### **RPTR GIORDANO**

# EDTR SECKMAN

A LEVEL PLAYING FIELD: COLLEGE ATHLETES'

RIGHTS TO THEIR NAME, IMAGE, AND LIKENESS

THURSDAY, SEPTEMBER 30, 2021

House of Representatives,

Subcommittee on Consumer Protection and Commerce,

Committee on Energy and Commerce,

Washington, D.C.

The subcommittee met, pursuant to call, at 10:34 a.m., in Room 2123, Rayburn House Office Building, Hon. Jan Schakowsky [chairwoman of the subcommittee] presiding.

Present: Representatives Schakowsky, Rush, Castor, Trahan, McNerney, Clarke, Cardenas, Dingell, Kelly, Soto, Pallone (ex officio), Bilirakis, Upton, Latta, Guthrie, Bucshon, Dunn, Pence, Armstrong, and Rodgers (ex officio).

Also Present: Representatives Schrier, Carter, and Duncan.

Staff Present: Katherine Durkin, Policy Coordinator; Lisa Goldman, Senior Counsel; Waverly Gordon, Deputy Staff Director and General Counsel; Daniel Greene,

Professional Staff Member; Tiffany Guarascio, Staff Director; Perry Hamilton, Clerk; Ed Kaczmarski, Policy Analyst; Zach Kahan, Deputy Director, Outreach and Member Service; Mackenzie Kuhl, Press Assistant; Kaitlyn Peel, Digital Director; Tim Robinson, Chief Counsel; Chloe Rodriguez, Clerk; Andrew Souvall, Director of Communications, Outreach, and Member Services; Caroline Wood, Staff Assistant; C.J. Young, Deputy Communications Director; Sarah Burke, Minority Deputy Staff Director; Michael Cameron, Minority Policy Analyst, CPC, Energy, Environment; Tim Kurth, Minority Chief Counsel, CPC; Brannon Rains, Minority Professional Staff Member, CPC; and Michael Taggart, Minority Policy Director.

Ms. <u>Schakowsky.</u> The Subcommittee on Consumer Protection and Commerce will now come to order.

Today, we will be holding a hearing entitled "A Level Playing Field: College Athletes' Rights to Their Name, Image, and Likeness."

Due to the COVID-19 public health emergency, members can participate today in the hearing either in person, or remotely via online video, via video -- video conferencing.

Members who are not vaccinated --

Mr. Rush. Madam Chair, you are muted. Madam Chair, you are muted.

Ms. <u>Schakowsky.</u> -- and participating in person must wear a mask and be socially distant. Such members may remove their mask when they are under recognition and speaking from a microphone.

Staff and press who are not vaccinated and present in the committee room must wear a mask at all times and be socially distanced.

For members participating remotely, your microphone will be set on mute for the purpose of eliminating inadvertent background noise. Members participating remotely will need to unmute your microphone each time you wish to speak.

Please note that, once you have unmuted your microphone, anything that is said in Webex will be heard over the loud speaker in the committee room and subject to be heard by the livestream.

Since members are participating from different locations, at today's hearing, all recognition of members, such as for questions, will be in the order of seniority on the subcommittee -- subcommittee seniority.

Documents for the record can be sent to Ed Kaczmarski at the email address that was provided to your staff. All documents will be entered into the record at the

conclusion of the hearing.

At this point, the chair now recognizes herself for 5 minutes.

College sports bring joy to Americans in every State, in every congressional district, and can provide life-changing opportunities and friendships for college athletes.

I know our colleagues -- for example, Congresswoman Trahan -- and others of you who participated in college athletics have personally experienced this.

College sports have also created enormous wealth to the tune of \$14.4 billion per year for colleges and universities, but, unfortunately, that wealth has not been equitably distributed for decades and led to systemic exploitation of athletes in service of the amateurism mythology.

This exploitation has denied those who most are responsible for the creation of this wealth -- that would be the players -- from their fair share of the pie. And, if that were not bad enough, we have seen athletes saddled with contracts our subcommittee would clearly identify as unfair and deceptive. Such contracts have in the past included restrictions on transferring to another school and loss of scholarships in the case of injury, which, for too many, mean halting their education entirely.

In 2015, Northwestern football players, who I have the privilege of representing in my district, actually began a union drive. And I was proud to stand with those courageous athletes fighting for their rights. Regrettably, Northwestern employed classic union-busting tactics, and the effort failed.

Since then, we have recognized, I would say finally, pervasive, systemic inequality -- inequities in the ways that the NCAA manages, funds, and treats male versus female athletes. In August, an independent investigation concluded what many already knew -- that the NCAA has not lived up to its standard commitment to, quote, diversity, inclusion, and gender equity -- and gender equality among its student athletes, unquote.

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For years, Congress was told by the NCAA and others to let them govern themselves. However, in the wake of the proliferation of name, image, likeness laws in States around the country that -- and not to mention also Supreme Court cases, today, they are coming, asking us to intervene.

And the Energy and Commerce Committee is where many of these debates are going to take place, and we are ready to have those debates on fair contracting; health and safety; name, image, likeness; recruiting practices; and labor rights. But I can assure you that we will only move forward in a way that puts players first.

That said, I look forward to engaging with Ranking Member Bilirakis, members on both sides of the aisle on our subcommittee, and all key stakeholders as we correct past injustices and move forward in an equitable way that does put players first.

I want to thank our witnesses for attending today.

And, with that, I yield back my time.

And now the chair -- I am honored to recognize Mr. Bilirakis, the ranking member of the Subcommittee on Consumer Protection and Commerce, for 5 minutes for his opening statement.

[The prepared statement of Ms. Schakowsky follows:]

Mr. <u>Bilirakis.</u> Thank you so very much, Madam Chair. I appreciate it. Good morning to everyone, and welcome to the subcommittee hearing.

Thank you, Madam Chair, again, for holding this hearing, and thank you to our witnesses for your testimony on this very important matter. I am eager to hear each of your perspectives.

I also want to thank Congressman Anthony Gonzalez for his tireless bipartisan effort to give student athletes the opportunity to receive compensation for their name, image, and likeness, or NIL.

It is not too often a Florida Gator and a Ohio State Buckeye can come together in the name of amateur sports, but I am glad to be working with him on this and remaining very hopeful we can get bipartisan legislation to the end zone this Congress.

Now, of course we have other sports besides football that we are going to discuss.

Madam Chair, I would also like to ask unanimous consent that a statement from, again, Congressman Anthony Gonzalez be entered into the record, and I have that right here, Madam Chair.

Ms. <u>Schakowsky.</u> Without objection.

[The prepared statement of Mr. Gonzalez follows:]

Mr. <u>Bilirakis.</u> Thank you.

To that end, I think we need to have a realistic expectations for what our committee should focus on when legislating to allow collegiate athletes the opportunity to capitalize on their NIL. It is the only way we can get this done for students, and I -- we all agree, Madam Chair, on the NIL. And I have it in my statement, but it is so very necessary that we have preemptive legislation here.

Currently, 30 States across the country have their own laws allowing college athletes to monetize off their NIL, including my home State of Florida. Unfortunately, this is not the first time a patchwork of State laws has caused potential confusion and crippling -- crippled fair competition.

We are currently seeing this same scenario play out with consumer privacy laws, so I am hopeful this hearing highlights the need for Congress to establish a national preemptive framework for NIL and create a true level playing field for all students and educational institutions across the Nation.

If Congress fails to enact legislation preventing a patchwork of State laws, we will likely see States competing with one another to create the best incentives for students to come to their schools, and you know that is going to happen.

Again, while I know young people want to come to the great State of Florida, preferably University of Florida, we must be fair to the hundreds of other universities and colleges across the country that may be a better fit for student athletes. We have a lot of members here on both sides of the aisle who represent different schools and different conferences.

To be clear, what I am suggesting is not an approach to side upon the NCAA and various conferences, but, rather, by collegiate athletes themselves.

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I recently received a letter from 15 collegiate athletes from the ACC that

emphasized this point, and I want to quote these students if that is okay, Madam Chair.

Ms. Schakowsky. Sure.

Mr. Bilirakis. "It is clear we need a Federal baseline," is what they say, "that

relevels the playing field, and we need one soon."

The students also explained the most important factor in legislating on NIL is to

protect all collegiate athletes, especially those outside the big revenue-generating sports

like football and basketball, stating, and I quote again: Congress would do a disservice

to student athletes sports culture and American society in general if it passes a bill that

diminishes educational opportunities that leave schools no choice but to reduce

scholarships or cut programs due to budget reallocation.

I couldn't agree more.

Madam Chair, I ask unanimous consent that I enter this particular letter from the

ACC college athletes.

Ms. Schakowsky. Without objection.

[The information follows:]

Mr. Bilirakis. Thank you very much.

So I think these students know what they want. I really do, Madam Chair. And, again, if you read -- I am not going to read the names of the schools because I don't have time, but these are very, very credible universities that represent these -- and, again, these athletes represent those universities. If we exceed the focus of this debate as well as go far outside the bounds of our committee's jurisdiction, I feel we will end up hurting the college athletes and their chances of succeeding on and off the field.

I also want to point out that these students didn't ask for healthcare mandates or guaranteed scholarships or for private rights of action. The risk of such factors will result in cutting the very sports programs we are working on to protect. After all, there is a difference between being a representative of a school and being a full-time employee of a school.

I agree wholeheartedly with these students. College students should be able to compete and work hard to receive NIL benefits, and that is what our committee should focus on.

And I really look forward to hearing the witnesses and getting more input.

So thank you very much, Madam Chair, for giving me the opportunity. I yield back.

[The prepared statement of Mr. Bilirakis follows:]

Ms. <u>Schakowsky</u>. The gentleman yields back.

The chair now recognizes Mr. Pallone, chair of the full committee, for his 5 minutes for an opening statement.

The Chairman. Thank you, Chairwoman Schakowsky.

The devotion, sacrifice, and efforts of college athletes has helped make college sports one of the most popular and lucrative brands in sports entertainment in the country. These athletes deserve a system that protects their interests and well-being.

For years and despite criticism and many court challenges, the National Collegiate Athletic Association, its member schools, TV networks, athletic-wear companies, and others have earned massive revenues. At the same time, the college athletes have been stuck in strict amateur status that prohibited them from earning compensation on their name, image, and likeness.

It wasn't until the Supreme Court's decision this summer finding the NCAA in violation of antitrust law that the NCAA finally felt enough pressure to begin making changes to this unfair system.

For far too long, collegiate athletes missed out on opportunities that other students have been able a take advantage of. The rules prevented things like swimmers, tennis players, and golfers from using their names and pictures to advertise lessons in their sports to make extra money. After the rule change, young athletes are already capitalizing on many of the opportunities that were previously not available to them. But, while this rule change is a step in the right direction, collegiate athletes continue to face additional hurdles that other students do not.

With fewer than 2 percent of collegiate athletes reaching the pros in their sports, education is vital to success after graduation, yet many college athletes are forced to

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dedicate more than 40 hours per week to practices and other training, leaving little time

for study. Collegiate athletes have a graduation rate 18 percent lower than nonathletes.

And, more starkly for Black athletes, the graduation rate is between 20 and 30 percent

lower than their peers.

So today's hearing is focused on name, image, and likeness rights, but we cannot

ignore other issues that face college athletes, issues such as gender equity for college

athletes, short- and long-term safety and healthcare are just as important. And, just

yesterday, the National Labor Relations Board announced that certain college athletes

must be treated as employees, rightfully giving them protections that come with that

classification.

So I thank you for having this hearing, Madam Chair, and I look forward to hearing

the testimony of all the witnesses and the unique perspectives you all provide, but I

would like to yield the remainder of my time to Congresswoman Trahan.

[The prepared statement of The Chairman follows:]

Mrs. <u>Trahan.</u> Well, thank you for yielding, Mr. Chairman.

And I am grateful to you and Chairwoman Schakowsky for calling this important hearing. As a former Division I volleyball player, this issue hits home. Like many former college athletes, I wouldn't be where I am today without that scholarship.

My family didn't have a lot of money. My dad was a union ironworker, and my mom picked up jobs where she could. They worked hard to give my sisters and me every opportunity to succeed, but there is just no way we could have afforded that tuition at Georgetown without the volleyball scholarship.

I am the first person in my family to graduate from college, and I am forever grateful for the opportunity and the doors that were opened for me after graduation. However, it is through that experience that I became familiar with how the NCAA conferences and colleges used amateurism, or at least the guise of it, to build a multibillion dollar industry on the backs of dedicated, talented, and often poor college athletes.

When I was in school, I couldn't coach a summer camp for young girls in my home town of Lowell because it would have jeopardized my amateur status. That was wrong then, and it has been wrong for every athlete after me who was forced to navigate complex rules designed to keep us amateurs while coaches and executives pocketed millions.

The Association's recent NIL policy change is long overdue, and I believe yesterday's NLRB memorandum on college athletes' employment rights is as well. For the purposes of today's hearing, it is clear that years of reluctance to embrace the inevitable shift on NIL means athletes are now operating in a patchwork of State laws governing their rights.

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Any Federal action we take to deliver for the people who have always been what

matters most in college sports -- and that is the athletes -- that means guaranteeing them

the maximum freedom possible to be compensated for the use of their name, image, and

likeness in the way they choose, whether it is teaching the next generation of athletes,

entering a group licensing agreement, or something else.

So I look forward to continuing our work to achieve that goal and certainly the

discussion today.

Thank you. I yield back.

[The prepared statement of Mrs. Trahan follows:]

The Chairman. And I yield back as well, Madam Chair.

Ms. <u>Schakowsky.</u> The gentleman yields back, and the chair now recognizes

Mrs. Rodgers, the ranking member of the full committee, for 5 minutes for her opening statement.

Mrs. Rodgers. Thank you, Madam Chair.

Thank you, Madam Chair.

Thank you, Chairman Pallone, for bringing us all together today on this important subject.

I appreciated Congressman Anthony Gonzalez' -- what is going on, buddy? It is Cougs. Go Cougs. Okay. Okay. I appreciated the Congressman -- Congressman Anthony Gonzalez when he testified before our Member Day on the topic of name, image, and likeness. And it was an important reminder, I think, to this subcommittee that we need to address this issue, and it needs to be done in a bipartisan fashion.

I know today's hearing is not on a specific legislative effort, but I certainly appreciate the legislative commitment that Congressman Gonzalez, Congressman Cleaver have made here, as well as the efforts of Congresswoman Trahan and our subcommittee chair, Jan Schakowsky.

The Supreme Court has been clear on its rulings. They have made clear on the fact that the NCAA, as well as other schools and their respective conferences, were overly restrictive on the ability of their athletes to seek compensation for their name, image, and likeness. We should now work towards a national standard so the rules are clear or athletes, schools, and all other parties involved in the ecosystem of amateur athletics.

There is a lot of consensus on how these athletes may seek their rewards for their commitment to excellence. Take, for instance, the case of Cameron, Cami March -- I am

pleased that Cami is testifying here today as part of the esteemed panel. Go Cougs.

Cami is a student at Washington State University, captain of the golf team, and an app developer. And her ability to compete would be in jeopardy if overall restrictive NIL rules were in place.

