KEYNOTE ADDRESS BY ROB MANFRED Major League Baseball Chief Operating Officer

TO THE WORLD ANTI-DOPING AGENCY FOUNDATION BOARD SUNDAY, 18 MAY, 2014

MONTREAL, CANADA

Good morning and thank you for the invitation to be here with you this morning. I have to say there were points in time in our history that I would have bet against the possibility that somebody from Major League Baseball would be invited to speak here. In fact, some of you may recall an era where our communications with WADA were largely by means of unfriendly press releases. Fortunately, I think both of our organisations have changed and evolved, and ours has changed dramatically. I have to thank, in particular, David Howman for opening up a positive line of communication between WADA and Major League Baseball. Our ability to work with WADA and with Travis Tygart at USADA has made our programs dramatically better. I think that in professional sports, particularly North American professional sports, the fight against doping can sometimes be a lonely fight and it is very helpful to have allies and relationships that share not only knowledge, technical support and information, but also provide a level of collegiality that I think is extremely helpful to the effort.

I started at Major League Baseball in-house in 1998 and since that time our league has literally been transformed on the anti-doping issues. When I began, we did less than 50 drug tests a year, and none of those tests were for performance enhancing drugs. Our union was philosophically opposed to random urine testing and would not even discuss the possibility of blood testing. We actually had some of the most contentious collective bargaining sessions ever in the history of the sport over this topic. In contrast, in 2014 with our major and minor league programs, we will conduct more than 21,000 urine tests this year and we will collect in excess of 2,500 blood samples for hGH

testing. Every player in our Major League bargaining unit has at least one sample a year subjected to random IRMS analysis and we make the most extensive use of IRMS of any program in the world. We have a significant longitudinal profiling program in place; we believe it is the best in professional sports, and I think most people have recognized that we have the first and most sophisticated department of investigations designed to deal solely with performance enhancing drugs. We are proud of our program today and we do consider ourselves a leader among the North American professional sports with respect to the issue of anti-doping.

When I look back at our history I think a seminal moment was Commissioner Selig's decision to commission what has become known as the Mitchell Report. I personalize the decision to engage Senator Mitchell because Commissioner Selig did not have the support of everyone in baseball for that decision. Many of us believed that by 2008 we were making progress on the anti-doping issue and that we should continue to proceed quietly to improve our programs. The Commissioner was of a different view and in a business as public as Major League Baseball it takes true courage to shine a light on what is a nasty and corrosive problem. Commissioner Selig had the courage to do that and his legacy on this topic will forever be enhanced as a Senator Mitchell's Report not only result of that difficult decision. disclosed important information about the use of performance enhancing drugs in Major League Baseball but more importantly, from our perspective going forward, he made important recommendations for reform.

I would like to talk a little bit this morning about two of those recommendations because I believe the adoption of those recommendations have been crucial to the transformation in Major League Baseball. One feature that distinguishes the major North American professional sports from other athletics is that our athletes

are unionized. I know, because people have said it to me, that some people think that professional sports use our obligation to bargain collectively as an excuse for lack of progress on the issue of performance enhancing drugs. And sometimes that may be true. I have however spent my entire career involved in labor relations and there are two legitimate problems created by collective bargaining that are worth thinking about. The first is substantive. As I said before, our union opposed all of our efforts to create an effective drug testing program early in our history and we simply had to negotiate and leverage our way past that opposition. My experience with professional athletes has been that if you can draw out the silent majority of athletes who want to play clean, you can force change in a collective bargaining unit by energizing that large group of individuals. Sometimes it takes time, but I do believe that that education process and the process of engaging athletes who want to play on an even playing field, a clean even playing field, will always be effective on the substance.

The second problem is really a process problem and it relates to the inherently cyclical nature of collective bargaining under the laws in the United States. In baseball, we bargain once every five years. That is when our contract is open and the laws of the United States actually protect the right of both bargaining parties to refuse to bargain on any issue during the term of an agreement. The laws do that in order to help produce industrial stability, that is, an absence of labor disputes, strikes, lockouts and the like. Unfortunately, this aspect of the process is particularly ill-suited to the constant adjustment that is necessary to have an effective drug policy. This is where one of Senator Mitchell's recommendations comes in. A key recommendation was that the collective bargaining parties in baseball adopt an annual review process that would allow for adjustments to be made to our program during the term of a collective bargaining agreement. Prior to the Mitchell Report, our union had refused to engage in any mid-term negotiation or to re-open an agreement on any topic for its entire

history. It had never taken place. In a truly amazing step, a step for which the MLBPA deserves great credit, they have embraced the annual review process recommended by Senator Mitchell in a way that has allowed us to make important changes on our program each and every year.

