

Picked Off? Baseball Players Union Files Grievance Against MLB Teams Regarding Revenue-Sharing

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According to recent reports by the [New York Post](#) and the [Tampa Bay Times](#), the Major League Baseball Players Association – the union that represents major league baseball players – has just filed a grievance against four teams regarding revenue sharing. The collective bargaining agreement (CBA) between the players and owners governs the use of revenue-sharing. The grievance specifically targets the Pittsburgh Pirates, Tampa Bay Rays, Oakland Athletics, and Miami Marlins, and it apparently revolves around allegations that those teams are not spending enough money they get from revenue-sharing in free agency. A report from the Tampa Bay Times states: “Teams are required to spend their revenue-sharing money to improve the on-field product, according to terms of the collective bargaining agreement, though not necessarily on their major-league payroll ... It comes after an unprecedentedly slow winter market for free agents, with speculation from players and agents about collusion among teams, and some suggestions that the union leadership may have been complicit for agreeing to some of the terms in the most recent CBA. It is not clear what the result of the grievance could be even if the teams were found to be in the wrong, as the union wants some form of compensation for players that were not signed.” There have been reports by [ESPN](#) and [others](#) recently indicating that “slow” signings in free agency this winter have caused some consternation on the players’ side. It appears the issue is coming to a head. To the extent the grievance proceeds to arbitration and an arbitrator finds that the teams at issue violated the CBA, this could hamstringing teams’ flexibility moving forward with respect to using revenue-sharing funds. Based on reports, some teams receive tens of millions of dollars each season from the program. Accordingly, this serves as a reminder that employers should carefully evaluate any proposals by unions to have provisions in CBAs that may put limits on how the company uses funds and/or runs its operation before agreeing to such clauses.

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