

A Lazy Sunday with MLB FA and The BLC

Written by {ga=paulcousineau}

Sunday, December 12 2010 11:00 AM - Last Updated Sunday, December 12 2010 10:10 AM



The month of December for most couldn't be more hectic and quickly devolves into a game of "listen to how busy I've been". To wit, yesterday included a Santa trip with the boys and day-long shopping for The DiaBride (who threw her back out somewhere in there) and your humble host, followed by a holiday party, with today looking like the day to decorate the outside of the house nestled around the Browns' game before I need to start snow-throwing when the newest "Storm of the Century" arrives later tonight while catering to the needs of a wife with back trouble.

The net result of the month comes down to everyone over the age of 25 or so feeling perpetually tired and hungover, whether you've been drinking GLBC Christmas Ale or not. As much as I love the holidays (and, trust me, I do...particularly with a nearly-4-year-old who is lapping this stuff up), just when you think you have a moment to relax, turn on some Christmas music and look at the tree while enjoying an Anchor Steam Christmas Ale, life comes barreling at you because...well, because that's what happens this time of year, whomever you are and wherever you may be.

That is, of course, except for the folks at the corner of Carnegie and Ontario, whose winter has remained blissfully serene. Don't take that to mean that I wish that the Indians were going out and adding guys like Melky Cabrera and Jeff Francoeur (TO PLAY EVERY DAY... [seriously](#)), simply for the sake of adding players as I think I'm pretty firmly on the record that the quiet off-season was expected and is probably the best thing that the Indians could be doing is not much at all.

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While others in the media (who need not be mentioned because everyone knows to whom I refer) are quick to pounce on the Indians for their “inactivity”, playing down to their “audience”, other Tribe scribes are penning beautiful pieces about Rapid Robert (and [you should read this because Castrovince outdoes himself here](#)

) or simply

[passing along the activities \(and even the non-activities\) of the Tribe](#)

. As an aside on that second link (that you should all be already visiting), let us all now acknowledge that Jordan Bastian is the new go-to guy on the Tribe beat...and he's been on the beat for about a month, or 30 or so fewer years than a couple of his compatriots on the beat – [Statler and Waldorf...that's Ocker on the left, Ingraham on the right](#)

Nevertheless, just because I'm sniping because I'm tired and am feeling the effects of two of those Troegs' Mad Elfs creeping up on me and because most of the Tribe coverage has been much ado about nothing, that doesn't mean that there's nothing to discuss on this Laziest of Sundays. There's plenty to get to with the happenings of the Winter Meetings and (promising to get there once I get down off of my soapbox) how it affects the Indians and mainly, one Big League Choo.

And, after all of that, we are off...

If the lack of activity by the Indians in the off-season has allowed you to divert your gaze from MLB and the Winter Meetings, here's a little update on [the total spending on FA for each team](#) , with some of those numbers understated in terms of dollars that are going to be committed as the Yankees haven't yet signed Lee (and they will as [their offer on the table is nearly identical to what they gave CC](#)

, which was

[the largest contract ever given to a pitcher](#)

) and the Red Sox have not officially agreed to terms with Adrian Gonzalez...who really isn't a FA to begin with.

Starting with the first team mentioned there (and the Red Sox and Yankees really are getting absurd in this “can you top this” thing), there's [a great piece from Tom Verducci at SI](#) , who points out some startling disparities in payroll in MLB and how they relate to the Bronx Bombers. Perhaps the most accurate (and sickening) assertion in the piece comes when Verducci points out that the Yankees simply operate on a different plane and that the best hope that the other 29 teams in MLB have for the Yankees not to be the prohibitive favorite should come in...oh, about three years:

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"The only thing you can hope for with the Yankees," said one NL executive, "is that eventually adding years onto contracts leaves them with a very old and very expensive team." Most teams look for a window in which to win. In the Yankees, other clubs look for a window in which it's even imaginable that they could lose.

--snip--

The next such window -- at least under the old-and-expensive theory -- could be 2013. If New York signs Lee, three seasons from now they will be paying six players aged 32 through 39 more than the combined 2010 payrolls of three teams (Pirates, Padres and Athletics).

Yeah, really...but that's not the worst thing happening in MLB nor is the fact that the recently re-signed Jeter has already been paid \$205.43M (with at least \$51M more coming now) and recently re-signed Mo Rivera has been paid \$129.53M by the Yanks (with at least \$30M en route now), you start to see how the Yankees can do something that no other team can do – retain their homegrown talent at any cost.

Remember, that's NOT the worst thing to come out of these Winter Meetings...