That said, she and other young people still need a clear set of rules and understandable guidelines. This will ensure that her entrepreneurial spirit is rewarded and her passion to market the app she developed is not hindered by a lack of uniform rules as she works to lead the Cougars to a successful golf season.

Now, I know there are many commendable topics that may not deal directly with NIL per se, but considering the pressure placed on these young athletes, it is important that we consider their ability to seek counseling on financial and mental well-being. We have seen where athletes and students can be taken advantage of, and there is extraordinary pressures that they are under in this super- connected world.

However, an overly prescriptive solution to this dilemma can have a detrimental impact on these student athletes, smaller schools with fewer resources, and those schools that are not generating revenue for the institutions. These are also important considerations to take into account so female athletes aren't disadvantaged or treated unfairly.

In fact, I could see small schools dropping programs altogether, which means that many scholarships would disappear, and so will the chance for a first-generation, unless privileged, students receive a college education. Every one of us takes great pride in the universities and colleges in our home States. Our positions have provided us the opportunity of getting to know these athletes, and I am sure that brings immense pride to all of you, as it does me.

Let's not take that pride lightly as we consider solutions to give clear standards to

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colleges and universities. We should give these amateur athletes every chance to succeed in life and in sports, to help them win the future. I urge this committee not to get riddled with issues that have stalled other efforts that we have worked on, like

Again, thank you for the witnesses for appearing before us today. I am very much looking forward to this discussion in how we take the next steps in legislating a set of rules that works for everyone.

I yield back.

privacy.

[The prepared statement of Mrs. Rodgers follows:]

Ms. <u>Schakowsky.</u> The gentlelady yields back.

The chair would like to remind members that, pursuant to committee rules, all members' written opening statements shall be made part of the record.

And I now would like to introduce our witnesses for the first panel --for the panel at today's hearing.

Cameron March, the college athletic -- athlete in women's golf at Washington

State University; Dr. Mark Emmert, president of the National Collegiate Athletic

Association; Ramogi Huma, the executive director of the National College Players

Association; and Dr. Linda Livingstone, who is president of Baylor University; and -- one
more -- and Jacqie McWilliams, the Commissioner of the Central Intercollegiate Athletic

Association.

At this time, the chair will recognize each witness for 5 minutes to provide their opening statements.

Before I do, I just want to make sure that I can explain the lighting system. In front of our witnesses is a series of lights. The lights will initially be green. The light will turn yellow when you have one minute remaining. Please begin to wrap up at that point. And the light will turn red when your time is up.

And, for those remotely, there is also a clock. You should be able to see the clock for those who are remotely presenting.

So I want to thank you, Dr. -- nope. I am wrong. Okay. Let me begin, then, with Ms. March.

You are now recognized for 5 minutes.

STATEMENTS OF CAMERON MARCH, COLLEGE ATHLETE WOMEN'S GOLF WASHINGTON
STATE UNIVERSITY; MARK EMMERT, PRESIDENT NATIONAL COLLEGE ATHLETIC
ASSOCIATION; RAMOGI HUMA, EXECUTIVE DIRECTOR NATIONAL COLLEGE PLAYERS
ASSOCIATION; LINDA LIVINGSTONE, PRESIDENT BAYLOR UNIVERSITY; AND JACQIE
MCWILLIAMS, COMMISSIONER, CENTRAL INTERCOLLEGIATE ATHLETIC ASSOCIATION.

## STATEMENT OF CAMERON MARCH

Ms. March. Good morning, and thank you, Chairman Pallone, Ranking Member McMorris Rodgers, Chairwoman Schakowsky, and Ranking Member Bilirakis. My name is Cami March. I am a senior at Washington State University located in Pullman, Washington, working to complete my bachelor of science degree in digital technology and culture in 2022.

Thank you for the opportunity to represent my fellow student athletes at WSU before the House Energy and Commerce Committee Consumer Protection and Commerce Subcommittee today regarding the ability of student athletes to utilize our name, image, and likeness.

This designation of student athlete is presented to prospective students as something that is of benefit to them, an opportunity to pursue both their academic and athletic aspirations on a dual track that gives them stability and community. However, through my process of developing my app, I have found that, because of the NCAA's regulations, this title sometimes acts in hindrance to a student's aspirations that don't fall so squarely in the distinction of student or athlete.

I found myself at a disadvantage to nonathletes on campus who had similar

entrepreneurial pursuits because their developments were allowed to exist outside of the context of what they contribute to the school.

I understand that this is a nuanced conversation and that there might be a concern for how the loosening of these regulations could cause corruption, dishonesty, and an unfair advantage for colleges who can offer more immediate incentives than others. However, I urge those on this committee today to not view the pursuits made by the name, image, and likeness bill as a final victory for student athletes, but, instead, view it as a jumping-off point towards a larger goal of protecting and fostering them.

In tandem with the financial policies that are implemented, it is important to discuss how to support all athletes within whatever new system exists. In much of the discourse I have heard about the changing landscape of name, image, and likeness, both the public perception and political questions seem to be centering around the stars of the collegiate sports world, namely, football players, basketball players, and mostly men. The concern here is that the lesser lucrative sports are getting lost in the conversation and, by extension, so are the players.

Our unique perspectives, opportunities for sport participation, and passions outside of the sport are just as relevant and important as our counterparts in the typical revenue-generating sports. I know this too well as a female athlete of color currently playing women's golf, a sport that isn't the most lucrative or visible.

This is why I feel as though it would be wishful thinking to believe that someone like me would ever be on an equal financial playing field as a star quarterback. That is why it is important to view the evolution of this conversation on a parallel path with the supplementary support and development of the student athletes' business acumen.

One of the only ways someone like me can equal the playing field is by marketing myself, essentially building the uniqueness of my circumstances as a female golfer of

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color into a valuable brand. I also think that the student portion of a student athlete's

identity should be better catered to with more of an emphasis on business, financial, and

economic literacy so they are better prepared to make decisions and advocate on their

own behalf.

Washington State has been so helpful in this area by providing resources in

student athlete development, personal branding, financial literacy, and even offering a

for-credit entrepreneurship course catered to the elements of name, image, and likeness.

But it is important that this is something that is required on a more universal level so that

every athlete, regardless of circumstances, can receive the support that they need.

In closing, I share my experience today in the hopes that you will appreciate that

the opportunities afforded student athletes with the use of our name, image, and likeness

impacts all student athletes, whether we are entrepreneurs creating apps or the starting

quarterback.

Having a standard that will support all student athletes is important, and I hope

that today I can provide a unique perspective as I experienced the new NIL opportunities

from an athletic and entrepreneurial vantage point.

Thank you for the opportunity to share my story.

[The prepared statement of Ms. March follows:]

Ms. <u>Schakowsky.</u> Thank you, Ms. March.

And, Dr. Emmert, you are recognized now for 5 minutes.

#### STATEMENT OF MARK EMMERT

Dr. <u>Emmert.</u> Well, thank you, Madam Chair.

And, before I begin my formal remarks, I do have to comment that, while my attention is usually focused on younger and perhaps slightly more athletic athletes than took the field last night, I wanted to congratulate you all on a very successful game last night. I --

Ms. <u>Schakowsky.</u> Oh, come on.

Dr. <u>Emmert.</u> It was reported to me that there were no ambulance calls or any emergencies. It was -- it actually was a very exciting game for all of you. A lot of scoring, a lot of offense. Defense could use some work, but it was -- it was terrific.

And I think the most important point is that, in a moment of high tension in Congress and in the Nation, in order to relax for a moment and enjoy each other, you took to a baseball field. You played a sport. You competed with each other and had a good time. And I think that, in so many ways, is the essence of what college sport is all about and what we aim to successfully together support going forward.

Having said that, Chairwoman Schakowsky, Ranking Member Bilirakis, and distinguished members of the subcommittee, thank you for this opportunity today to talk with you about the issues around name, image, and likeness, or NIL.

I want to be very clear about one thing upfront, and that is that the NCAA and its schools fully support the right of every college athlete to benefit from the use of their

name, image, and likeness, and we firmly believe that there is an urgent need for Congress to enact a Federal framework that supports national NIL legislation for all of our college athletes. This framework needs to put college athletes first. On that, we all agree.

While it has been exciting for me and others to see college athletes exploring new financial options in the recent months, we are also seeing many challenges and concerning trends. These concerns, if not addressed soon, may be very difficult to reverse.

They include a lack of a uniform protection for college athletes across the country around these deals, an increasingly uneven playing field for athletes exercising their NIL opportunities, and a lack of transparency around NIL agreements that can negatively impact both the present and future prospects for college athletes.

Protections, such as education on the basics of contract law and financial counseling, vary across the patchwork of State laws today. Not every college athlete will be approached by professional service providers and third parties with good intentions. Without a uniform standard to educate or protect them from bad actors or exploitative agreements, many athletes will sign deals that are clearly one-sided and perhaps even harmful.

Additionally, some athletes are unlikely to be aware of the tax potential implications of these arrangements and may find themselves saddled with unanticipated tax bills that they may be unable to pay. Other students who receive Pell grants or other student financial aid tied to financial need could unknowingly lose their eligibility for aid due to the income they receive from NIL deals. We want every college athlete to have baseline protections and uniform educational information at their disposal so they can make informed NIL decisions.

The patchwork of State laws has left college athletes subject to different standards than their peers in neighboring States. As of today, 35 States have passed laws, introduced legislation, or issued executive orders to govern name, image, and likeness. These statutes and proposed policies have disparate provisions.

In some cases, they attempt to legislate well beyond the issue of NIL and turn college athletes into paid professionals of the school. Even those laws that appear to have similar intent are written differently and can be interpreted and enforced differentially depending upon the State.

In these early months, we have seen no effort to structure or enforce the laws that are in place to guide others in one direction, leading college athletes to navigate an unequal playing field depending on where they go to school. While some NIL-related deals have been disclosed by third-party providers, there is not a single entity that has a complete picture of the NIL deals and the parameters that they have been made around.

Similarly, because no mechanism exists to allow for a transparent disclosure of transactions, there is no way to know if the arrangement is legitimate or simply a pay-for- play scheme disguised as NIL.

Further, campus authority and decisionmaking seem to be shifting away from compliance administrators and others in athletic departments, making disclosure and monitoring even more difficult at the local level.

Because we are not seeing the transparency and enforcement promised by many State laws, these worrisome trends may be difficult, if not impossible, to reverse without quick congressional action. A Federal framework must include a transparent clearinghouse mechanism, not the NCAA, to disclose NIL transactions while ensuring student privacy as well as the integrity of the college sports model.

We share the committee's interest in providing all college athletes with an equal

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chance to benefit from these opportunities, if they choose to do so. But we worry that,

the longer this patchwork of laws becomes rooted in college sports, the more difficult, if

not impossible, it is to establish a national framework that ensures equal treatment of

college athletes regardless of what they play or where they go to school.

Because of the current legal environment and multiplicity of State laws, the NCAA

alone cannot address this. We need to do it together.

Thank you for this opportunity to share my perspectives on this critical issue.

We remain very, very proud of the opportunities that college sports provide to our

student athletes.

To reiterate, as we move forward, we seek three fundamental notions. One, we

need a Federal solution that sets the baseline of protections for college athletes. Two,

we need a law that provides national uniformity so that schools and students know what

the rules --

Ms. Schakowsky. Your time is way over, so please quickly --

Dr. Emmert. I beg your pardon, ma'am.

And we want to ensure transparency that preserves the integrity of college sports.

I apologize for being over.

[The prepared statement of Dr. Emmert follows:]

Ms. Schakowsky. Okay. The gentleman yields back.

And now I want to recognize Mr. Huma for 5 minutes.

#### STATEMENT OF RAMOGI HUMA

Mr. <u>Huma.</u> Chairwoman Schakowsky, Ranking Member Bilirakis, and members of the subcommittee, thank you for inviting me to testify today. My name is Ramogi Huma. I am a former UCLA football player and the executive director of the NCPA, the National College Players Association.

The NCPA was a cosponsor of the California NIL law that was a catalyst for NIL changes nationwide and has served as the primary advocate in support of NIL laws in over a dozen States. And, Chairwoman Schakowsky, I would like to thank you for your continued support for college athletes' rights and for introducing broad-based reforms, including the College Athletes Bill of Rights last year.

College athletes nationwide now have NIL freedoms, so there is not a need for Congress to act on this issue, but it is imperative that any Federal law include broad-based reforms, and the NIL portion of such legislation should not reduce athletes' NIL freedoms in pursuit of a level playing field that has never existed.

Federal courts have concluded multiple times that a level playing field did not exist under NCAA rules that banned NIL pay. Colleges with the most revenues and wealthiest boosters have the largest recruiting budgets, hire the best coaches, build the best of facilities. And, in turn, they land the best recruits, win the most games, and score the richest TV deals, allowing them to continue their dominance.

Instead of reducing athletes' NIL freedoms so the NCAA can pretend competitive

equity exists, Congress' NIL efforts should focus on establishing an entity responsible for the national certification of athlete representation, preventing conflicts of interest by restricting colleges from representing their athletes or arranging NIL deals, and informing college athletes about issues surrounding NIL.

And any reasonable restraint of trade, like prohibiting NIL deals from being used to recruit prospective college athletes, should be done directly by Congress rather than putting the NCAA above the law with an antitrust exemption.

And, as hard as the NCPA has fought for decades to ensure college athletes' NIL freedoms, NIL pay is of little importance compared to other pressing issues. The Energy and Commerce Committee has jurisdiction in matters of public health and should act to protect college athletes.

In 2002, I testified before this subcommittee to sound the alarm about the lack of NCAA enforcement of health and safety standards after the 2001 deaths of college football players from Northwestern, Florida, and Florida State. The NCPA asked Congress and NCAA to protect college athletes, but they didn't.

Between 2000 and 2018, 85 college athletes have died from college sports activities. In the following years, NCAA and athletic trainer surveys found 50 percent of Division I athletic trainers have admitted to returning players with concussions to the same game and said they were pressured by coaches to do so.

There have been devastating accounts of suicides among college athletes who were later determined to have chronic traumatic encephalopathy, or CTE. It is still not against NCAA rules to force an athlete with a concussion into the same game. And, shamefully, it is not against NCAA rules for athletic personnel to sexually abuse a college athlete.

What I didn't know at the time of my 2002 testimony was that hundreds upon

hundreds of college athletes were being sexually abused by trainers and doctors at Ohio State, Michigan, Michigan State, and other schools. College administrators covered it up, and the athletes had nowhere to go.

College athletes still have nowhere to go. Just last week, the U.S. DOJ reported that a team trainer from San Jose State sexually abused 23 female college athletes over the course of years.

This Congress must prioritize college athletes' health and safety. Inaction on this issue would guarantee a lifetime of paying for too many college athletes abused by sexual predators and will be a death sentence for others. Just ask Mark McNair, whose son, Jordan McNair, died during a football workout in 2018, that the University of Maryland President admitted was negligent.

In addition to the lack of physical and mental health protections, NCAA sports blatantly discriminates against female athletes. The NCAA has been exposed for denying female athletes equal health and safety provisions, nutrition, and training facilities, among other things. And, despite the enactment of title IX almost 50 years ago, there are 18,000 more male athletes in Division I than female athletes.

