting with fans, eating at local restaurants — becoming honorary citizens. We want a firsthand account of local traditions, icons, stories, and the community's personality. We tour the city, absorb the city's color palate, meet with mayors, visit local history museums — anything we can do to immerse ourselves in the community's heart and soul. Then we collaborate with the club on fresh ways to tell the community's story through the ballpark experience. People love being told stories — and they love their hometowns. The ballparks that connect these [things] see the biggest financial results.

Once you have established the relationship with the club, how do you decide what nicknames to consider? And how does the branding process continue from there? Use the Clearwater Threshers, the Philadelphia Phillies affiliate, as an example.

When we arrived in Clearwater, they were considering several names. Number one was the Beach Dogs, which people loved or hated, and the Sand Sharks, which kids liked but it wasn't aggressive enough. There were also the Barracudas and King Fish.

We decided to visit the Clearwater docks to ask local fishermen what they're pulling out of the water. One fisherman told us about this mysterious shark with a long tail the beats it's prey to death — a Thresher shark. We thought, "That's COOL!" From that point we developed the whole Florida/Ocean experience. We launched the brand by covering the city with billboards that just said, "Clearwater

See Plan B, page 4

Plan B, from page 3

of tourism received phone calls from concerned citizens. Before the team even had a name, they were part of Clearwater pop culture. It was fantastic.

Are there differences in approaches you use when a club wants a new name, versus the club that just wants a new look? I'm thinking of the Tulsa Drillers, for example.

In Clearwater, we had to develop new rituals and traditions, icons and experiences from scratch — the brand was a blank canvas. Tulsa already had a heart and soul, traditions, heritage and even a theme song. The challenge was bringing everything together and communicating the experience and identity in a clear way. Tulsa is the “Original Oil Capital of the World”... oil tycoons, Cadillacs with bull horns, and the mighty pursuit of “Black Gold.” So the identity was made to look mythical and indus-

trial. We also produced gas-station attendant uniforms for staff members and resurrected a throwback line of 1950s "Tulsa Oilers" baseball apparel.

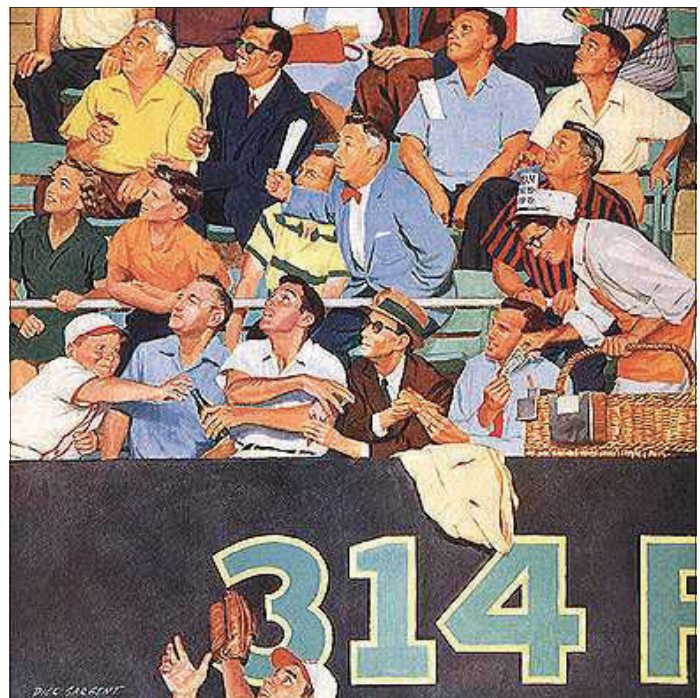
What other minor league clubs have you helped re-brand, and how successful were those projects? Are there more teams in the pipeline?

We're currently collaborating with 6 franchises on their new looks including Boise and Lakeland. To date, we've developed fresh identities for the Clearwater Threshers, Tulsa Drillers, Swing of the Quad Cities, Fresno Grizzlies, West Virginia Power, Harrisburg Senators and State College Spikes. All of these clubs set franchise retailing and attendance in one year of collaborating with us. We're also collaborating with many more clubs who simply want to enhance their experience.

Thanks, Jason. We appreciate you taking the time to spend with us! Good luck on your future projects.

For information on Plan B. Branding, check out their website at: www.PlanBBranding.com

Affiliate	2006 Team	New Team
Class AA		
Akron	Indians	Indians
Altoona	Pirates	Pirates
Arkansas	Angels	Angels
Binghamton	Mets	Mets
Birmingham	White Sox	White Sox
Bowie	Orioles	Orioles
Carolina	Marlins	Marlins
Chattanooga	Reds	Reds
Connecticut	Giants	Giants
Corpus Christi	Astros	Astros
Erie	Tigers	Tigers
Frisco	Rangers	Rangers
Harrisburg	Nationals	Nationals
Huntsville	Brewers	Brewers
Jacksonville	Dodgers	Dodgers
Midland	A's	A's
Mobile	Padres	D-Backs
Montgomery	Devil Rays	Devil Rays
New Britain	Twins	Twins
New Hampshire	Blue Jays	Blue Jays
Portland	Red Sox	Red Sox
Reading	Phillies	Phillies
San Antonio	Mariners	Padres
Springfield	Cards	Cards
Tennessee	D-Backs	Cubs
Trenton	Yankees	Yankees
Tulsa	Rockies	Rockies
West Tenn	Cubs	Mariners
Wichita	Royals	Royals