No, the worst comes when you remember how the Yankees reacted to not making the playoffs in 2008, when they committed \$423.5M to CC, Tex, and AJ Burnett, "vaulting" them to another WS title in 2009?

Well, the Red Sox just missed the playoffs for the first time since 2006 and for the second time since 2003, so guess how they're approaching this off-season?



You obviously already know the answer to that, but if you're looking for the real superstars of the Winter though, you keep it right in the Northeast and the AL East with those Red Sox, who added Carl Crawford and Adrian Gonzalez to the offense that scored the 2nd most runs IN MLB

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last year and posted the highest OPS last year. By the way, [the Red Sox and Gonzalez have agreed to the parameters of “a seven-year, \\$154 million deal”](#)

...so that's \$296M committed to two players this off-season for the Sawx.

While the Crawford signing certainly put the “haves” and “have-nots” into clearer focus (as the Red Sox can now outbid even the Angels when they want to), the Gonzalez deal is the one that is most troubling to me as a baseball fan, in terms of the way that it clearly outlines the manner in which Boston is using every facet of player acquisition (and namely the draft [as I hit on here at Hitting the Fan last Sunday](#)

) to exploit the system to their advantage.

Truthfully, I'm not the only one who has caught onto this whole “working the system” strategy now under heavy employment by Boston, as [SI's Joe Sheehan puts all of the details out there](#) for this week's print edition:

Since 2005 the Sox have had 17 picks in the first and supplemental first rounds of the draft. Starter Clay Buchholz and reliever Daniel Bard, two key contributors to last year's team, were selected with compensation picks for the loss of free agents Pedro Martinez and Johnny Damon. In 2009 the Sox used two pitchers they had taken with compensatory draft picks, Nick Hagadone and Bryan Price, to trade for Victor Martinez—who will now bring back two more picks in the draft after signing with the Tigers as a free agent. (Boston will get two more 2011 picks for third baseman Adrian Beltre, who is expected to sign elsewhere as a free agent.)

Read that last parenthetical sentence and realize that the cycle has started in Boston to turning draft picks (and particularly ones that they pay overslot) into MLB players and adding more draft picks when the FA that they don't want anymore via the compensation system in place. While other large market teams flounder (Mets, Cubs, Dodgers, etc.) under the weight of their own misguided largesse, it would seem that Boston has figured out the system...meaning that it's only a matter of time before other large-market franchises with deep pockets follow suit and steepen the slope of the playing field even further.

On the topic of “large-market franchises”, by now you've read something that ridicules the Washington Nationals for signing a 32-year-old Jayson Werth to a 7-year deal worth \$126M. The consensus around MLB legitimately asked “what are the Nationals...the NATIONALS, doing here?”

Well, consider [what Tim Marchman asserted in a piece examining the signing](#) ...which he does still call “silly”:

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Washington is an extremely rich market. (The city is poor and small; the suburbs are neither.) By my preferred measure -- multiplying metro population by per capita income and dividing by the number of major league teams -- it is actually the third richest in baseball. This even understates things. On a scale where 1 is average and the New York teams are at 2.45, the Nationals are at 1.68. The next-best team, the Philadelphia Phillies, are at 1.38. The gap between the Nationals and the Boston Red Sox is larger than the gap between Boston and the Arizona Diamondbacks or Seattle Mariners.

With the Nationals, we're not talking about a small-market team, as most people assume because of the way they've spent in the past and their struggles since arriving in DC. Rather, what we're looking at a team in a like the Nationals (and the Rangers, who are waist-deep in this CP Lee thing) doing exactly what the Phillies did a couple of years ago and spending at a level (or promising to) commensurate with their population base. What we're seeing here is the continuation of big-market teams (and [the Nats and Rangers are both BIG markets if you'll remember from this](#)), playing in Top 10 population hubs with the Rangers being the 2nd largest one-team market in MLB) getting smart and taking advantage of the local media revenue that they can generate because of their larger market size and seeing that local media revenue trickle down to the payroll.

What does all of this mean for the Indians?

Watching all of this spending brings into clearer focus that the only way for the Indians (and other teams like them) is to draft or acquire young talent and watch it develop, as they did from 2002 to 2007 and as they hope to be in the midst of. Looking at the last "window of contention" (and I'm beginning to hate that phrase) incarnation and the one that is currently on the parent club or on the cusp of it, you can make the argument that they chose the wrong young talent to acquire in recent years if you'd really like...although it is premature to make those assertions and claim them as fact.

However, the fact is that this current MLB structure simply doesn't allow teams to build and maintain a consistent contender, particularly when a small percentage of teams can "work the system" or write off bad contracts that would otherwise weigh down most baseball clubs.