The \$7 billion revenue boom in Division I over the last 16 years was a great opportunity to add female sports. Instead, athlete participation increased by only two athletes, while the number of coaches exploded by 1,577. This discrimination against female athletes in NCAA sports must not be ignored or allowed to persist.

And, unfortunately, college athletes are too often stuck with sports-related medical bills, while Black athletes, who make up the majority of athletes in sports that make up the most revenue, suffer the lowest graduation rates. Yes, college sports is in crisis, but it is not because athletes are given NIL freedoms.

If Congress moves Federal NIL legislation, the NCPA is asking they not ignore

abused, broken, and dead bodies, the discrimination against female athletes, and other important matters.

Thank you.

[The prepared statement of Mr. Huma follows:]

Ms. <u>Schakowsky.</u> Thank you, Mr. Huma. The gentleman yields back. And now I would like to welcome Dr. Livingstone for your presentation.

#### STATEMENT OF LINDA LIVINGSTONE

Dr. Livingstone. Thank you very much.

I am sorry. I didn't turn on my mike.

Thank you, Chair Schakowsky, Ranking Member Bilirakis, and members of the subcommittee, for the opportunity to testify on the issue of name, image, and likeness rights for student athletes.

As the president of Baylor University, a former Division I student athlete myself -- I am married to a former Division I student athlete; the mother of a former volleyball player, much like Ms. Trahan -- and who is now a coach at the college level, I have a -- I am deeply invested in making sure the college athletic experience is a positive one for all student athletes.

At Baylor, we are deeply committed to prioritizing our student athletes as students first across all 19 of our sports. We have over 500 student athletes achieving remarkable success on and off the field, winning national and conference championships, and consistently leading the Big 12 Conference in graduation rates. As an institution, we invest over \$80,000 per fully scholarship student athlete in the form of tuition, room, nutrition, medical care, and training services.

We also have implemented health and safety protocols that prioritize our student athletes and a 4-year program to help them with financial literacy, business education, career planning, personal branding, leadership, and social responsibility.

I believe this is a critical time for college athletics as we are having to rethink the status quo of recent decades due to numerous changes and challenges, including the Supreme Court decision in the Alston case, conference realignment, and changes in State laws.

The current patchwork system of 30-plus State laws is very confusing for institutions and students and is not transparent. It will raise conflict of law issues and create risks for student athletes and institutions who suffer as a result of the disparity. Such a legal landscape should not be permanent.

I am eager to engage at the NCAA and conference level regarding these issues, including as a member of the NCAA Constitution Committee and vice chair of the board of the Big 12 Conference. Now is the time to recommit and reshape college athletics to better serve the future needs of our students and our institutions.

Congress has an important role in shaping the future of college athletics and should establish a uniform national standard to address the many challenges becoming evident around NIL legislation.

In our discussion today, I will consistently go back to three principles that I believe should be the foundation to any Federal NIL legislation.

The first is that all laws governing NIL for student athletes should treat them as students first and foremost. More than 98 percent of student athletes will not compete professionally, and we must remember we are talking about more than high-visibility sports like football and basketball.

The second principle is that Federal legislation should support the current mission of broad sport offerings for a diverse group of student athletes made possible by revenue shared from higher-visibility sports and avoid the creation of inequities in the treatment of men and women under an employment model.

The third principle is to ensure each institution's mission is preserved and unique circumstances are recognized, appreciating that different schools have different resource levels. For example, we know Baylor athletics is vastly different than those of hundreds of smaller institutions.

I appreciate the interest of the committee that is giving this timely issue. As Congress contemplates Federal legislation, I encourage you to seek a national standard that includes the following priorities.

First, Federal legislation should preempt all current and future NIL State laws, which would guarantee that all student athletes have the same NIL rights regardless of where they live or study.

Next, the legislation should include clear definitions of NIL as commercial activity between student athletes and third parties, not between student athletes and universities. It should prohibit pay-for-play models operating solely as an incentive to enroll or remain at an institution as a student athlete.

Also, Federal legislation should seek to enhance the student athlete experience and preserve diversity in sport offerings for men and women and ensure student athletes can seek qualified advice about the use of their NIL.

Finally, the legislation should include a narrow safe harbor for entities that comply with the law. Otherwise, institutions at risk of endless -- are at risk of endless litigation that could threaten our core missions.

Thank you for the opportunity to testify before the subcommittee today. I look forward to working with you on this important issue.

Thank you.

[The prepared statement of Dr. Livingstone follows:]

Ms. <u>Schakowsky.</u> Thank you, Dr. Livingston.

And now, Ms. McWilliams, you are now recognized for 5 minutes.

## STATEMENT OF JACQIE MCWILLIAMS

Ms. McWilliams. Thank you.

Good morning, Chairwoman Schakowsky and Ranking Member Bilirakis, and members of the subcommittee.

My name is Jacqie McWilliams, and I am in my 10th season as the commissioner for the CIAA, one of four HBCU conferences with the first and oldest conference founded right there in D.C. in 1912 and four -- in Hampton, Virginia Union, Shaw University, and Lincoln, PA. We are one of 23 NCAA Division II conferences comprised of 12 HBCU full-time members, six private, six public; one associate member headquartered here in North Carolina.

The CIAA plays a significant role historically and holistically in this country. They are the third largest basketball tournament event in the country that values a rich legacy of our past, provides leadership in our communities to bridge the gap in our communities through our championships, in which our resources support 90 percent of Black and Brown athletes that tend to be first-generation students who love their institutions and the CIAA.

I appreciate this invitation to testify today about a topic that has consumed our industry at all levels. All of us are benefactors of what we see and don't see weekly on national TV and platforms. Athletic programs help define our institutions' culture, reputation, visibility, and revenue potential from donors and sponsors.

The success and failures of athletic programs impact our ability to build and sustain without compromising the academic programs which are primary to the foundation, particularly for HBCUs, where sports have been the avenue to an education for a majority of our Black and Brown students.

My concerns today as a former female student athlete and professional for almost 30 years in this industry is a loss of the innocence of sports being compromised by revenue that is not the reality of a majority. This is a transformative moment in college history where our students can use their NIL as athletes.

I spent 9.5 years as a member of NCAA championship staff serving all three divisions. I worked in the membership at both Division I and II levels and part of the association serving on several committees, to include the Board of Governors for NIL, and currently the NCAA Gender Equity Task Force.

I can assure you that our challenges of -- are diverse -- of a diverse membership is a task by itself, so I understand the concerns, the public scrutiny, and the challenges we have as leaders to protect the integrity of college sports.

Currently, the CIAA has students who reside in five different States with different NIL laws. Although the doors are wide open for these athletes to explore the market, the laws are inconsistent with no uniform guidelines to regulate, enforce, or support the interests of our students.

I want to ensure you that 3,000 young people -- I want to ensure that 3,000 young people I serve every day, 12 presidents I report to, and coaches who have committed their lives to young adults, and administrators, who are doing their best to give these athletes lifetime memories at their institutions, are more concerned about the athletic achievement, health and safety, and academic opportunities afforded, and less concerned about the inequities that are presented because of the inconsistencies of laws

we cannot control.

Our students' visibility may be different than what you see weekly, but the aches, pains, desire to win, mental health concerns, academic goals, and dreams to be leaders and entrepreneurs are the same.

So I ask that we pause just a moment to understand the differences of who we are amongst our institutions and conferences, that the CIAA and majority of us do not have the same level of resources. I agree that the enormous revenue and high financial gains for the most high-profile and visible institutions and their benefactors are concerning. Those scenarios are not the reality in most of our conferences and institutions.

I believe that is why we are in this position. Resource disparities already exist amongst our institutions. Thus, any Federal bills that attempt to legislate on financial resources outside of NIL will negatively impact Division II. And, honestly, any additional financial constraints could potentially eliminate our athletic programs and our conferences.

I support giving our students the best opportunity to use their talent. I wish I had the same opportunity as a student athlete. So let me be clear: Most of us have no interest in mandates that hinder the opportunities, but only a framework that provides a level playing field to support their intercollegiate experience and to give our coaches and administrators a fair advantage to recruit, educate, address title IX implications, and to support their educational and entrepreneurial experience, which is the foundation to who we are specifically at HBCUs.

I pray, in the continued dialogue, we don't compromise the beauty of why I chose to work in this industry, why I love to work for the CIAA. We thrive best with fair rules and guidelines, and, in this case for college sports, we need to prohibit pay-for-play, guardrails for collegiate recruiting, and protections for standards of higher education and

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title IX.

It is quite disappointing that we are in this place of not being able to legislate and govern ourselves as an organization, but now here we are. I hope that the concerns I have shared leading a smaller conference with HBCU institutions will create opportunities that will be in the best interests for all, and not just for a few.

As a Division II conference, we need a level playing field so we are not behind once again.

Thank you.

[The prepared statement of Ms. McWilliams follows:]

\*\*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*\*

Ms. <u>Schakowsky.</u> Thank you, Ms. McWilliams.

We have now concluded with the witness opening statements.

At this time, we will move to member questions. Each member will have 5 minutes to ask questions of the witnesses, and that includes their answers.

And I will start by recognizing myself for 5 minutes. I want to begin with -- I have a bunch of questions, so, if you could keep your answers somewhat brief, I would appreciate it.

But, Mr. Huma, I want to ask -- I think I know your ultimate answer, but I would like you to discuss, is there a fundamental power imbalance between the collegiate athletes and the universities, conferences, and athletic institutions that may make players vulnerable to exploitation?

Mr. <u>Huma</u>. Thank you for that question.

Absolutely. And I think that is why we are all here at the end of the day. Those people -- those constituents you have mentioned, the stakeholders, have basically colluded, used their monopoly power, cartel power to leverage themselves in a way that denies those athletes freedoms and rights under the law. And that notion was upheld by the Supreme Court 9-0. So, at the core, much of the exploitation is -- are antitrust violations that were made possible by the illegal collusion amongst the conferences and the schools and the NCAA.

Ms. <u>Schakowsky.</u> Let me also ask you, beyond limitations on entering into name, image, and likeness, NIL, agreements, how has this power imbalance -- how has this power imbalance affected college athletes?

Mr. <u>Huma.</u> Even down to their health and safety. You know, the power imbalance is a lot of -- is caused in a lot of ways -- for so many athletes who are being

abused over years and years who don't have a way to speak up; there has been no viable way for them to get justice, as well as actual compensation.

You know, I think the general counsel at NLRB made very clear that college athletes have not been permitted by the school and have been handled by the school in the way they direct them away from their labor rights under labor law, which, you know, the laws of the country designed to give people a voice in the workplace -- and college athletes -- the combination of the collusion, the money interests that are there, the conflicts of interest, and the lack of labor rights have kind of created these problems.

So, absolutely, the college athletes need intervention. Congress can do that, and we want to make sure that they don't -- Congress does not look past the more critical issues.

Ms. <u>Schakowsky.</u> Thank you. I want to -- I have another one for you that -- in your testimony, you suggested that Congress should look beyond focusing only on NIL issues legislation. So what other protections should we be considering for college athletes?

Mr. <u>Huma.</u> Well, I know there is a lot of disagreement on some of the financial issues, but I think that everyone in Congress should agree that college athletes should not be subject to harm.

So we need real health and safety enforcement in college sports from a third party. We need to make sure that college athletes aren't being stuck with sports-related medical expenses. We need to make sure that female athletes finally achieve equality in college sports. We need to protect scholarships as far as academics.

As I mentioned, \$7 billion pledged into a system, why isn't some of that money being redirected to make sure college athletes actually complete their degrees and have health and safety enforcement and scholarship protections?

You still have a situation in NCAA sports where a player can lose their scholarship if they are permanently injured. A school can choose to not renew that scholarship.

So there are a number of issues that strike at the core of NCAA sports that should not be ignored.

Ms. Schakowsky. Okay. Thank you so much.

Dr. Livingstone, we all know about title X that prohibits discrimination. Will the NIL deals have an effect on equity in college athletics when it comes to men and women?

Dr. <u>Livingstone</u>. I do think that there are some real risks and impact potentially on women in college athletics depending on how this plays out.

In some ways, the way NIL is playing out now for women athletes is more like it is really intended to be. We know women oftentimes are actually more active on social media than male students, both the student athletes and regular students. And so they are really benefiting in the ways that we intend, as you heard Cami talking about in her conversation.

Where we are seeing those that are questionable, pay-for-play, are really with football and basketball, the more high-profile sports.

I think, over time, where you also will see the greater impact and a greater potential negative impact on women athletes is if we move to more of an employment model. And, if you start moving resources to those individuals that generate the revenue, that revenue in those high-revenue sports is what supports our women's sports. It supports our nonrevenue male sports as well.

And so, if we reallocated resources away from those -- to those two sports that generate the most, we will run the risk of seeing cuts in those sports or reductions in the number of both men's nonrevenue sports and then, ultimately, potentially women's sports, and I think a move to potentially offer fewer sports if we start talking about

reallocating revenue in certain ways, even far beyond the impact on NIL.

Ms. <u>Schakowsky.</u> That is worth a conversation.

And my time has expired, and now I recognize Mr. Bilirakis, the subcommittee vice chair -- excuse me -- I always do that -- I always want to make him --

Mr. <u>Bilirakis</u>. I am just the ranking member.

Ms. <u>Schakowsky.</u> Yeah, yeah. The ranking member for 5 minutes of questions.

## RPTR PANGBURN

## **EDTR ZAMORA**

[11:33 a.m.]

Mr. <u>Bilirakis</u>. Thank you, Madam Chair. I appreciate that.

Yeah, this is really good testimony. Thank you all for your testimony today.

I am concerned the longer Congress continues to stall, the integrity of college athletes will diminish. And I am really concerned about that. And student athletes will end up being hurt by the lack of clear standards. I think everyone, basically, testified to that. We all agree on that. So, you know, we need to pass a bill as soon as possible, in my opinion.

But, Dr. Emmert, do you believe the current patchwork of State laws with inconsistent NIL reporting and disclosure requirements threaten the viability and integrity of college athletics?

Dr. Emmert. Well, thank you, Ranking Member. Yes, I believe it most certainly does predominantly because of the issues that were described earlier around the potential for the -- several things to occur. First, that students are being treated differentially right now across the landscape. They don't know what the rules of engagement are, they don't know what their rights and opportunities are.

Secondly, we know that because there is not any enforcement mechanism or clear definitions, some of the arrangements that are being made appear to be moving over toward more of a pay-for-play model aimed solely at recruitment of athletes from one institution to another. That leaves both individual athletes at schools in a disadvantaged state and it also competitively advantages or disadvantages other schools based upon their geography and a variety of other factors.

And then the last piece is that as these arrangements move more and more toward institutionally based rather than third-party based, they do, in fact, run the risk of converting student athletes into employees. And all three of those things are very serious threats to college sport.

Mr. <u>Bilirakis</u>. Thank you very much.

Next question is for Ms. McWilliams. As a former college athlete yourself, you have the unique understanding on how student athletes want clearer standards and want to maintain the current integrity of collegiate athletics, I believe, especially for nonrevenue generating sports. If Congress legislates in a manner that changes the current college athletics model, will this impact certain athletes more than others? And do you have thoughts you would want to share on the important distinction between being an employee of a school versus a representative of the school?

Ms. McWilliams, please.