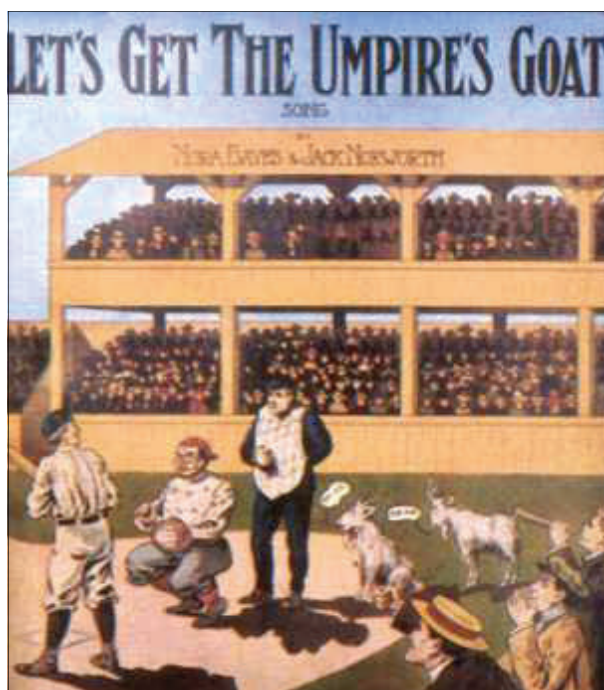


MILB ATTENDANCE SETS RECORDS IN 2006

TOTAL ATTENDANCE BY LEAGUE	
LEAGUE	TOTAL ATTENDANCE
Pacific Coast League	7,413,505
International League	6,416,200
Eastern League	3,812,907
Mexican League	3,803,467
Sally League	3,795,550
Midwest League	3,298,095
Texas League	2,842,013
Southern League	2,445,800
NY-Penn League	1,751,967
Carolina League	1,601,427
California League	1,573,718
Florida State League	1,078,123
Northwest League	893,821
Pioneer League	661,624
Appalachian League	322,140

TOP TEN ATTENDANCE BY AVERAGE	
TEAM	TOTAL AVERAGE
1. Monterrey Sultans (MXL)	17,990
2. Saltillo Sarape Makers (MXL)	10,634
3. Sacramento River Cats (PCL)	10,256
4. Memphis Redbirds (PCL)	9,752
5. Round Rock Express (PCL)	9,412
6. Pawtucket Red Sox (IL)	9,288
7. Louisville Bats (IL)	9,192
8. Buffalo Bisons (IL)	8,810
9. Potros de Tijuana (MXL)	8,735
10. Dayton Dragons (MWL)	8,447

TOTAL ATTENDANCE BY TEAM	
TEAM	TOTAL ATTENDANCE
1. Monterrey Sultans (MXL)	989,454
2. Sacramento River Cats (PCL)	728,227
3. Memphis Redbirds (PCL)	692,426
4. Round Rock Express (PCL)	677,706
5. Louisville Bats (IL)	652,692
6. Pawtucket Red Sox (IL)	613,065
7. Buffalo Bisons (IL)	607,929
8. Dayton Dragons (MWL)	582,903
9. Albuquerque Isotopes (PCL)	581,308
10. Frisco RoughRiders (TL)	580,480



Affiliate	2006 Team	New Team
Low Class A		
Asheville	Rockies	Rockies
Augusta	Giants	Giants
Beloit	Twins	Twins
Burlington	Royals	Royals
Cedar Rapids	Angels	Angels
Charleston	Yankees	Yankees
Clinton	Rangers	Rangers
Columbus	Dodgers	Devil Rays
Dayton	Reds	Reds
Delmarva	Orioles	Orioles
Fort Wayne	Padres	Padres
Great Lakes	D-Rays	Dodgers
Greensboro	Marlins	Marlins
Greenville	Red Sox	Red Sox
Hagerstown	Mets	Nationals
Hickory	Pirates	Pirates
Kane County	A's	A's
Kannapolis	White Sox	White Sox
Lake County	Indians	Indians
Lakewood	Phillies	Phillies
Lansing	Blue Jays	Blue Jays
Lexington	Astros	Astros
Peoria	Cubs	Cubs
Quad Cities	Cards	Cards
Savannah	Nationals	Mets
South Bend	D-Backs	D-Backs
West Michigan	Tigers	Tigers
West Virginia	Brewers	Brewers
Wisconsin	Mariners	Mariners

The Farm Report: The Business of Minor League Baseball

Anthony Salazar, Editor

The Farm Report: The Business of Minor League Baseball is a newsletter published quarterly by the Society for American Baseball Research (SABR). Inquiries and submissions should be directed to Anthony Salazar at salazar8017@yahoo.com.

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The Business of Minor League Baseball

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EDITORS NOTE

Greetings! This is the first issue of **The Farm Report: The Business of Minor League Baseball**. Actually this is more like a resurrection of a previous model that had been let go by the wayside a few years ago when I got busy with other SABR committees. For those of you who do not know me, hello. I'm Anthony Salazar and I chair the Latino baseball committee and edit its publication, **La Prensa del Béisbol Latino**. As it so happens, I have a very profound interest in the minor leagues and its business aspects. By education, I'm an social and urban historian and find the rise of baseball in small town America a fascinating study.

The business of minor league baseball is an interesting proposition, I think, because it touches on two very central SABR committees: the Business of Baseball committee and the Minor League committee. This is why the publication will be distributed to both entities. I trust that what you read, and will continue to read, will provide noteworthy information and entertainment to you. Please feel free to submit contributions, otherwise I will continue to publish articles I find interesting. To submit articles, email me at: salazar8017@yahoo.com. Thanks!

