

## SPORTS

## 'Economics of Playing Without Fans in Attendance'

## MLB projects \$640K per game loss with no fans

NEW YORK, May 18, (AP) — Major League Baseball has told players their prorated salaries would contribute to an average loss of \$640,000 for each game over an 82-game season in empty ballparks, according to a presentation from the commissioner's office to the union that was obtained by The Associated Press.

Painting a picture of a \$10 billion industry shuttered by the contagion, the 12-page document titled "Economics of Playing Without Fans in Attendance" and dated May 12 was an initial step in negotiations aimed at starting the delayed season around the Fourth of July.

Teams say the proposed method of salvaging a season delayed by the coronavirus pandemic would still cause a \$4 billion loss and would give major league players 89% of revenue.

They contend they lose more money with each additional game played. The players' union, however, believes clubs would lose less money with more games. In addition, many teams and/or their owners have stakes in their regional sports network that would benefit from additional games.

Owners voted Monday to propose salaries be based on a 50-50 split of revenue, a framework players say is tantamount to the kind of salary cap they will never accept. Teams gave the players' association their virus-testing plan Friday and have waited to make their economic proposal.

The New York Yankees alone would have \$312 million in local losses when calculating their earnings before interest, taxes, depreciation and amortization. New York's figure includes about \$100 million toward the bonds that financed new Yankee Stadium, money that already has been paid for 2020.

The Los Angeles Dodgers were at \$232 million in local losses, followed by the New York Mets at \$214 million, Chicago Cubs at \$199 million and Boston Red Sox at \$188 million.

Detroit would have the lowest negative EBITDA - an accounting measure used to assess profitability - at \$84 million, with Baltimore at \$90 million, and Pittsburgh and Tampa Bay at \$91 million each. Figures exclude distributions from the central office, which projects to collect \$1.34 billion in media revenue.

The figures were calculated by MLB and its clubs, and the frequently skeptical union already has requested a slew of documents from MLB.

MLB said 2019 revenue was 39% local gate and other in-park sources, followed by 25% central revenue, 22% local media, 11% sponsorship and 4% other.

Teams fears a second wave of the coronavirus would devastate finances if renewed government restrictions cause cancellation of the postseason, which brings in \$787 million in media money. The document details who pays what: \$370 million by Fox, \$310 million by Turner, \$27 million by ESPN, \$30 million by the MLB Network and \$50 million from international and other.

Teams project to increase their debt from \$5.2 billion last year to \$7.3 billion in 2020, leaving most clubs out of compliance with the labor contract's debt service rule.

MLB's central office increased debt by \$550 million to support clubs and is seeking \$650 million more credit. MLB said many teams do not have

the capacity to add more debt to fund losses in 2021.

MLB and the union agreed to a March 26 deal in which players would get a prorated share of their salaries during a shortened season. As part of the agreement, \$170 million in salaries are being advanced through May 24. If the season is scrapped, players are guaranteed service time equal to what they accrued in 2019, a key to gaining eligibility for salary arbitration and free agency.

Now that plans have been formulated to possibly start the season in early July in disinfected stadiums with no gate revenue, at least at the start, MLB says the current economics are not feasible. Players have said they already made a deal and see no need for change.

But that deal is contingent on playing in front of fans at regular-season ballparks. The agreement committed both sides to "discuss in good faith the

## BASEBALL

economic feasibility of playing games in the absence of spectators or at appropriate neutral sites."

Players traditionally have questioned team accounting on what counts as a baseball revenue or expense. Cincinnati pitcher Trevor Bauer speculated this week over whether an owner could increase prices of a parking garage near the ballpark the owner also controls and generate money that would not be included in the club accounts.

Since the start of revenue sharing 25 years ago, MLB repeatedly has said team accounting is monitored and follows strict rules.

Still, for all the questions, the presentation does detail the pandemic's financial destruction.

Revenue from regional sports networks drops in proportion to the lost games, from \$2.3 billion to \$1.2 billion and an average of \$980,000 per game for both teams, according to the projection. Teams fear some additional losses because the regional networks will have to give up games to Fox and ESPN to fulfill national contracts. MLB said rights holders have already reserved rights to stop payments or demand refunds if agreed to inventory is not delivered.

Player salaries under the March 26 deal average \$1.67 million per game for both clubs. MLB projects overall local revenue at \$1.23 billion a game for both teams and cost at \$1.87 million.