Ms. McWilliams. Yeah. Thank you for the question. Absolutely. I think there will be impact on nonrevenue sports. I mean, if you think about the [inaudible] schools that exist in the NCAA, only 25 are revenues. Most of our schools, Division II and Division III, we are not even exceeding our expenses each year. So there are concerns.

We need to make sure that whatever is put in place, that it is in alignment with our budgets and the resources that we have at our institutions. I am concerned that if we don't, you know, our schools won't be able to handle and manage the expectations of covering additional healthcare or covering additional pay and covering all those other things that that is just not what we were designed to do.

I also believe that our institution's revenue allows for championships and all the things that we do, football and basketball that you see and heard our President

Livingstone say, that those resources support all of our other sports that are [inaudible].

And so the distinction between, you know, the employee and the representatives -- I was given access to an education and I don't believe [inaudible] defined as employment as a student athlete. I think going to college is a choice and an opportunity that we have, but I think as administrators we have a responsibility to give the best access and opportunity to succeed. An NLI is a great opportunity for our students to use their name, image, and likeness, and to build upon that. And as administrators and leaders, we need to give them the right framework and the opportunity to be successful.

We are asking 18-year-olds to manage, to be entrepreneurs, asking them to do things and create deals for themselves with no guidelines. And so I think pay-for-play is a concern for us, but I definitely think the opportunity to help these young people to be successful as student athletes and not employees is in the best interest for college athletics.

Mr. Bilirakis. Thank you very much.

Dr. Livingstone, as more and more college athletes are approached to receive compensation for their NIL -- I know this is already a feature of Florida's law -- but do you think universities should provide educational tools or classes to help students understand the dynamics of signing contracts and what that means for their future? And can you give us a sense of what you are providing to your student athletes?

Dr. <u>Livingstone.</u> Absolutely. It is really critical, because this is putting another level of pressure on our student athletes that many of them are not prepared for. In the State law in Texas, it does require 5 hours of financial literacy training, and schools are required to provide that for our student athletes. At Baylor, we have a very comprehensive program in place. Even prior to NIL, we had a program we called Baylor

Built that had principles related to career development, leadership development, community service, and we have been added to that now that we have these NIL responsibilities.

So we kind of have three pillars in that program. The first one is really a monitoring system in helping students report to us. The Texas law also requires that students report to us what they are doing, and we want to make sure that as they do it, it is in compliance with the State law, with Federal law, and make sure that they stay eligible to participate at the NCAA level. So we have to educate on that level.

We also have to help them navigate the financial aspects of it and give them back kind of an education, that personal branding, how do you position yourself well. We have got a wonderful program that helps student athletes know how to build their personal profile on social media to actually enhance their value.

And then we do a lot of work on financial literacy. We have a program that combines work from our law school, our business school, our entrepreneurship program, where we help students understand what they need to do to get the right legal advice, the right financial advice, and so on to be successful.

So we already had a framework for that, and then we have built upon that for NIL. But there are a lot of institutions in this country that do not have the resources to build out that kind of program. I do think it is an opportunity also for there to be -- if there is a national NIL law that provides some consistency in what is expected, then there could also be sort of national educational programs that would be accessible to all institutions, regardless of your resource level, and it wouldn't rely as much on the actual resources an individual school had to be able to provide that support.

Mr. <u>Bilirakis.</u> Well, thank you very much for that. I appreciate it. Very informative. Thank you.

Ms. <u>Schakowsky.</u> The ranking member of the subcommittee yields back.

And now I recognize the chairman of the full committee, Mr. Pallone, for 5 minutes of questions.

The <u>Chairman</u>. Thank you, Chairwoman Schakowsky.

The blood, sweat, and tears of college athletes, along with their commitment and quests for greatness, has fueled college sports into becoming one of the most watched and profitable sports industries in the country, but until now, the athletes have been excluded from profiting from their efforts.

So I want to begin by asking each of the witnesses a just yes-or-no question. Do you believe that Congress should establish a Federal framework granting college athletes the right to earn compensation for the use of their name, image, and likeness?

Just yes or no, and I will just start with Ms. March and go through the list.

Ms. March?

Ms. March. Yes.

The Chairman. Thank you.

And then, Ramogi Huma?

Mr. <u>Huma.</u> And I am sorry it is a little longer, but yes, if it is attached to broad-based reform.

The Chairman. Thank you.

Dr. Emmert?

Dr. Emmert. Yes, I do.

The Chairman. Dr. Livingstone?

Dr. Livingstone. Yes.

The Chairman. And I didn't get to Jacqie McWilliams.

Ms. McWilliams. Yes.

The Chairman. All right. I think that was everybody. Well, thank you.

Then let me go to Ms. McWilliams. College athletes are also supposed to be college students. How do we open financial doors for athletes but also ensure they get a meaningful education that will equip them for careers, which for most will be outside of professional sports?

Ms. <u>McWilliams.</u> That is a great question. I think that is a role that we play in intercollegiate athletics anyway, particularly in our conference or most of our conference is to make sure that we are setting up our students, not just as athletes, but we are setting them up to be prepared beyond that.

You know, as a former coach and also administrator on campus, you recruit students because you want to give them the best opportunities to succeed and to play the game that they love. I think about myself as a former student athlete. I chose to go to Hampton for that same opportunity, but during the whole entire way, I was guided and given resources to help support the opportunity to be prepared to be in this seat right here.

I have never paid for college, and that is a blessing not to have to do that and put that burden on my family that couldn't afford to do so. I often say that I used Hampton as maybe people will say that Hampton, or colleges use our student athletes and make money off of that for them. I think it is a two-way street in how we look at this. And the blessing is that I got prepared in the best way, career opportunity, connections outside the community, community service, that we all want our student athletes to be a part of. Opportunities for student athletes are so grand and broad-based. Those stories are not often told that you don't hear.

And so I hope that as we continue to lead in this industry, that we provide these opportunities for our students to have NLI, but we also give them the support they need

so that they can be successful entrepreneurs beyond playing the game.

The Chairman. Thank you.

Mr. Huma, can you please share your thoughts? In professional sports, there have been countless horror stories of unsuspecting players entering unfavorable NIL deals or being financially exploited by unscrupulous actors. You know, I just was going to ask you to comment on that, if you would.

Mr. <u>Huma.</u> Sure. And that is one of the risks with the freedoms that have been opened up, and they are risks that even the pro athletes are not immune from. I think that when you have freedoms like this, there is always going to be that risk.

Most States have in their laws that athlete agents have to be certified by their State. So that is one protection. But, again, if included with broad-based reform, I think the Federal legislation would be positive to include standards for agent representation and some representation contracts.

The Chairman. Thank you.

And, Dr. Livingstone, are you concerned that college athletes may be financially exploited by unscrupulous actors?

Dr. <u>Livingstone</u>. I think it is certainly a very likely risk in this kind of a situation. You have young people, many of them from backgrounds where they don't have that kind of experience. They may not have families that have lawyers and attorneys that they can turn to, and very likely there will be people in the industry that want to take advantage of them.

One example I heard, and this might not even be unscrupulous, but you could have a young female student athlete that gets \$5,000 for promoting some brand when she comes to college. She ends up being an all-American volleyball player. She has got this long-term agreement on her name, image, and likeness that she didn't know any

better to do when she moved to college. And then when she graduates, she can play in the Olympics, she could go play professionally in Europe, and her name, image, and likeness might be worth a lot more money, but she made a bad deal as a freshman in college and didn't get good advice.

So I think we have to be very, very careful, and there needs to be good guidance around how student athletes pick agents or lawyers or accountants, attorneys, but also protections that -- maybe even some screening mechanisms for who can even be working with these student athletes that we know that they are legitimate actors and are really looking out for the best interest of their clients.

The <u>Chairman.</u> Thank you. Thank you, Madam Chair.

Ms. <u>Schakowsky.</u> I now recognize the ranking member of the full committee, Mrs. Rodgers, for 5 minutes.

Mrs. Rodgers. Thank you, Madam Chair.

Cami, I want to thank you again for sharing your experiences with us. It is great to see you as a Washington State student athlete finding success both on and off the golf course. I want to just ask if you would elaborate a little bit on the NIL rules and what a level playing field will mean to you as far as helping you succeed as captain of Washington State University's women's golf team, but also as an app developer and your entrepreneurial aspirations.

Ms. March. Yes. Thank you so much, Mrs. McMorris Rodgers, for your question. I think a level playing field is really important. When I was going through my recruiting process, there were a bunch of factors that I was thinking about, whether it be location, who would give me the best education, the best program for me to succeed at, and I think adding another layer when it comes to NIL is just hard to navigate. A lot of athletes are recruited before they are 18, so having to make that type of decision so

young is just so hard.

So I think a level playing field really will help students navigate that process and choose the best institution for them athletically and for their education [inaudible].

Mrs. Rodgers. Thank you. Would you just speak a little bit more to just where we are today? Because now we are -- you are free to pursue these opportunities, but you were talking about the importance of a set of rules to be beneficial to you and your peers around the country as you think about pursuing your passions to be entrepreneurial, but then not running afoul of rules based upon what might be going on in a particular State.

Ms. March. I feel as though when I was going through my process of developing my app, there were a lot of hurdles that I had to navigate compared to my other fellow students who had the same entrepreneurial mindset. So there are waivers that I had to go through with NCAA, a bunch of different things that I felt like made my process a little bit more difficult. So I think this standard and level playing field will really be helpful to student athletes who have aspirations of doing something entrepreneurial.

Mrs. Rodgers. Thank you. Very good.

Ms. McWilliams, I wanted to ask you, recognizing that over half the States right now have some kind of NIL law or executive order that has taken effect allowing college athletes to have compensation for their NIL, I also note that there is additional States that are working on NIL legislation in their State legislatures. You bring a lifetime of perspective to this issue, both as an athlete and then also in your current position.

Would you speak to how you see this playing out for student athletes when there is differing incentives for recruitment?

Ms. McWilliams. Yeah. Thank you for that question and just the acknowledgement of being in the industry. We are seeing it now. We have three

athletes currently in our conference that have taken advantage or had the opportunity to sign a deal, two in North Carolina and one in Virginia, and we are excited for them. But what I can say is that I can see that there could be some recruiting [inaudible] here with the different State laws and accesses and opportunities based on the different laws in our different States. It is in five States right now, and in the five States, I think we have one of our States has not -- their legislature hasn't gone through yet. Another State does not have anything quite yet, and the other three do.

I think the inequities that this could cause and the opportunities for recruitment and how student athletes will seek the better opportunity to go to one State or another or one school or another based on what is available for them to do right now. And that is what we don't want to see. We already see the inequity across all of our divisions. And there is inequity just because we got small schools, large schools, but we want to make sure that there is evidence-based law -- baseline laws that keep at least a level playing field in a way that our students are not competing or recruiting is not competing, and they don't have to make choices because they think they are going to have a better advantage and opportunity from one State to another.

So, again, we applaud the opportunity for this to happen. But there is some concern if there is no guardrails to protect the recruiting and the integrity, but also [inaudible] student athletes who need it as they are trying to build their own entrepreneurship.

I hope I answered the question.

Mrs. <u>Rodgers.</u> Thank you. That was good. An important insight, I think, especially for female and minority athletes, if you wanted to add anything in particular?

Ms. <u>McWilliams.</u> Yeah. I mean, I -- again, you know, I serve underserved institutions. We have less resources, but somehow we still make access and

opportunity available for our students through our sponsors, through our championship.

And to give them access and opportunity on this front, I think is great. We want our

Black and Brown students at our HBCs and across the world to do well. I think we have

our own challenges [inaudible] most difficult to compete with some of our majority

[inaudible] in our States. And so whatever we can do to make, again, a level playing

field for women and for our men, that is important to me.

Mrs. Rodgers. Thank you.

Thank you, everyone, for being here. I have more questions, but I will save them for another time.

I yield back.

Ms. Schakowsky. I thank the gentlewoman for yielding back.

And now it is my pleasure to yield to my colleague from the State of Illinois, Congressman Bobby Rush, for 5 minutes.

Mr. Rush. I really want to commend the witnesses -- can you hear me?

Ms. Schakowsky. You are on, but it is very soft, so speak up.

Mr. Rush. I want to thank you, Madam Chairman. Can you hear me?

Ms. Schakowsky. Yes.

Mr. Rush. All right. I want to thank you for this outstanding hearing. And I want to commend the witnesses all along for your extraordinary testimony.

Mr. Huma, your riveting testimony and your very, very profound perspective is commendable. And I just want you to address the issue of inducements to lure high school recruits and college transfers to a particular university or institution. What can we as Congress do to prevent NIL agreements from being used as inducements at the high school level and at the college transfer level?

Mr. Huma. Sure. And thank you for that question. And, you know, following

some of the pro models, it is kind of a parallel with free agency, right? In the pro leagues, if there is a free agent, teams have to compete, but they cannot arrange name, image, or likeness deals or endorsement deals as a part of an offer. So it is standard practice to not allow that to happen, and it is also a restraint of trade to not allow that to happen.

And in my testimony, I mentioned that that could be a reasonable restraint of trade, and that if Congress wanted to get involved, it can prohibit that directly as a matter of law rather than give the NCAA an antitrust exemption to do so.

The NCAA should not operate above the law whatsoever. The NCAA is a chronic antitrust violator and has been harming college athletes over this issue for many years. It cannot be trusted with powers like that to operate over the law. So Congress can implement that. That is being done. And, actually, I believe every single State that has passed a law or an executive order, that is already in place on those States' legislation.

Mr. Rush. I want to also ask you, can you elaborate on why you feel as though the NIL doesn't really go far enough to protect the health, safety, and welfare of student athletes? Do you have any more to add? Can you elaborate on it?

Mr. <u>Huma.</u> Sure. NIL is an important economic milestone, and I think it has helped bust through some of the cartel practices, the illegal practices economically. But there is going to be a relatively few percentage of athletes that actually are able to capitalize that on any meaningful way, but they deserve equal freedoms, you know. For all the advocacy we have had, we have always said every athlete deserves equal freedoms; it doesn't mean they are going to be guaranteed an NIL deal.

But when you look at athletes -- you know, the NCAA was punishing athletes over these issues. You sign an autograph, you get punished, you get suspended, you get demonized. But if those same athletes were to die in a hazardous workout or be

sexually assaulted, we have gone -- we have called on the NCAA for decades to address it and they have not.

Health and safety is a top priority. Chronic sports injuries is a real thing. There has been surveys done. Over 50 percent of Division I athletes across all sports will have a chronic college sports injury with no support. NCAA sports is not helping pay for medical expenses for players who are broken up down the line. There are many more pressing issues, and these issues should not be ignored by Congress.

Mr. Rush. I certainly can attest to that. Back in 2010, when I was the chairman of the subcommittee, we had a roundtable, and we had an athlete from the University of Oklahoma who was injured, lost his scholarship. His poor family was saddled with the medical costs, and the university washed its hand of the whole incident, and now the athlete and his family are still suffering economic duress. So I really appreciate your testimony.

Dr. Emmert, I want to ask you a question. I am concerned about the impact of Eastwood on our Nation and our Nation's sports future. Do you have any thoughts about how Eastwood would impact the NCAA and college sport and organized sports in general?

Ms. <u>Schakowsky.</u> So Mr. Rush is out of time, but if you could quickly answer his question, I will let you go.