To wit, Carlos Pena has left the Rays for the North Side (in a great deal for the Cubs, by the way) with Matt Garza likely to follow via trade and those assumed losses this off-season led Jayson Stark to put them in the "loser" section of his Winter Meetings ["Winners and Losers"](#)

[piece](#), although the rationale for putting them there certainly doesn't elicit much confidence in MLB or "The System" in place going forward:

*We almost feel guilty putting the Rays on this "losers" list because **they've done just about everything right for three years, won two titles in the AL East and still were almost powerless to prevent The System from ripping apart one of baseball's most exciting teams.***

That would be a difficult lot in life in any division, but it's even more painful in the AL East, where building an 85-to-90-win team just earns you an October tee time.

Truthfully, that was bolded by me...but didn't we all see this coming in Tampa after we watched it happen in Cleveland from July of 2008 to this past August?

Nevertheless (and off of the soapbox), if you're looking for the immediate impact that these FA deals have on the Tribe, it is largely minimal as much as headlines like "Cleveland Indians leave Winter Meetings with Hands in Pockets and No Free Agents" from the hometown paper stir the lowest common denominator pot with an outboard motor (I love that phrase), but don't tell us anything that we didn't know going into the meetings.

Of course, in light of all of the FA signings, it would certainly seem to affect how young players approach signing away any FA years [as one NL exec told the NY Post's Joel Sherman](#), young players are going to look to maximize their full value via FA:

"If you are [NL MVP] Joey Votto and you see what [Jayson] Werth got and Crawford got, why would you ever sign now [with the Reds] rather than wait until free agency [after the 2013 season]?" an NL executive said.

"If you are [Florida ace] Josh Johnson and you signed an extension [four years at \$39 million] last year that is now so undervalued, how do you feel? I really think these young players might stop signing these deals."

Why is this relevant?

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Well, nearly the whole Indians team is young players who may not be too interested in signing away FA years given that riches could await them on the FA market, a practice that the Indians employed both in the early-to-mid-90s and the early-to-mid-00s, as they extended their young players, buying out years of FA eligibility from almost any player they approached as the security of the bird in the hand was seen by most players as ultimately more valuable than the allure of two in the bush.

More immediately (if tangentially) relevant to the current Tribe team, all of these FA dollars mean that you can say farewell to Choo after the 2013 season or likely sooner, as [Jon Steiner asserts in a very pertinent piece](#) to this topic, in which he reminds us (and this is important) that:

Right now, the Indians can sign Choo to a deal—for one year, two years, three years, six years, 142 yearas, whatever—so long as Choo agrees to the deal. No other team is allowed to do that. And if the team and Choo can't agree to a deal, then they go to arbitration for the next three seasons and pay Choo whatever some lawyer thinks he's worth.

All of these FA dollars are horrifying to see as a Tribe fan and interesting to compare to Choo in that it makes you appreciate how truly valuable he is; but it really isn't all that relevant in the here and now when looking at salaries and projecting that Choo is not long for Cleveland because of what happened last week in Orland. Reason being is that Choo is under the club's control until – say this with me, and this time with feeling – AFTER THE 2013 season.

So, Choo and Scott Boras can't simply demand what Crawford and Werth just received because...well, simply because that's not how this whole salary structure in MLB works.

Apologizing in advance for the giant cut-and-paste to [this terrific article from Baseball Prospectus](#), this pretty much lays out it out more clearly than I'm going to by paraphrasing:

For years, the Players Association executed a brilliant strategy. As free agency created market

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competition and poor payroll management, GMs would bid each other up and ink players to ridiculous contracts. In arbitration hearings, player-agents would make clear and convincing comparisons between their young stud and the mediocre talent with a ridiculously bloated contract.

*The result was devastating for management. Each bad contract sent ripples through the market and forced salaries up for everyone, all the way down to two-year veterans in their first salary arbitration hearing. As John Helyar writes in *The Lords of the Realm*, "They couldn't be free agents, but they could compare themselves to free agents. The rising tide of salaries in the open market would lift all boats."*

In the 1985 labor agreement, the owners were able to address that in part. The current CBA contains this clause: "The arbitration panel shall, except for a Player with five or more years of Major League service, give particular attention, for comparative salary purposes, to the contracts of Players with Major League service not exceeding one annual service group above the Player's annual service group."

In other words, Super Twos can be compared to Super Twos and three-year players, but not four-year players. Threes can be compared to other threes and fours, but not fives. The exception is that fives can compare themselves to anyone, just like free agents.