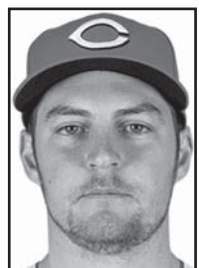
MLB headed into the season projecting \$9.967 billion in revenue, including \$7.548 billion at the local level, according to the presentation.

Expenses totaled \$10.234 billion: \$4.366 billion for major league player compensation, \$198 million for pensions and benefits, \$537 million to sign amateurs, \$4.73 billion in local expenses and \$403 million for the central office.

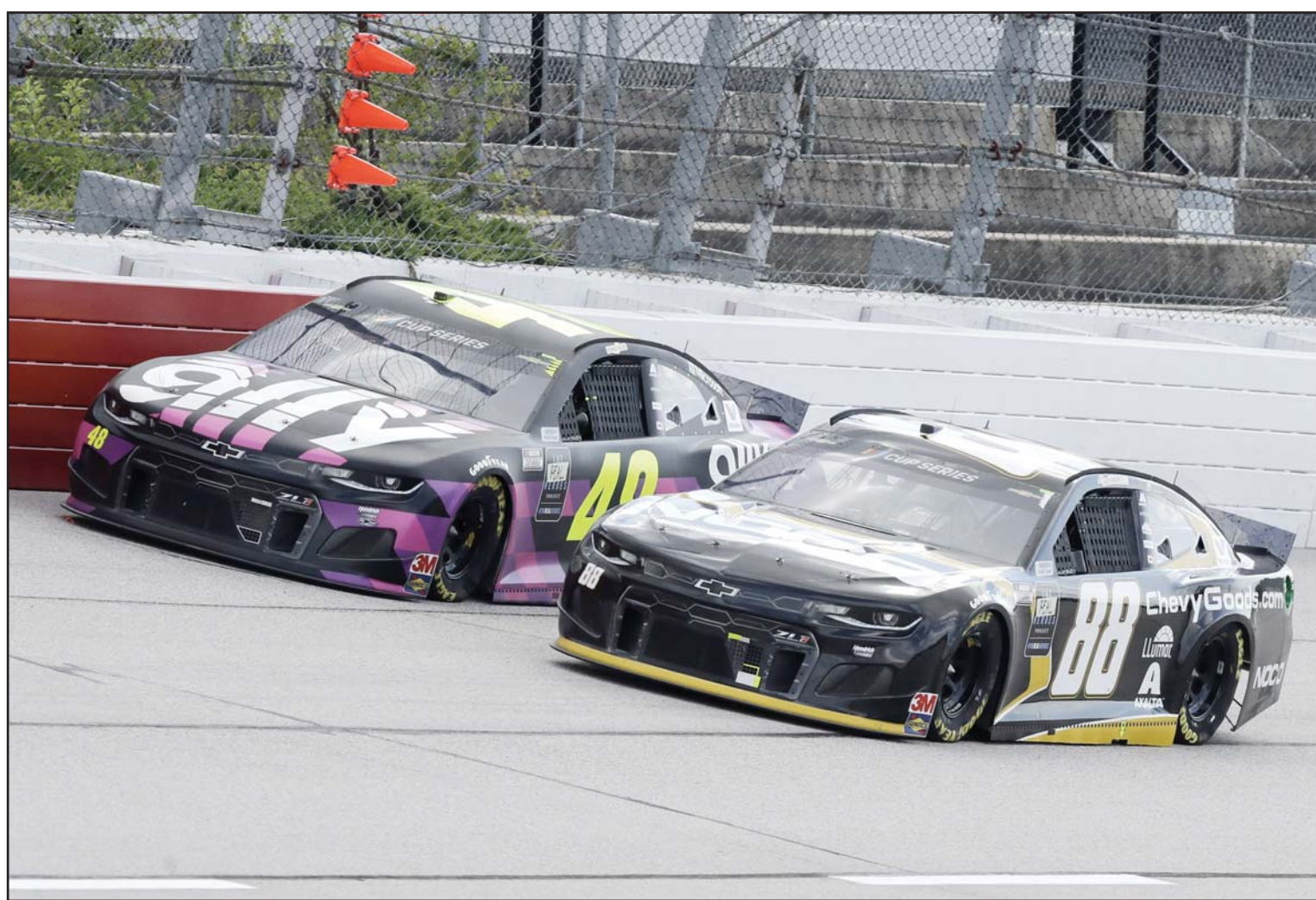
That left MLB with a projected EBITDA of \$143 million after stadium depreciation and noncash add backs. Free cash flow was predicted at negative \$95 million after interest expenses, mandatory principal payments and non-baseball income and losses, but excluding capital improvements. MLB says EBITDA has been within \$250 million of break-even annually since 2010.