Dr. Emmert. Yes. I think if I understood your question, Congressman, properly, I think one of the most important elements of college sport than what we can provide for young men and young women is indeed to prepare them for their future life and their future professional careers. And we must make sure, whether it is their physical and mental health and well-being or their academic preparations, they are prepared for that future.

Mr. Rush. Thank you. I yield back, Madam Chair.

Ms. <u>Schakowsky</u>. The gentleman yields back.

And now, Mr. Latta, I recognize you for 5 minutes.

Mr. <u>Latta.</u> Well, thank you very much, Madam Chair. And thanks to our witnesses for being with us today. Really appreciate it.

Modernized rules are needed to meet the reality facing today's student athletes.

The new media landscape has transformed these students into social media influencers that are seeking to utilize their name, image, and likeness in paid advertising. While the United States, including my home State of Ohio, has set up framework of name, image, and likeness rules, a Federal standard is necessary.

A patchwork of State laws creates the very real possibility that student athletes in different States will be governed by different rules that relate it to their NIL. This means that colleges in certain States have advantages over their counterparts across the Nation. All college athletes have and should have an equal chance to benefit from these opportunities, regardless of the size of their school or the sport that they play. It is also vitally important that we preserve the collegiate model and integrity of recruiting process.

Dr. Livingstone, thanks, again, for being with us today. In your testimony, you mentioned that NIL should not be used as an incentive to attend one school over another, and as I mentioned, especially when you think about from our very large institutions to medium to small colleges and universities. What guardrails would you suggest that should be put in place around booster or other third-party activity when it comes to recruitment?

Dr. <u>Livingstone</u>. I think where we have to think about the guardrails is maybe less about who is doing it but what they are paying student athletes to do. Because I think when you start thinking about boosters, we certainly want to be careful who is

doing it and why they are doing it, but I think it is more about what we are paying them to do.

And, you know, like Cami's app, that is a perfectly, appropriate activity. It is really unrelated in many ways to her role as a student athlete; whereas, in other circumstances, we are seeing situations where every member of a sports team is getting paid X dollars just for being on that sports team. Well, that looks very much like an inducement to actually play sports at that institution, because if they leave that institution, that name, image, and likeness payment will not follow them. They only get it because they are at that institution.

Now, does it matter that that payment came from a booster versus it came from a nonbooster? Probably not. What matters is, you know, the intent behind what they were doing. Now, that is harder to legislate, I know, but I think it is something that we have got to give some careful consideration to.

We have seen situations where, allegedly, a company was paying for name, image, and likeness for a student athlete in a smaller market at a smaller institution, and they are encouraging that student athlete to transfer to a school in a larger market so they will be more valuable to the person that is paying them. Is that company a booster of that larger institution? It might be, which would, you know, be challenging. It might not be; it might just be for them --

Mr. <u>Latta.</u> Can I interrupt you just for a second because what you just said there. So if you are transferring, let's say, from a smaller institution to a -- let's just say you are going to a large Division I school, and this student has already paid or has been paid for that NIL in a contract for having been at the smaller school, but then what you are saying then is that that larger institute -- or are they going to go to the large institution, whoever paid them for it, is going to make a lot more money out of that likeness than earlier, as

we have heard from some of the other testimony before.

Dr. <u>Livingstone.</u> Potentially. And then maybe pay that student athlete more if they move to the larger institution. So there is some really clear incidents happening now that look very much like pay-for-play that we need to find ways to put parameters.

And then the other piece of it is the enforcement piece of it. Because right now, many of the State laws do not have an enforcement mechanism in them. So they say you can't do pay-for-play, but there is no enforcement mechanism when these kinds of issues arise to be able to look at them to see if they actually violate pay-for-play. So that is the other reason a national standard and some national enforcement mechanism would be important, so that there is not just consistency in the standards, but there is also consistency in the enforcement.

Mr. <u>Latta.</u> Thank you.

Dr. Emmert, now that these State laws have been implemented and student athletes in all sports have entered into million-dollar NIL contract agreements, you mentioned in your testimony that these agreements have the ability to provide a long-term positive impact on the students; however, it is important that these students are given the tools to ensure they aren't taken advantage of by these exploitive agreements.

Could you speak to some of the conversations you have had to achieve that end?

Dr. Emmert. Yes. Thank you, Congressman. I think the most important issues are those that Dr. Livingstone was just talking about; that there is clarity about what the relationship is, that there is education underneath -- that undergirds all of this so that students know what to look for and not look for, what a model agreement should look like, what they are committing themselves to, the time span of that commitment, the flexibility of that commitment. We need to have those policies in place so that they can

be uniform across the country rather than having to have different ones in each of the various States.

Secondly, we need to make sure that there is sufficient transparency, not a deal-by-deal arrangement, but transparency so that there is an understanding of the kinds of arrangements that are being made so that you can get at a better understanding of who is doing what, when, and where to the points that, again, Dr. Livingstone was just making.

If we have those two things in place, plus some standardization of the structure that Congress could put in place, it would go a long, long way to supporting young men and young women in doing these deals.

Mr. <u>Latta.</u> Well, thank you.

Madam Chair, my time is expired, and I yield back.

Ms. Schakowsky. The gentleman yields back.

And now I recognize Congresswoman Castor for 5 minutes.

Ms. <u>Castor.</u> Well, thank you, Chair Schakowsky, for calling this hearing. Thank you to all of our witnesses for appearing today.

On July 1, the State of Florida's name, image, and likeness law went into effect. It joined about 14 other States, and there are many more on the way. Florida's law states that compensation may not be provided in exchange for athletic performance or attendance at a particular institution and may only be provided by a third party unaffiliated with the school.

I want to see if you all think that is the right approach. I am very interested in the discussion about abuses in recruiting that Ms. McWilliams highlighted as recruiting wars and in Representative Rush's question talking about inducements and Mr. Huma weighed in on that and, Dr. Livingstone, your last explanation.

I would like to ask Ms. March, as a student athlete, what -- is that the right approach? And how do you think this could be used to benefit students, but give us some advice on how to avoid those recruiting abuses?

Ms. March. Yes. Thank you for your question. What I think of the new NIL, I think of how now entities have access to us. I have seen on my Instagram and various social media accounts how people and different companies are asking me to post things and be a part of their brand.

So, for me, my concern is more about access to the students. They don't know how to navigate those conversations, how they could potentially find themselves in a situation that is less than ideal. So, hopefully, that answers.

Ms. Castor. Thank you.

And, Dr. Livingstone, how do we ensure that third parties are truly unaffiliated?

Dr. <u>Livingstone</u>. Well, you would have to have a clear definition of what it means to be affiliated. I know we talk within the NCAA guidelines, we actually have definitions of who a booster is. And it is very clear. You know, there is really clear guidance about who a booster is and what they can and can't do in association with dealing with student athletes, and that is something we have to monitor and pay attention to.

So I think you would have to have -- and I don't know whether the Florida law provides any guidance on that, that portion of the law sounds like the direction you would like to see something go on a national level, but I think you would have to have a clear affiliation on what it means to be affiliated. Really, it goes back to the question earlier about is it okay for boosters and supporters of an institution. I think you need to understand what you think an affiliated organization is or an individual, and then make it really clear what that is, and then so that student athletes and institutions know, and then have the right enforcement mechanisms in place to help keep everybody kind of

within those guardrails.

Ms. Castor. That is back to who should enforce this.

Dr. <u>Livingstone</u>. Right.

Ms. <u>Castor.</u> And, Mr. Huma, you heard Dr. Livingstone say, okay, we need some kind of national enforcement entity, something. What is your view on that?

Mr. <u>Huma.</u> Again, I think as apparent, a broad-based reform, including NIL, would be what we would support. And if there is going to be -- the type of enforcement that is needed would be third party, not the NCAA, again. I think the legislation would have to [inaudible] directly.

But in terms of boosters, getting back to my opening remarks. You saying boosters are paying for the best coaches, best facilities in order to win recruiting wars. There is already a recruiting war. So, you know, that was my point. They are already competing -- or if it is an unlevel playing field. You know, Florida International makes about \$30 million, \$32 million in revenue. Well, the University of Florida has about \$140 million in revenue, and they are both in that FBS division, and they are competing, but it is very lopsided. That was long before NIL.

And the boosters can be a particular sort of revenue for the athletes. The moneys is [inaudible] anyways. That is what they have been doing. That is what they are doing to boost the program. So to draw the line in the sand and say, wait, we are not going to let athletes benefit because of competitive level playing fields and competitive equities or we are going to allow the boosters to go ahead and tip the scales anyway by paying out, you know, the biggest coaches, best coaches, and having the best facilities in order to attract those recruits is something that I would advocate against.

I worked very closely in Florida with Chip LaMarca. We tried to get that out, but the legislature implemented that in Texas --

Ms. Castor. Thank you.

I have one final quick question for Dr. Emmert. There are many college athletes who are international students, they are on F1 visas, but these visas prohibit student athletes from NIL. Does the NCAA have a position on this?

Dr. Emmert. Well, we certainly -- first of all, we recognize the problem that that can create. If an F1 visa individual is now being considered an employee rather than a student, does that change their status? And one of the issues that would need to be addressed in Federal legislation is clarification around that.

From my own personal perspective, I would like to see a model where those international students could participate in NIL opportunities just like national students do, but they would have to be very, very careful. That also is one of the bits of confusion in all of this that needs to get fixed.

Ms. <u>Castor</u>. Thank you very much.

Ms. <u>Schakowsky.</u> The gentlelady yields back.

And now I recognize Mr. Guthrie for 5 minutes.

Mr. <u>Guthrie.</u> Thank you, Madam Chair. I really appreciate it. And thanks for being here today.

And I know we are talking NIL, but, you know, I am glad that we are doing the cost of attendance for players. If you are an athlete, you can't work. A lot of students work to have walking around or pocket money, and if you are an athlete, you can't. And if you don't come from a family of means, I mean, you can't even go home for other sides. So that was a good move moving forward.

And I will tell you, the University of Kentucky, who makes more money in football than they do in basketball, actually uses -- is now using athletic money to fund other academic programs. So it is not just -- when you say all this big money going to

athletics, it is not going for profit; it is going in to spend other parts of the universities, and we have to configure that.

And then Northwest University, I can tell you almost to the penny, but I will tell you, it is north of \$250,000 for a full ride scholarship for 4 years. So, I mean, that is not small change either. But NIL -- and I want to -- Dr. Emmert or Dr. Livingstone, since you are here in front of me, but we are talking about pay-for-play. Here is a scenario. Say I am Brett Guthrie Barbecue in Bowling Green, Kentucky, and I want to hire the five Western Kentucky basketball starters to come on Monday night to talk about the week ahead or the week past and the games. Coaches do that all the time and sign deals to do that.

They come to my restaurant. They get to come to my restaurant because they are a starter for Western Kentucky University. That is the value their name brings, and the value they bring to my business is that they are the starters for Western Kentucky University. They fill up my restaurant. So it is absolutely name, likeness, and image in the purest sense of form, but some people are going to say that is pay-for-play. Because let's say I used to play for Western and want to go to Lexington or UK, and I will say, well, I don't have a restaurant in Lexington, our contract is over with; I mean, how do you define -- I mean, we are having all these big principals, and I know the NCAA all year was trying to put something together and it gets to how do you define this stuff?

So how would you define pay-for-play? If your name, likeness, and image is valuable because you are the starting quarterback for Alabama, so somebody wants to pay you a million dollars for that, is that not pay-for-play? And is that wrong because this young man can bring in a million bucks because he is a great athlete and he is at the school that is valuable to the brand? I mean, how do you police this?

Dr. Emmert. It is a very important question, Congressman. I think there is two

elements to it that can allow sensible enforcement. The first is this notion of transparency understanding what that relationship is so that you know -- you don't need to know all the business details of it but you know what that relationship is and whether it is the institution or this third party that we have been talking about that Congress could establish to do just that. That gives you, first of all, some understanding of the transaction so that everybody --

Mr. <u>Guthrie.</u> But doesn't that just open you up to -- let's say Western Kentucky says, you know, I gave you \$500,000 last year, but I am going to hire these players so I am not going to give you any money this year because I would rather spend it on players.

Because if I do, then I am subject to some kind of transparency or litigation or something like that, even though you are doing it all for the right reasons.

Dr. <u>Emmert.</u> Yes, I understand. And I agree with you. So it could be, first of all, transparent. And then, secondly, to what Dr. Livingstone was saying a bit earlier, it needs to be clear what the relationship is. What is the student athlete delivering? Are they legitimately delivering something of value?

In the scenario you just described, I would not see that as pay-for-play. I would see that as a student athlete providing a perfectly good business utilization as you would with anybody else who is promoting your particular product or restaurant, and they are bringing in customers, and it is a straightforward business deal. So I think you can differentiate there where it is -- where it is simply tied to an individual who you don't have any relationship with there. They are someone who is not doing anything for you; they are just playing ball for you and they are getting that quarter million, half a million dollars, then, you would say, well, there is no transaction here, that was just being paid to play that position.

Mr. <u>Guthrie.</u> So you know we now have a patchwork of laws. Kentucky has an

executive order, Florence, I think Alabama had a special set or something legislature because they didn't want to get behind on it.

So what have these States passed? Because we have to get to the specifics of it.

So what have you seen, the two of you or anybody, that a State has passed that we should not have in a Federal law? What should we preempt? I know we need preempting because we need consistency, but what element do you think one State did it and this is just bad? What is that?

Dr. <u>Emmert.</u> I think there is several elements. There is at least one State that I know of that, in fact, allows and, indeed, encourages the universities themselves to be the broker, the person who arranges for these relationships; and that, I think, is straightforward pay-for-play in that context. So I think that is one problem.

I think the second problem is there is no requirement for any form of transparency, no reporting requirement, no understanding, even at the institutional level.

And then third, there is no enforcement mechanism or even an attempt at trying to create some enforcement model around those things. I think those are the core elements in some State laws that are most challenging.

Mr. <u>Guthrie</u>. Okay.

Dr. Livingstone. Could I add one item?

Mr. Guthrie. As long as she will let you, yeah.

Ms. <u>Schakowsky</u>. His time has expired.

Mr. Guthrie. Chair, appreciate it.

Ms. <u>Schakowsky.</u> And now our student athlete, passed student athlete, Congresswoman Trahan, for 5 minutes.

Mrs. <u>Trahan.</u> Thank you, Madam Chair. And thank you to the witnesses for testifying today.

Dr. Emmert, it is great to see you again, and not surprisingly my questions are for you. I wish I could actually aggregate all my colleagues' remaining time and just ask all my questions. But I think it is fair to say that for a long time the main argument against allowing college athletes to be compensated for the use of their NIL was that it would effectively end college athletics as we know it.

But based on what you have seen as president of the NCAA in the past 3 months since the association's new NIL policy went into effect, do you believe that college athletics are on the verge of extinction.

Dr. Emmert. Thank you for the question, Congresswoman. I think, first of all, the resistance among the schools -- and it is the schools, of course, that make all of the rules of the NCAA. The resistance and concern of the schools were all those issues that we are discussing here and all the potential for this to go awry. If we can, in fact, have a framework that creates the guardrails we are talking about here, I think quite the opposite of being the end of college sports, I think it can be a wonderful educational adjunct for students.