Since 2008, we have had just one round of collective bargaining, and that was in 2012. Let me give you just a few examples of the changes that have been made in Senator Mitchell's recommended annual review process even though the collective bargaining agreement was not re-opened. Let me start with the number of tests. In 2007, at the Major League level only now, I am not talking about both programs which is the big 21,000 number. In 2007, we were doing 3,200 tests, by 2011, as a result of annual changes, we had increased that number of 3,900. In 2012, we re-opened the contract and we went to 5,300. This year, again mid-term, we've gone to 7,500 tests. During the 2012 round of bargaining we began blood collections but only during the offseason. We began in-season collections of blood samples in 2013 and in 2014, we increased our hGH testing from 1,200 a year to 1,600 a year at the Major League level. Since 2008, we have added 50 prohibited substances to our list, all in the annual review process. Just this past winter, we increased our penalty structure from 50 games, 100 games and a lifetime ban, to 81 games, half a season, 162 games, a whole year and a lifetime ban. And in 2013 we instituted longitudinal profiling and random IRMS testing, again mid-term of a collective bargaining agreement. The adoption of Senator Mitchell's recommendation has allowed baseball to be more nimble and responsive in the drug area despite operating in what we continue to believe is a difficult unionized environment.

A second important recommendation in the Mitchell Report was the establishment of the department of investigations. Our investigative capacity was the key to our success in the recent Biogenesis case. I

want to share with you some thoughts about investigative activity and frankly, the thoughts are both good and bad. First, let me do the positives. Over the long haul, I believe that our investigative capacity has a tremendous prophylactic effect. Our athletes now understand that even if they think they can beat a drug test, there is still the possibility that they will be exposed as a result of our investigative efforts. Second, an effective investigation can be a tremendous learning opportunity. As some of you may know, in the Biogenesis investigation, we were able to secure as a witness the cooperation of the individual who actually ran the clinic. Our interaction with Tony Bosch, the individual involved, was fascinating and educational. First of all, we learned that the people who are engaged in anti-doping are extremely sophisticated in terms of their knowledge of our programs. They analyze those programs for weaknesses and it is a mistake to think that they lack scientific knowledge because it simply is not true. Secondly, these are organizations. They are not individuals who are out there on a street corner like a drug of abuse dealer. They actually have marketing plans. Biogenesis had two distinct forms of marketing. They targeted fringe players on the way up with a sale pitch that we can get you to the riches associated with getting to the Major Leagues. And with established players, mostly players who already had a history of the use of performance enhancing drugs, they marketed themselves on the basis that they could provide a healthier and safer form of doping. Last, it is a mistake to assume that clinics like the Biogenesis clinic and individuals like Tony Bosch operate independently. There is in fact a network of individuals who are deeply involved in doping, they share information and they are in contact with each other all the time. The education that we received during the Biogenesis investigation led to very significant changes in our program on everything from longitudinal testing to the unpredictability of our collections and the timing of those collections. We completely revamped those processes in response to what we learned during this investigation.

Now the bad. An effective investigative effort can involve a tremendous commitment of financial resources. We suspended fifteen players in connection with the Biogenesis investigation, but that investigation had an eight figure price tag attached to it. Major League Baseball, as long as Commissioner Selig is at the helm, can afford to and will make that financial commitment. But I understand that not every sports organization can. We need to develop a model for effective investigations across sports that shares resources and is more effective and efficient. Later this Spring, Major League Baseball will be hosting a meeting with David and people from WADA in New York to discuss this very topic. We truly believe it is the next wave on the investigative front. Second, it is important to appreciate that, as one of my colleagues says, investigations of this type are not for the The Biogenesis case involved criminals and other faint hearted. dangerous individuals. Sports organizations are not well equipped to deal with such elements. It is a challenge that must be addressed to protect all involved from what can be dangerous activity.

I also want to tell you about a concept that gets a lot of play in the investigative area, cooperation with law enforcement. And let me be really clear about this. Cooperating with law enforcement is crucial but it is also important to understand that it is inherently limited. Law enforcement, particularly in the United States, has a job to do and they are not interested in compromising their efforts in order to help us catch players who are engaged in anti-doping violations. So you always, in each and every investigation that we have had, you come up against this limit where they will not give you additional useful information because of concerns that their own efforts will be compromised. We need to appreciate that and structure our cooperation with law enforcement appropriately.

Last, some of you may have read that we are undertaking an overhaul of our investigative capacity right now in the wake of Biogenesis. We are doing that because we learned things that cause us to believe we need to be more effective and efficient in that area so that we always have the very best investigative unit that we can have. One of the things that we came to learn in Biogenesis and that was relevant to this overhaul is that there is institutional risk in these investigative efforts. When you have, in the Biogenesis case, 40 or 50 investigators on the street, following leads, dealing with people, some of whom actually do have criminal backgrounds, things can happen that reflect badly on your organization and it is a topic that we have been thinking long and hard about to make sure that the investigations that we conduct can withstand the type of public scrutiny that always accompanies what we do in Major League Baseball.

In closing, let me tell you one last little story because I do think that it is relevant to this issue of constantly re-evaluating your programs and trying to be better. In 2002, there was a Sports Illustrated story in which Ken Caminiti, who had been the National League's Most Valuable Player a couple of years prior, disclosed that he had been a user of performance enhancing drugs. That story rocked Major League Baseball. The then president of Major League Baseball convened a meeting and we spent the better part of two days talking about how we were going to put the issue of performance enhancing drugs behind us. Some of us who are still around and were in that meeting laugh about the premise of that meeting because we now understand that the fight against performance enhancing drugs is a fight that sport will always face. We don't think we are perfect now, we know we have to continue to improve, and every single day, we try to be vigilant about making our programs better.

So again I want to thank both the President and David for inviting me to be here. It really is an honour for us to be asked to be here and I thank you very much.