Under the newly developed plan, MLB projects revenue at \$2.87 billion, including \$1.522 billion at the local level.

Expenses drop to \$6.819 billion: \$2.36 billion for major league player compensation, including salaries, prorated shares of signing bonuses, termination pay and buyouts of declined options.



Trevor Bauer



Jimmie Johnson (48) and Alex Bowman (88) come down a straightaway during the NASCAR Cup Series auto race on May 17, in Darlington, South Carolina. (AP)

## Harvick 'wins' at Darlington as NASCAR returns to racing

Bowman settles for 2nd place, Busch in 3rd

**DARLINGTON, South Carolina, May 18, (AP):** This was a 400-mile drive unlike any other in modern day NASCAR.

The grandstands were completely empty. There wasn't a single tailgate inside the track. Everyone wore face coverings - some with the team logos, others opting for plain disposable medical masks. It was nothing close to the corporate sponsorship, pomp and patriotic traveling circus that symbolizes NASCAR.

But when the engines fired at Darlington Raceway following a 10-week layoff during the coronavirus pandemic, it turned into a regular old race.

Kevin Harvick beat Alex Bowman to win NASCAR's first race back, a spectacle closely watched to see if the largest motorsports series in the United States could successfully return to the track.

"I just want to thank everybody from NASCAR and all the teams for letting us do what we do," Harvick said. "I

## CAR RACING

didn't think it was going to be that different, then we won and it's dead silent out here. We miss the fans."

It was a crucial gamble for NASCAR, which had to get back to the track to stave off financial ruin. With races on hold, no money was coming into the sport whatsoever and the NASCAR business model can not sustain the lack of revenue.

NASCAR developed a health plan approved by officials in both South Carolina and North Carolina and scheduled seven races over the next 11 days at two tracks. As other states began to open, the series tacked more races to fill the calendar with 20 events across seven Southern states between now and June 21. There will be no spectators at least through that date.

This first event was called the "The Real Heroes 400" and dedicated to health care workers fighting the coronavirus pandemic. The names of health care workers across the country were substituted for the drivers' name above the door on each of the 40 cars.

Harvick's car honored Dr. Joshua Hughes, an emergency medicine physician in the Charlotte area.



Kevin Harvick celebrates after winning the NASCAR Cup Series auto race on May 17, in Darlington, South Carolina. (AP)



Kevin Harvick (4) makes a pit stop during the NASCAR Cup Series auto race on May 17, in Darlington, South Carolina. (AP)

"Josh is one of my really good friends, I spend a lot of time talking to him through this pandemic and really have heard how those doctors are affected with everything they have going on with their personal life and whether they're sick, not sick, how they should treat people," Harvick said. "I'm just really honored and really thankful for all of our front line workers, not only our doctors, but grocery stores, truck drivers, fire fighters, police departments - you name it."

"All of you front line workers are the reason that we're here today and our country is actually still running."

The health care workers then virtually gave the command to start the engines.

"Our drivers, race teams and officials have been eagerly awaiting the opportunity to get back to the race track and we want to assure you that we have taken the return to racing very seriously," NASCAR President Steve Phelps wrote in a letter to fans released Sunday morning.

The industry had to be extremely careful because to even get to the Coca-Cola 600 next week at Charlotte Motor Speedway, NASCAR had to get it right at Darlington.

Steve O'Donnell, executive vice president of NASCAR, was pleased with the collective effort from the industry.

"We didn't have to tell anyone or remind anyone to wear a mask," O'Donnell said. "It felt a little odd with the garage area because it was scaled down in terms of personnel, but all in all I think it went really well."

Teams were required to submit rosters in advance with only 16 members allotted per car. Names were on a list at a checkpoint at the end of a gravel road just off Harry Byrd Highway and everyone who passed through had their temperature checked and logged before they could enter.

NASCAR did not have to turn anyone away, and all 40 drivers were cleared to race. NASCAR has declined to do COVID-19 testing to ensure those tests go to those in need, but competitors are supposed to log who they come into contact with, not return to the race shop after being at the track and continue to follow CDC guidelines on social distancing.