Mrs. <u>Trahan.</u> Yeah. I agree. I mean, look, if deals started to take the shape of resembling pay-for-play, which has been discussed today, it just highlights what we have known for years, and that is that there is a market for paying college athletes. And while NIL is only part of the solution, it is why we need to be really honest, that athletes do work for universities and deserve the same rights as employees across other industries, especially as it pertains to striking that balance with academic experience versus athletics, their health and safety, which has been raised, and certainly equity.

Dr. Emmert, you already stated for the record that a national standard is necessary on NIL. Do you also agree that the national standard should be as pro-athlete as possible?

Dr. Emmert. | I am sorry?

Mrs. <u>Trahan.</u> The national standard should be as pro-athlete as possible?

Dr. <u>Emmert.</u> I do. I think that, again, these are opportunities, as we have just heard from Ms. March, that students can take enormous advantage of, they can build lifelong skills, they can generate some revenue, whether it is modest or large. I think that is all very, very helpful and healthy if we can do it in an appropriate fashion.

Mrs. <u>Trahan.</u> And so have you or the NCAA's legislative bodies identified what you believe to be necessary restrictions on athletes' NIL? I know some of them have been shared, but is there any other outstanding that you would like to share with the committee as we sort of think about this legislation?

Dr. <u>Emmert.</u> Well, we have, and, in fact, the membership of the NCAA, the schools spent nearly 2 years trying to craft specific legislation that was about to go into place when the State laws were triggered. And so we would be happy to provide the committee with the proposals that the membership was about to agree on last June.

Mrs. <u>Trahan.</u> Terrific. We would love that. In fact, typically, what happens, you know, when we, Congress, work on large, long overdue issues like this one, there is a temptation and, frankly, it is pretty common for power brokers, you know, like the NCAA, to withhold their priorities and work behind the scenes against bills viewed not as in their favor. As you know, Senator Murphy and I have legislation that is central around protecting the value proposition for college athletes.

Would you commit to working with members of this committee to craft a legislative fix that prioritizes college athletes? And, if so, would you also pledge not to dispatch your lobbyists to sink a package that has the support necessary for that legislation to become law?

Dr. <u>Emmert.</u> Well, I most certainly will agree to work with this committee or any

other committee, and I have done so for a good while now, especially around this issue.

And I want very much to make sure that legislation supports and protects our student athletes and it works to their advantage.

I am a lifelong educator. I know most people know me as president of the NCAA, but I was first a professor and the university president for three decades. I have spent my life in that cause, and so, of course, I would work to that end.

Mrs. <u>Trahan.</u> Well, I appreciate it. As you might expect, Dr. Emmert, I appreciate that commitment and you know I am going to hold you to that.

My final question as, you know, as I mentioned, or as has been mentioned, I think we are all encouraged by the efforts from individual institutions -- Chapel Hill,

Washington State, it sounds like Baylor as well -- that have proactively provided support to college athletes with respect to their NIL rights. Do you agree that in those instances they should also be required to provide the same level of support to all athletes in their program regardless of their race, their gender, the sport they play?

Dr. Emmert. I do.

Mrs. <u>Trahan.</u> Great. Thank you. This is a much longer conversation and we didn't get a chance to talk on some of the bigger issues in terms of the structure of college athletes, but I really appreciate getting your input on getting the NIL legislation to a place that we can all be proud of. Thank you.

I yield back.

Ms. Schakowsky. The gentlewoman yields back.

Those people who may have extra time, if you want to yield to Congresswoman Trahan, I would recommend it.

Next, Mr. Armstrong is recognized for 5 minutes.

Mr. Armstrong. Thank you, Madam Chair.

College athletics is undergoing significant change. I think Congress' priority should be to do no harm and be cautious of unintended consequences.

And, Dr. Livingstone, can you provide us with student athlete sports played in teams at Baylor?

Dr. <u>Livingstone.</u> I am sorry. What was the question, how many student athletes we have in sports?

Mr. <u>Armstrong.</u> How many student athletes do you have at Baylor?

Dr. <u>Livingstone.</u> We have about 525 student athletes across 19 sports.

Mr. <u>Armstrong.</u> And, roughly, how many of the Baylor student athletes play in revenue sports?

Dr. <u>Livingstone.</u> Men's basketball and football are our two revenue sports at Baylor. All of our other sports require reallocation of resources in order to support them.

Mr. <u>Armstrong.</u> And, Dr. Emmert, can you provide the same figures for the NCAA?

Dr. Emmert. Yes. There is roughly a half a million student athletes that play across in total over 19,000 different teams, 1,100 different schools. Most of those -- all of those programs have basketball programs and football programs, but for the great majority of those 1,100 schools, none of them are revenue-producing sports. There is an aggregate when you look at the total revenue minus expenses of schools, there is well less than 50 of those 1,100 schools that we would describe as cash flow positive or profitable, but where they are, that revenue is grossly disproportionately coming from football and men's basketball and, in some cases, a few other sports, women's basketball, in a few cases, ice hockey, in the case of North Dakota and, you know, a handful of others.

Mr. <u>Armstrong.</u> Thank you. And I think those numbers indicate that there is a significant majority of student athletes that participate in nonrevenue sports. And there is a Senate proposal that would require institutions to pay 50 percent of revenue from certain revenue-generating sports, minus expenses, to a fund that would be distributed to all athletes in that specific sport.

Now, Dr. Livingstone, it is my understanding that many institutions use funds generated by revenue sports to sustain nonrevenue sports. Is that correct?

Dr. <u>Livingstone</u>. That is correct. So when we look at our overall athletics' budget, all of that revenue goes into one pool, so to speak, and then we use that to support all of our sports programs, all of the support services that we provide across sports programs. And it would be very challenging for even an institution like Baylor or institutions in the Power Five conferences to support as many nonrevenue sports as we do, as many women sports as we do, if you had a model like that. And then if you think about those institutions who do not have profitable programs, even in men's basketball and football, doing some kind of reallocation would be even more devastating to those kinds of institutions.

Mr. <u>Armstrong.</u> Yeah. So if we assume that covered sports for this provision are likely to be men's football and basketball, and in UND's case probably men's hockey, we are benefiting athletes of those sports at the cost of other sports and student athletes. Will their sports even exist at the collegiate level without those funds?

Dr. Livingstone, what challenge would an institution face if its revenue sports were no longer funding nonrevenue sports?

Dr. <u>Livingstone.</u> Well, we would have to make some very, very difficult choices. You would either have to decide to either fund those other sports at a much, much lower level, or you might have to decide to reduce the number of sports you offered, or you

would have to make a determination to reallocate resources from other aspects of your university to then support those sports programs that used to be supported by athletics revenue.

And so -- and that is very challenging in higher education. We try to do everything we can to make our athletics programs self-sustaining and not have to use resources from other parts of the university to support our athletics programs. And that is challenging given the small number of institutions that actually have athletics programs that generate excess revenue.

Mr. <u>Armstrong.</u> And, Dr. Emmert, has the NCAA studied this proposal? Would it have ramifications on female collegiate athletics?

Dr. Emmert. Well, the majority of women sports are nonrevenue-producing sports so, therefore, they are dependent upon the revenue sports within that institution, or direct subsidies from the schools either in the form of student athletic fees, or targeted donations or just transfer of money, as Dr. Livingstone said, from the rest of the university.

There are very, very few schools of those 1,100 who operate without some level of subsidy at this point. So you would have to make the kinds of tradeoffs and decisions that Dr. Livingstone was just describing.

Mr. <u>Armstrong.</u> Thanks. I see my time is expired. I appreciate it.

And I yield back.

Ms. Schakowsky. I thank the gentleman.

And now I recognize Mr. McNerney for 5 minutes.

Mr. McNerney. Well, I thank the chair, and I thank the panelists. It is an interesting discussion.

In general, I have heard clearly that uniformed NIL regulations are needed, as well

as a level playing field, so we will take that as a sort of starting point.

To Mr. Huma, my State of California was the first to pass the college athlete NIL bill, the Fair Pay to Play Act. The laws made it possible for these athletes to earn compensation through endorsements, autographs, signings, and more. It also allowed college athletes to enter into group licenses, permitting a coalition of athletes to collectively enter into licensing deals with a company.

Mr. Huma, how could licensing deals like this benefit college athletes?

Mr. <u>Huma.</u> Well, thanks for the question. Group licensing is an important part. Actually, it was pretty exciting, earlier this year, EA Sports announced the return of college football in their video games. And for their athletes to be — they used to put their athletes in there and not pay them because of NCAA prohibitions, which are illegal, but now that that has opened up, there is an opportunity for players to actually be in the game and be paid. And, traditionally, how that is done is EA Sports pays the athletes in the form of a group license to use all of their rights, and the players get to be in a great game that they love to play, and they receive a few bucks and get some money, as well as trading cards. There is other areas as well, but every dollar, especially in some of the sports that are predominantly Black, like football, basketball, women's basketball, every dollar can matter to many of these athletes who are from low-income backgrounds. And so that is something California got right, which we are proud of as a cosponsor of that bill.

Mr. McNerney. So is there some altruism involved in that? I mean, do some players are going to be less likely to get the bucks for their endorsements and so on, and so the more prominent athletes have to agree to give up a little bit? Am I interpreting that correctly?

Mr. <u>Huma.</u> Typically, in those agreements, the athletes get an even amount, an

even distribution, whether they are the third string offensive lineman or the starting quarterback. So it is something, a way for athletes who, many of them, again, who aren't going to get an NIL deal of any kind of significance, have a chance to earn a few bucks.

Mr. McNerney. Ms. March, have you and your fellow athletes discussed the possibilities of group deals, maybe for the whole golf team? And, basically, how much interest is there with this approach among your friends and teammates? Do you feel there is a widespread interest in this sort of arrangement outside of your group and your university?

Ms. March. Yes, thank you for your question. On my team specifically, we have six ladies that are international students. So given the new NIL rules, they aren't allowed to participate in these deals at this moment. So on my team, we have not discussed group deals. I bet on other teams that there probably are -- have been some discussion. But with me, personally, we have not. I have not discussed this.

Mr. McNerney. Thank you.

Ms. McWilliams, in your written testimony, you discuss the importance of understanding resource disparities among institutions. My district is the home of the University of the Pacific, it is a Division I school, as well as the San Joaquin Delta College, it is a community college. Both possess highly successful athletic programs but bring in far less revenue than other high-profile institutions.

How can we ensure that lower revenue generating schools and programs are all able to offer the same NIL opportunities to their athletes?

Ms. McWilliams. Yeah. I mean, I think, again, you know, with the baseline framework of legislation that allows at least that start of everyone having access of the same thing. I mean, even with the group licensing fees, there are institutions who

currently have resources to have access to third parties to do that. I can tell you that my institutions are still working on what that could look like for there because we don't have those extensive resources to bring in a third party quite yet. And though we need to, that is still in discussion for each of our institutions.

I think, you know, the ability for us to continue to -- we fundraise. We do all these things for our student athletes, honestly. I mean, I want our student athletes to be successful in this NIL piece, and the level playing field is never going to be level playing field. It is never going to be the same equity across all of our institutions and divisions, Power Five, HBCU. It never has been. But at the end of the day, what can we do individually at our institutions to make sure that we have whatever resources we have to make these opportunities great for our students and not to put legislation in that is going to impact us even more.

We can't afford. My school will close athletics. We will lose programs if there are rules and laws in place that are going to require us to do more than we are currently doing. So you could help us by not putting in laws that are going to put more strain on us.

## RPTR GIORDANO

## EDTR ZAMORA

[12:32 p.m.]

Mr. McNerney. Thanks for that nuanced answer.

And I am going to yield back.

Ms. <u>Schakowsky</u>. The gentleman yields back.

And now I recognize Congresswoman Clarke for 5 minutes.

You are muted. Yvette, we can't hear you. You are muted.

Ms. Clarke. Got that.

Thank you, Madam Chair. And I thank our expert witnesses for joining us for this important hearing.

Today's college athletes in the aggregate generate millions of dollars in revenue for the NCAA athletic conferences and universities. These record revenues have led to lucrative coaching contracts, lavish gold-plated athletic facilities, and seemingly exponential increases in recruiting funds.

But the athletes, overwhelmingly students of color, who put themselves at risk of injury to compete, particularly in the highest revenue-generating sports, are often responsible for covering the costs of their health insurance, out-of-pocket expenses from injuries suffered during their time as student athletes.

Dr. Emmert, do the current policies governing healthcare coverage effectively protect the health, safety, and welfare of collegiate athletes, and does that coverage extend beyond the time period when their efforts are being televised and monetized by the NCAA?

Dr. Emmert. Well, thank you for the question, Congresswoman. I think the

area of the healthcare and health concerns of student athletes is something that we always have to keep in the front of our mind. NCAA was created 115 years ago specifically around those issues and concerns.

The policies today require that student athletes all be covered by health insurance, either that of their -- themselves, if they are an adult and independent, or their families, or the university or college itself.

In the case of the high-revenue sports and high-revenue schools that are those that you see on TV, the vast majority of those provide that healthcare directly. Many, but not all, provide healthcare to continue beyond the time that they have competed when their eligibility expires. And should they have injuries that are catastrophic injuries that continue into their years beyond eligibility, the NCAA itself has a catastrophic insurance policy that can protect them throughout their life.

There has been and continues to be active debate about whether or not that is adequate, and I think those are important questions.

Ms. <u>Clarke.</u> Well, thank you. Dr. -- excuse me -- Mr. Huma, do you agree with that assessment?

Dr. <u>Emmert.</u> I beg your pardon?

Mr. Huma. I would say --

Dr. <u>Emmert.</u> Oh, okay.

Mr. Huma. I would say most of it is not accurate in terms of what you are asking.

The catastrophic injury insurance policy, virtually no athlete qualifies for. You have, as I mentioned, about 50 percent of college athletes with chronic college sports injuries after they are done, and virtually none of them qualify for that fund.

In terms of even the big schools, typically they require players to have their own insurance, and many of them, if they don't, they require the athlete to purchase the

school's health insurance plan. They don't simply provide it. It is actually -- actually, at my alma mater, it was right there in the handbook. They actually garnish your scholarship check in order to pay for it.

So lots of disturbing trends.

Ms. <u>Clarke.</u> So, Mr. Huma, would the health, safety, and welfare of collegiate athletes improve if institutions of higher education were required to cover all costs of medical insurance and any out-of-pocket expenses incurred by the player for college sports-related injuries? And what about if the schools had to cover long-term care related to injuries that occur while the player is competing for the school?

Mr. <u>Huma.</u> Absolutely. And I think that the reality is that for the schools that can afford it, absolutely. We suggested trigger language. Schools in, say, Division III and II that are struggling a lot more, it might be a bit much. But when you hit \$20 million in athletics revenue, you can pay for out-of-pocket expenses. When you hit \$50 million, you can pay for full coverage and out-of-pocket expenses for up to 4 years.

And that \$7 billion I mentioned in revenue explosion of the last 16 years can be used for a fund. Put some of that in a fund for players who, long after they are done, some of those athletes I mentioned among the 50 percent who have chronic injuries, where they with go and get help for surgeries and treatment that they still need.

Ms. <u>Clarke.</u> Very well.