Again that last paragraph was bolded by me, but it clarifies why you can forget all of this talk about comparing Werth and Crawford to Choo and his arbitration situation and the deals they just inked because they're not allowed to compare them in the arbitration process. Are the contracts that Werth and Crawford signed pertinent to what Choo can ask for prior to his final season of Indians' control? Of course, because at that point, he and Boras "can compare themselves to anyone, just like Free Agents"...but that comes PRIOR to the 2013 season his last under club control.

However, he'll be paid for two seasons prior to that and if you want to know what to expect for the 2011 season, you have to go back to [the comparables that MLBTR put out there in September](#) and what those players received in their 1st year of arbitration eligibility:

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Three other outfielders (none of them super twos) match up reasonably well with Choo if you compare his stats to what they had accomplished heading into their first arbitration seasons. B.J. Upton (\$3MM), Josh Willingham (\$2.95MM) and Ryan Ludwick (\$3.7MM) all signed deals worth \$3MM or so for their first arbitration seasons.

--snip--

Choo doesn't head into arbitration with quite the same platform year that Ludwick did, but Choo will be coming off a second consecutive 20 homer, 20 steal season. A \$3.5MM payday in 2011 seems within reach.

If Choo is making \$3-4MM next year and is set to receive raises in 2012 and 2013, the Indians would likely have to be prepared to spend considerably to sign Choo for the next three seasons. Antonetti could go year to year, especially if it looks like Choo will have to serve in the South Korean military, but if the Indians do sign their right fielder for the next three years, it probably won't be for less than \$20MM.



That still stands as correct today (regardless of what you may read that contradicts it incorrectly) and the contracts that Werth and Crawford just signed don't change those comparables that were pointed out a few months back.

So...again, everyone get off the ledges and realize that Choo's probably going to get about \$4M next year (whether he goes to arbitration or they agree before going to arbitration), \$8M or so

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the year after that, and let's say \$12M to \$16M the year after that, when he CAN be compared to anyone, including players who have signed FA deals.

Those 3 guesses at a salary come between \$24M to \$28M and if Nick Markakis is the best comparison (as is asserted in the MLBTR piece linked above, but not mentioned in the excerpt because he signed an extension), he got 3 years and \$20M in his three arbitration years as part of his extension that did buy out 3 FA years. If you'll remember a while back, I proposed [signing Choo to an extension that front-loaded or at least evened out what he would earn in his arbitration years](#)

with the idea that more money upfront would garner enough goodwill for a big club option to be placed out there in the 2010 season...that whole "bird in the hand" idea that the Indians have used for the last 20 years.

What I mean by that (and adjusting my previous numbers) is that the Indians would have offered Choo \$9M to \$10M each of the next three years instead of using an escalating scale that arbitration relies upon with the idea that the extra \$5M or so in 2011 and \$2M or so in 2012 would buy enough goodwill from Boras and Choo to the point that they would agree to pin an option at the end of the deal because of more money and more security upfront in the deal.

With Boras being Werth's agent and seeing, first-hand, how easy it was to get the Nationals to commit a TON of money to a comparable player (and Choo after the 2013 season will be the same age as Werth is now), the chances of that now are basically gone.

That being acknowledged, you know where I'm at on this?

Let's see Choo earn this money from year to year by continuing to perform on the field...

We know all too well the events that can cause a player to regress or to lose significant time due to injury and if Choo and Boras are willing to pass on the security of a long-term deal and eschew an extension because of what they feel they can earn on the market three full seasons from now...well, have at it.

Remember how Ryan Ludwick was a comp for Choo in his first year of arbitration?

Well, after prior to his second year of arbitration, Ludwick had a poor year (.775 OPS) and, as a result, received "only" \$5.75M in his second year because arbitration doesn't take market

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factors and opposing bids into account, only those comparable players in terms of service time and performance. As a result, Ludwick wasn't allowed to introduce the deals signed by Matt Holliday or Jason Bay last off-season, because they weren't relevant to his situation. The same logic will apply to Choo's case this off-season and next off-season, depending upon what happen in terms of an extension.

Don't take all of this to mean that I'm rooting for Choo to be injured or to regress significantly to the point that he'll earn less in his arbitration years. However, after watching players get injured or regress to the point that they become overpaid as Indians who HAVE signed long-term deals, I'd actually take a little "we'll pay you what you earn" with Choo for a couple of years and let the onus of worrying about future performance sit in his lap and that of Boras.

The Werth and Crawford signings cemented the fact that he won't be here after the 2013 season (or probably at some point during it), but how Choo eventually exits – and again...he is under club control for another 3 years – may come down to whether other large market teams have followed the path blazed by the Red Sox in stockpiling draft picks and paying them overslot money to add a veteran piece or if a team like the Yankees or the Tigers or the Angels is simply ready to throw crazy money at a 32-year-old OF.

Because, after this off-season, both precedents have been set...