Among those to make it inside were Ryan Newman, back for the first time since he suffered a head injury exactly three months ago in a wreck on the final lap of the Daytona 500. Newman missed only three races because of NASCAR's shutdown and finished 15th in his return.

Also in the field was Matt Kenseth, who at 48 was the oldest driver at Darlington and he raced for the first time since the 2018 season finale. Kenseth was brought out of retirement by Chip Ganassi when Kyle Larson was fired for using a racial slur during an iRacing event that kept NASCAR occupied when racing was on hold. Kenseth finished 10th.

The odd and empty setting was the backdrop for some typical NASCAR mishaps. Seven-time champion Jimmie Johnson crashed while leading on the final lap of the first stage, a better result than poor Ricky Stenhouse Jr., who barely made it out of the second turn before he crashed.

Stenhouse never finished a single lap and finished last.

And even without fans allowed on the property, a small grass fire still broke out behind a section of the track. Gray smoke billowed during a caution, which isn't that odd a sight at a NASCAR race.

Bowman, who signed a one-year contract extension with Hendrick Motorsports on Saturday, was second. Kurt Busch, winner of the closest finish in Darlington history, was third for Ganassi.



In this May 27, 2013, file photo, Kansas City Royals bench coach Chino Cadahia (15) and St. Louis Cardinals first base coach Chris Maloney (37) exchange line-ups with home plate umpire Rob Drake (30) before a baseball game at Kauffman Stadium in Kansas City, Mo. (AP)

## NFL cornerbacks Baker and Dunbar released from jail after posting bond

FORT LAUDERDALE, Florida, May 18, (AP) — NFL cornerbacks DeAndre Baker and Quinton Dunbar were released from Broward County Jail on Sunday, a day after surrendering on felony charges stemming from a cook-out at a Miramar home.

Baker posted a \$200,000 bond after a Zoom hearing with Broward Circuit Judge Michael Davis. The New York Giants defender is charged with four counts of armed robbery with a firearm

## FOOTBALL

and four counts of aggravated assault with a firearm in the Wednesday incident.

Dunbar is charged with four felony counts of armed robbery. The Seattle Seahawks player posted a \$100,000 bond.

Baker and Dunbar were attending the cookout Wednesday night when a fight broke out, and Baker pulled out a handgun, the warrant said. Baker, Dunbar and two other men began robbing people of thousands of dollars, watches and other valuables, witnesses told investigators. The players' lawyers say they have witnesses who will clear them.

Baker was one of three first-round draft picks the Giants had last season. He was the 30th pick overall out of Georgia. He played in all 16 games, starting 15. He had 61 tackles and no interceptions.

Dunbar signed with Washington as an undrafted free agent out of Florida in 2015 and was traded to the Seahawks in March. He started 11 games for the Redskins last season, making 37 tackles and four interceptions.

## Millman back in practice after backyard tennis in pandemic

BRISBANE, Australia, May 18, (AP) — So, Millman went the social route, playing on backyard courts that belonged to people he sometimes was meeting for the first time.

"It was awesome - really good fun," he said. "I had a couple of lovely families that welcomed me in and allowed me to keep my eye in. It was really nice. Stuck to the (social distancing)

protocols, of course, so we were ticking all those boxes."

Chris Mahony, Queensland's National Academy manager, organized for 12 professional players including Millman to have fitness equipment

shipped to their homes and for them to maintain contact with trainers via digital and other means. He also organized a half-dozen courts owned by people from within the academy network where players could practice.

Then Millman widened the network to his fan base.

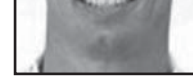
"I think Johnny said something in one of his newspaper articles and before he knew it, he had people contact-

ing him and offering courts," Mahony said.

With Australian authorities managing to contain the spread of the virus, the local lockdown is being eased gradually and some sports venues are reopening for practice.

So Millman and Co. were back at work on Monday in the shadows of Pat Rafter Arena.

The 30-year-old Millman has seen the highs of lows of being a tennis pro, from reaching the U.S. Open quarterfinals in 2018 after a win over then No. 2-ranked Federer that continued with his run into the Top 40 in the rankings, to playing in the lower tiers "for a couple of hundred bucks a round" after returning from surgeries.



Millman

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