Dr. Livingstone, I know we all want to ensure the students are properly taken care of. Why don't schools already cover these expenses?

Dr. <u>Livingstone</u>. Well, I think that the level at which schools cover these expenses varies pretty significantly based on the financial resources that that school has access to. We certainly provide medical support and care for our student athletes. We provide mental health support and care for our student athletes.

We have even -- we provide support for them for the first couple of years after they leave if they have mental health support they need to continue and they don't have their own means to cover that from an insurance perspective, or from a physical injury. We have even provided care for student athletes in extended-care addiction recovery programs or mental health facilities when they needed that and it was something that was going to help them continue their education to be successful.

So I think where the challenge becomes -- and Ms. McWilliams might be able to speak to this even better than I can -- for institutions that do not have athletics programs that generate excess revenue, the impact of having a significant burden of requiring some of these benefits could be quite challenging for them. We all care deeply about the health and well-being of our student athletes. I think how to manage that and how to pay for that is a real challenge.

Ms. <u>Clarke.</u> I yield back. Thank you very much, Madam Chair.

Ms. <u>Schakowsky.</u> The gentlewoman yields back.

And now I recognize Congresswoman Dingell for her 5 minutes of questions.

Mrs. <u>Dingell.</u> Thank you, Chairwoman Schakowsky, and thank you for holding this hearing, and to all of you that are testifying today.

As a member who represents a Big Ten school and the University of Michigan -- go Blue -- and a mid-American conference school at Eastern Michigan University, as well as being a graduate of Georgetown University, this is a subject I have deep interest in and have already been spending a lot of time talking to coaches, athletes, and university administrators.

And I am really pleased to see the bipartisan attention on this issue and that the committee is taking the time to dig into the topic and examine all the different ways to support our student athletes.

A crucial part of this conversation has been ensuring that student athletes are able to achieve both their educational and their personal goals. Many of you have suggested that student athletes are students first and foremost.

In contrast, Mr. Huma, in your testimony, you suggested some student athletes have been pushed to pursue less rigorous subjects or majors in order to devote more time to their sport, which would be anti-ethical to that goal -- or antithetical to that goal. Long-term educational attainment is inextricably linked to our conversation about a student and athlete's ability to monetize their name, image, or likeness.

Dr. Livingstone, as a university president and former college athlete, how can a Federal NIL framework or other policies being considered today ensure that students are not facing a [inaudible] between their participation in collegiate athletics, monetization of NIL, and educational attainment, which, for many, has long-term financial ramifications for these athletes beyond their post-secondary years? Do you have recommendations for specific policies that Congress or other authorities should implement to protect college athletes' education goals?

Dr. <u>Livingstone.</u> No, I really appreciate that question, Congresswoman. And I think one of the points I made is that any national legislation on NIL has to make sure that the student portion of the student athletes' experience remains the highest priority for them. We know, as we have said, 98 percent of these student athletes will never have a professional contract. Many of them, their NIL will be less valuable after they graduate, and so it is very, very important that they get an education.

So I think we have to continue to ensure that there are requirements for attendance in college to progress towards a degree, that we encourage and incentivize them to be successful and to get a college degree. So I think any Federal legislation needs to continue to make that a high priority.

I think it is why an employment model becomes more challenging, because once someone's an employee of the university, the question becomes, is your highest priority for that individual as an employee or as a -- probably -- potentially a part-time student rather than a full-time student.

So I think any legislation has to ensure that the student portion of that individual's experience remains of the highest priority in the context of their ability to take advantage of their name, image, and likeness, and continue to be -- perform effectively as an athlete.

Mrs. <u>Dingell.</u> Thank you.

Mr. Huma, I am going to ask you to provide an answer to that for the record, but I am down to a minute and 28 seconds, and I am really worried about women's sports that doesn't often receive the same support, promotion, recognition, or attention that men's sports programs do.

And title IX requires equal opportunities for men and women in college athletics, and NIL presents a potential avenue to give women new opportunities at making money for the use of their likeness.

So, Ms. McWilliams, in the time we have left, is there any concern that Federal NIL legislation could exacerbate these inequalities or are there benefits in which thoughtful NIL policy might help promote women's sports programs and bridge these disparities in treatment? What policies should we consider in crafting this NIL legislation?

Ms. <u>McWilliams.</u> Thank you. I think all the things that we have discussed today and the responsibility that we have as leaders to protect title IX, these student athletes, our missions and our goals are why we are in higher education and why we have athletics in the first place.

I do agree that we are out of whack here. I mean, this is a -- it is a sad day to be

having this conversation, working in this industry and then being an athlete, trying to figure out or having conversations that the NCAA hasn't done its job. I am the NCAA. I am a member of the organization, and gender equity is extremely important to me.

So as leaders, every one of us that walk in the room, we have a responsibility to make sure it doesn't get lost. Whatever policy that is, whatever conversation that is, that is our responsibility as leaders and around this table to ensure those conversations don't get lost and overbeared by what we believe is the highest priority of making sure that all these dollars are being made and student athletes are not benefited from it.

We all should be benefiting and we all -- we are benefactors for sports, and so we have a responsibility to make sure that title IX never gets lost, that the conversations are real and honest, and that every woman and every student athlete has an opportunity to see, and policies are in place to make sure that happens.

Mrs. <u>Dingell.</u> Thank you. I yield back, Madam Chair, with more questions for the record.

Ms. Schakowsky. The gentlewoman yields back.

And now I recognize Congresswoman Kelly for 5 minutes.

Ms. <u>Kelly.</u> Thank you, Chair Schakowsky, for holding this hearing today.

One thing we can all agree on is collegiate athletes [inaudible] system that protects their well-being and interests both on and off the field, but even the best designed frameworks will fail to achieve their objective if not properly enforced.

Mr. Huma, as Congress considers establishing a Federal framework to protect collegiate athletes, what enforcement mechanisms should we consider?

Mr. <u>Huma.</u> Well, I think, again, I think it needs to be third party. It should not be in the hands of the NCAA or conferences or the schools. And I think that a lot of it would be overseeing what the schools do and don't do, in terms of whether or not they

are getting involved in representing players, arranging NIL deals, using NIL deals as inducements. I think those are some of the things that I believe everyone probably agrees on.

I also believe that there are certain freedoms that are in place that should be protected, such as making sure that athletes can secure representation that aren't just limited to NIL. All representation. Legal representation. Some of the States have restricted that.

Some of the States have prohibited colleges from allowing to co-brand, meaning use their logos in a third-party agreement. The logos are a win-win for the player and the school, and it doesn't have to be arranged by the school. A third party comes in and brokers a deal. And if it is initiated by the third party, then that is great.

Any kind of disclosures, which, you know, from our perspective, don't need to happen, but if there is a -- too much, you know, that a bill wouldn't pass, that there were disclosures, it should be kept private. These aren't things that should be public information.

You know, there are a lot of deals -- and I would imagine, you know, again, if you are an app maker, Cami, you know, if you have some things that are maybe industry secrets, you don't want even your school knowing really, because oftentimes your ideas can get stolen.

So there has to be maximum safeguards for the athletes. And anything -- if there is conflicts, the school should not have the ability to, you know, have control of whether or not a player can get into a certain deal. That should be third-party regulated, mandated by Congress, the parameters of Congress.

Ms. <u>Kelly.</u> All right. Ms. McWilliams, care to share your thoughts?

Ms. McWilliams. Yeah. I somewhat disagree with that. I think there is -- if

you are in a higher education or you are in a job, there is conflict of interest. All of you find conflict of interests, I am sure. So as student athletes, you have the opportunity to use your name, image, and likeness. Whether you disclose what you are doing or not, there has to be some protection or guardrails.

And we have compliance and governance, people on our staff that do this work every single day. They are the ones who are burdening the bear, and they have to burden and bear managing this day to day. And so if they are going to have to do it -- and we want to make sure that these student athletes are doing their due diligence, they are having the opportunities, the guardrails are to make sure that there is no conflict of interest with the university.

I work for the CIAA, and though I love the NIL, I don't want to see a student wearing CIAA making money off of CIAA, right? So there is a commitment on both sides that we all have to make to make this work for all of us.

Ms. <u>Kelly.</u> Let me -- someone suggested a new independent entity should be charged with monitoring and ensuring compliance with laws, governing names, image, and likeness compensation for collegiate athletes.

Dr. Livingstone, do you think there should be -- do you think there should be a new [inaudible] NIL issues? And if so, do you think a new entity should be established, or is there an already existing entity that could take on that role?

Dr. <u>Livingstone.</u> Uh-huh. I do think that an independent body could be very effective in doing this. I do think we have to be careful that it is not a political body that has sort of political influences in how it makes that decision.

I am just going to use a specific example. One of the things we struggle with at colleges and universities is the title IX legislation, which has had a huge impact on women and college sports. But as each administration changes, our title IX policies have to

change. And so there is a deep inconsistency in -- from administration to administration in what we do with regard to enforcing title IX.

And so I think we need to make sure, if it is an independent body, it is truly independent, it has people on it that understand college athletics and NIL issues, and that it has a fair mechanism for enforcement on a national level.

Ms. <u>Kelly.</u> Thank you.

Ms. March, do you feel like you have sufficient resources to ensure your concerns in health and safety are being met?

Ms. <u>March.</u> Yes. Here at Washington State, I feel as though they are athletes first, and we are a community of people that are meant to help each other. So I feel here at Washington State, my experience has been just great with my health and safety, and we -- and they offer us protection for our eligibility and thereafter for health reasons.

Ms. Kelly. Thank you to all the witnesses.

And I yield back, Madam Chair.

Ms. <u>Schakowsky.</u> The gentleman -- gentlewoman yields back.

And I recognize now Mr. Soto for 5 minutes for questioning.

Mr. <u>Soto.</u> Thank you, Madam Chair.

There has been two telltale stories we have read in papers and seen in newscasts in Florida over and over, and it seems to repeat itself with a lot of our amazing college athletes in Florida.

One is the bizarre story of a top athlete being involved in a theft case, whether it is at a grocery store, at a retail establishment, someone who is gracing our television screens on Sunday or during great, amazing games during the week. And we see other -- a repeat story over and over of an early death of a former major college star, whether it be by a health issue as early as their late twenties or early thirties or even by

violence as they get back home and maybe have to even turn to crime.

And it shows all these themes that come up. A lot of athletes are coming from poor families. They don't have health insurance, some of them. They -- many of them -- or some of them aren't graduating. They are surrounded by great wealth all around them. And in spite of their fame, they are living without the funds needed to be able to live their normal lives, and so they turn to these bizarre situations that have happened over and over again.

Those are telltale stories that tell us that we -- we must have some changes. We have seen it in Florida with a new law allowing college students to be paid for their name, image, and likeness, the NIL we have talked about a lot today. NCAA, we see as moving forward on a similar rule, which we appreciate.

And under the Florida law, it mandates financial training and life skills workshops to athletes twice during their college career. And we have heard about that today, about the importance of having proper legal representation, proper financial training as we may be dealing with major financial decisions.

My main two questions -- and we will do them in tandem for all of our witnesses -- is: Do you believe that the NCAA and our college system will be able to come together to have a standard guarantee of health insurance for all college athletes and a living stipend so that they are not living in poverty surrounded by wealth and get into these situations?

We will start with president, Dr. Mark Emmert, and, from there, I will call on a next witness.

Dr. <u>Emmert.</u> Well, first of all, thank you, Congressman. The two questions really are at the center of what is constantly debated and discussed within the NCAA and the rulemaking structure that the universities participate in. There has been a constant

improvement in the healthcare supported that is provided to student athletes, as we just heard from one of our student athletes.

The biggest differentiator that causes me concern is between those schools who have abundant resources and those that don't. There is -- and Commissioner McWilliams was talking about this. There are schools that struggle with providing all of those amenities that a school like Baylor or another Power Five school can provide, and I worry greatly about those two distinctions on both ends of the continuum. And we need to collectively find solutions to that.

Mr. <u>Soto.</u> And I want to turn next to Ms. Cameron March on -- for the same question, how important it is to have a guarantee of health insurance and a reasonable living stipend for college athletes.

Ms. <u>March.</u> I believe it is very critical to have -- for the health and well-being for student athletes, and I hope that we all can come together and do that.

Mr. <u>Soto.</u> Next, Ramogi Huma, the same question, the importance of standardizing health insurance access and living stipends.

Mr. <u>Huma.</u> I think it is important to not only standardize it, but to actually pay for it, that the schools and the NCAA, with the post revenue -- post-season revenues [inaudible] division with the college football playoff begin to actually direct some of that money into meaningful ways so that players don't have to pay out of pocket.

And some of the players whose -- who are required to be on their own insurance, their parents are paying for them to be on that premium, so they are shifting the burden and responsibility for otherwise very healthy athletes to the families, many of whom come from poor backgrounds.

I don't think NCAA sports is going to truly ever come together and pay players any kind of affordable stipend, because every single stitch of progress has been made through

the courts on that issue, including one of the stipends that finally we won to just cover the cost of attendance. So any kind of a change in those areas, I think, will be outside of NCAA sports, unfortunately.

Mr. <u>Soto.</u> And just as a close, we see Major League Baseball do profit sharing among all sorts of baseball teams, among other private sector leagues, so this is something that could be brought together.

And I yield back.

Ms. <u>Schakowsky.</u> The gentleman yields back.

And now, Mr. Carter, you have been patiently waiting to waive on to this committee, and I recognize you for 5 minutes.

Mr. Carter. Thank you, Madam Chair.

Dr. Emmert, earlier, Mr. Huma was talking about the catastrophic insurance, and I believe you wanted to expand upon that, about the insurance that is offered to the students -- student athletes.

Dr. <u>Emmert.</u> Simply want to make clear that student athletes across all of our divisions are required to have either provided by their family because of employment relationships or the institution to have health insurance. They all have insurance through their time as a student athlete.

And should they have injuries while they are a student athlete that exceed the limits of those -- of that insurance coverage, then, indeed, there is a catastrophic injury policy that the NCAA pays millions of dollars for every year that covers those athletes. And we have had student athletes be covered for significant amounts, \$100,000 and more a year for their entire lifetime, to cover the costs of their injuries.

Mr. Carter. Okay. All right. Thank you.

Let me ask you, Dr. Emmert -- I want to go back to one of my colleagues,

Representative Guthrie, had mentioned the pay-for-play, and that seems like such a slippery slope in the sense the difference between pay-for-play. A couple of questions.

First of all, what happened in the school out West where the school actually arranged the agreement for a company to give scholarships or to give the -- to give money or whatever to pay for each of the 123 players on the football team to get the equivalent of tuition. How can that not be pay-for-play?

Dr. Emmert. Well, I believe, Congressman, that is part of why we are here today, is that we need standardized definitions across the country about what is and what isn't an appropriate relationship around name, image, and likeness. Today, we don't have that. We need some continuity so that both the universities themselves and the athletes know and those who enter into those kinds of arrangements know what the rules of the game are.

It is indeed a slippery slope. And as we have been discussing here today, one of the keys is, first of all, having those relationships be transparent so that people know they are going on, and then there is consistency about whether or not the student athlete, him or herself, is providing something of value in exchange for those resources rather than just showing up and playing football.

Mr. <u>Carter.</u> And not necessarily for football or basketball, but for some of the other sports especially, if it is deemed to be pay-for-play, how is this going to impact their eligibility for future Olympics?

I mean, if -- you know, a student athlete who has been playing -- you know, has been on a swimming scholarship, or diving or whatever, and then it is deemed, okay, that was pay-for-play, are they going to be eligible for the Olympics once they are finished there?

Dr. Emmert. I am not an expert on Olympic eligibility --

Mr. Carter. But don't you think it would be --

Dr. Emmert. -- but I do believe that they probably would be allowed to compete.

Mr. <u>Carter.</u> They would be allowed to compete?

Dr. Emmert. I believe so.

Mr. <u>Carter.</u> But don't you think that should be clarified with the Olympic Committee. I would think you all would --

Dr. <u>Emmert.</u> I clearly should be, yes.

Mr. <u>Carter</u>. I hope that the NCAA will take that upon themselves to clarify that.

Also, another concern, because I have heard you all mention it during this hearing, about the revenues go to academics as well to help with that. Isn't there a concern about the sponsorships withdrawing from that and going to the students instead, the student athletes?

I mean, at University of Kentucky, you have got Kroger Field. You know, let's -- are they still -- you know, I know at the University of Georgia, we have got the earphones or had the Delta emblem on it, and, you know, you have got Nike jerseys and everything.

I mean, are these companies now going to shift to the students and away from the schools and, therefore, the revenues are going to decrease, and, therefore, it is going to go back on the State legislatures to have to fund more for academics, et cetera, et cetera? I mean, has that been looked at?

Dr. <u>Emmert.</u> It has certainly been widely discussed. The evidence so far is not clear because we only have, you know, 2 months worth of data, but it is one of the real concerns I know that athletic directors who run athletic programs is very -- are very concerned about.

Mr. Carter. And with good reason.

How are you going to handle -- I remember the Olympics, when we had the basketball dream team, that some of them weren't with the official sponsor. I forgot who it was, whether it was Nike, and then some of the athletes didn't want to wear Nike, so they had to put the -- had to cover up the emblem.

How are you going to deal with that if a school uses, you know, a certain company but the student has an agreement with another company?

Dr. Emmert. Well, again, right now, there is a patchwork of different laws that approach that issue differently in several of the States. Some would allow student athletes to be mandated to wear specific uniforms produced by some sponsors. Some do not require that. Some would allow a student athlete to wear the shoe brand of his or her choice, et cetera.

So it is not clearly regulated today, and it is one of those areas that is of -- also of great complexity and why we need a national law.

Mr. <u>Carter.</u> In a nutshell, we have got a mess.

Thank you, and I yield back.

Ms. Schakowsky. The gentleman yields back.

And now, also waiving on to our subcommittee, I recognize Congresswoman Schrier.

Ms. <u>Schrier.</u> Thank you, Madam Chair.

I would simply like to yield to my colleague, Mrs. Trahan.

Mrs. <u>Trahan.</u> Thank you, Congresswoman. I so appreciate the time.

Dr. Emmert, according to data available from the Equity in Athletics Disclosure

Act, there are 2,071 institutions of higher ed with athletic programs that are recipients of

Federal funds, 90 percent of which are still out of compliance with title IX. In fact, you

know, 50 years after the passage of title IX, females are being annually shortchanged by a

billion dollars in athletic scholarships and nearly 150,000 sports participation opportunities.

It is also common knowledge that these institutions are providing significantly more dollars promoting and publicizing men's revenue sports, which has an adverse impact on female athletes seeking NIL employment in the open marketplace.

So I have two questions. One, if a university only focuses on deals with its basketball and football teams, are they in violation of title IX?

And second question is: How is the NCAA ensuring that universities that assist athletes with NIL deals do so in an equitable manner?

Dr. <u>Emmert.</u> Well, I am certainly not an expert on the legal nuances of title IX around whether or not the relationship you are describing would be in violation of title IX. So I won't -- I won't offer an opinion on that.

I do know that the individual schools and the conferences with which I am most familiar work quite hard, as we do at the national level, to promote sports as equitably and assertively as we can.

We do live in a society and, indeed, perhaps beyond our society where the majority of the highest-profile sporting events are male dominated. That is a reality. Whether that makes sense or not is a different matter.

And so when you look at where are the largest revenues that are coming in from media deals, for example, or where do you get the largest audiences, regardless of what a school's promotional model may be there, but typically football, which is, of course, the largest national sport, and then basketball. So whether or not their engagement around that violates title IX, I simply can't say.

What I can say is that we would very much like to see in Federal legislation policies that make clear that institutions in the implementation of any title IX engagement are

doing so in a way that is completely equitable across genders and every other group, regardless of their sport, regardless of their gender. And I think that is certainly possible and plausible within legislation that could be passed.

Mrs. <u>Trahan</u>. I am going to move real quickly to yesterday's release of the NLRB's memo, because the NCAA put out a statement saying that college athletes are students who compete against students, not employees who compete against employees, and added that both academics and athletics are part of a total educational experience.

You know, I have heard from countless current and former athletes who experienced the same thing I did, right? A system that rewards athletic performance first, and then that full academic experience -- internships, you know, job opportunities, travel abroad -- you know, that sort of comes close to near last.

So I am a proponent of giving athletes the power to organize and collectively bargain for fair and better treatment in a system that, you know, just for too long has a history of not having their backs. I mean, being a college athlete is a source of enormous pride, but also enormous sacrifice. And so making sure that we have an ability to give the power back to the athlete so that they can bargain for better athletic-academic balance is key.

I know your position on the legislation. I read your statement after

Senator Murphy and I launched it. Since you are opposed to giving athletes a voice through collective bargaining, what do you and the Association propose to give athletes not just a voice, but an actual say in setting the expectations of their performance in the classroom and in their sport?

Dr. <u>Emmert.</u> Well, if I can say this quickly, first of all, I think student athletes' commitment to their sports and their academic success is an enormous effort. It is extraordinary to me when I see what student athletes do in both the classroom and on

the court or the field, and I am incredibly proud of them.

I do believe that there are many ways in which they should be provided more opportunities to strike a balance between those two, including more time to finish their degree or to continue in internships or a variety of other activities, as you point out. I think it is very hard to balance those two.

I think, in terms of the student voice and vote, we need to make sure -- and I hope that we can continue to make progress on this. It is something that I have been very engaged in -- to continue to do that so that student athletes are more involved in every one of the committees and decisionmaking bodies of the Association. They are in 80 or 90 percent of them now, but we need more, and I support that clearly.

Mrs. <u>Trahan.</u> Thank you.

Could I just close, Madam Chair?

Ms. <u>Schakowsky</u>. Pardon me?

Mrs. <u>Trahan.</u> Could I just have a second to close?

Ms. <u>Schakowsky.</u> A second to close.

Mrs. <u>Trahan.</u> Thank you.

Ms. Schakowsky. Go ahead.

Mrs. <u>Trahan.</u> I appreciate this. I know that there is a lot on the table, and I really do appreciate the testimony. It is informative.

You know, the scales of college athletics have been so dramatically tilted in the direction of everyone who isn't an athlete for so long that one of the reasons why we take the tack that we do is because we are less concerned about going too far in the direction of giving athletes power than not giving them enough.

So this is an issue of fairness. It is an issue of equity. And while I don't often find myself associating my views with Justice Kavanaugh, I share many of the perspectives

that were laid out in his concurring opinion in Alston earlier this summer. So I think it is important we get this right, and that means getting it right for college athletes first and foremost.

But thank you. This was -- it was very helpful.

I yield back.

Ms. <u>Schakowsky.</u> The gentleman -- the gentlewoman, who is an expert on the subject and I am sure will be part of many of the conversations going forward, yields back.

Mr. Duncan, welcome, and you now are recognized for 5 minutes.

Mr. <u>Duncan.</u> Thank you, and thank the committee for letting me waive on.

This is an issue that is very important to me. I have been working with Anthony

Gonzalez for a while on this, ever since NCAA allied NIL.

And the gentlelady was right. We have a opportunity here to get this right, and we need to get it right. We don't need a hodgepodge, patchwork of 50 State rules and regulations governing NIL. That is not fair to the student athletes who are looking to go to colleges, universities in other States to try to figure out what they may or may not be able to do. We don't need the recruiters having to figure out what their laws are in Texas versus Alabama or Alabama versus South Carolina. A national standard on NIL is urgently needed. It just makes things easier for the college and university recruiters and athletes.

At the end of the day, we need to make sure that we keep the focus on the student athlete, because NIL is their name, their image, their likeness, and they are the ones getting the economic deal. They should negotiate it themselves. The colleges and universities should not be in the middle of that transaction.

And so we don't need -- I think we have an opportunity here to get NIL legislation,

a national standard, passed. But we don't need to muddy the water with collective bargaining and revenue sharing and all these other things, because that may prohibit us from getting an NIL bill passed. We keep our eye on the ball and make sure that we do something to protect student athletes -- and college universities are second to that, but protect them as well -- and not muddy the water.

You know, revenue sharing is an interesting thing, because I think Dr. Livingstone said it best, is that, you know, the big-ticket sports of football and basketball in some cases, they provide the revenue that allow the colleges and universities to have all the -- I will say it -- down-ticket sports, the women's soccer and lacrosse and softball and swimming, and I can go through a whole litany of sports that don't generate the revenue, and they are paid for. The universities are able to have those sports because of the football programs.

What that means is there are students -- student athletes that now have the opportunity to come to university on scholarship that they -- and get an education that they would not have otherwise, due to economic conditions or inability of the parents to pay for that college tuition. They have the opportunity because football pays for women's softball.

And if you do revenue sharing, you take that ability for those universities to have those down-ticket sports, and it prohibits universities from providing those opportunities -- educational opportunities for those student athletes. So those are things we need to think about.

I think we can have a conversation, Madam Chairman, about all of the issues of revenue sharing and liability and lifetime insurance and all pay-for-play, all the payment of students. We can have that conversation. It is probably worth having that conversation, not at NCAA, Dr. Emmert, but from the United States Congress at some

point. But we have a chance to get NIL without muddying the water. That is one of the big points I wanted to make.

And, you know, Greg Steube hit a home run last night for the Republican team as we beat the Democrats. And if he was a student athlete or an up-and-coming high school player, he would have had the opportunity to probably to go get a scholarship and probably have an NIL deal waiting on him. But then he would have to try to figure out, well, the laws in South Carolina where I want to go play at Clemson may be different than the University of Florida, or even Utah, which, you know, that is a whole other conversation what Brigham Young -- BYU is doing.

So we need a national standard. It is that important. But at the end of the day, who governs that and who negotiates it and who enforces it?

I wanted to ask just one question. This is from -- for Mr. Huma. Should conferences and associations be able to make and enforce recruiting rules that ban financial inducements? Yes or no?

Mr. <u>Huma.</u> No. That should be done directly from Congress, because, otherwise, they would need an antitrust exemption, which they don't -- it would put them above the law.

Mr. <u>Duncan.</u> Okay. I don't know, is Ms. McWilliams still on? Okay.

So, Ms. McWilliams, you highlighted that the CIAA stretches over five States, including Pennsylvania, Maryland, Virginia, North Carolina, and South Carolina.

While North Carolina NIL law is similar to South Carolina, they are not the same. For example, South Carolina law prevents universities from directly facilitating NIL deals for athletes, which I think is the right thing to do. In contrast, this is not covered in the North Carolina law.

So how do you think coordination by one school and not another will impact the

competition on the field?

Ms. McWilliams. I think it will impact. I think that disparity alone. Again, you can do one thing in South Carolina -- or student athletes or students who are interested in going to Claflin University compared to going to Johnson C. Smith. I mean, we can just talk about Division II and not Division I. There is greater access in one State than another.

I mean, being that we are neighboring States, it is just interesting that we haven't been able to work together on legislation in the first place to get to a place where we both can manage -- manage our institutions in our State, but I get there is differences.

I think it is hard. I mean, we can see right now there is -- we are all over the place. I mean, it is in the Association membership trying to define the fine lines between our Division I, Division II, Division III, State to State, private and public. It is tough. And so I agree with you that there needs to be some mandate across the board.

We are at the gates already but different legislation. How can we take what is the best out of each of the States and get to a place where we can all be on the same page for our student athletes, to have the same fairness, recruiting advantages, you name it, across the board? It is not easy.

Mr. <u>Duncan.</u> Yeah. I agree with you. I think you are right. Look, the horse has already left the barn. NIL is already -- the rules that NCAA has put forth. Colleges and universities are having to navigate this quagmire of 50 different patchwork laws because the States are passing their own laws, because they see the need to do that, protect the student athlete and the universities that fall under their funding stream.

Madam Chair, we have an opportunity to get NIL legislation out of this Congress, and I urge that we pass a clean NIL bill dealing with that.

And, with that, I yield back. Thank you so much.

Ms. <u>Schakowsky</u>. The gentleman yields back.

And we do have one more for questioning, and that is Mr. Bucshon is recognized for 5 minutes.

Mr. Bucshon. Thank you very much.

First of all, I apologize for missing some -- a lot of the questioning. I had another thing to do, and I couldn't get out of it.

I thank you, Madam Chair.

College athletics, of course, has long served as an important venue for Hoosiers, Indiana -- I am from Indiana -- as well as college students from across the country to get their degrees while participating in sports that they love, and even some of them make careers out of it -- 2 percent, as has been mentioned. However, the enactment of a number of State laws to put this into focus, this system of college athletics as it relates to the NIL situation, and we have talked about that a lot.

So I am going to get -- hone down to a specific issue that has been mentioned. While there are a number of other issues, this one is important. Some athletes are signing deals before they even stepped on the playing field at the collegiate level, and making deals with companies, some based maybe not in the United States, and then being pressured or influenced by the government of those countries. That is a potential concern.

Prominent college athletes can have an enormous influence on our culture, particularly amongst our younger children. And should we be concerned about the ability of governments -- and I will get into which ones -- to interfere in affairs of our Nation by putting pressure on college athletes and using college campuses, which has been done, to influence our culture amongst our young people, but now, if you -- now, if you have some of the most prominent athletes on campus that are caught up in that, is

that going to be an issue?

As an example, Dr. Emmert -- I am going to ask this question of you -- do you think that there should be any restrictions placed on NIL deals to restrict them from being entered with companies with close ties, for example, the Communist -- Chinese Communist Party, would be the extreme example. Are there any associated dangers to athletes or institutions that you foresee that Congress should work to address when working on a national NIL framework?

Dr. Emmert. Well, thank you for the question, Congressman Bucshon. I think there needs to be, again, greater clarity around what are and what are not appropriate sponsors. This is confused by the patchwork of laws we have been talking about. Some allow the schools to determine which sponsors are out of bounds when they are inconsistent with the values of the institution. Others specify specific industries -- gambling or alcohol, tobacco, et cetera -- as being out of bounds. Other States have no restrictions whatsoever.

So I think that what is necessary and what I would urge is, in the final crafting of a NIL bill here and in other chambers, that we have an open, frank discussion and debate about where there are appropriate boundaries and where there aren't.

My instinct would be to be as liberal as possible in allowing students to explore the market, but at the other hand, there are challenges nonetheless that need to be explored.

Mr. <u>Bucshon.</u> I mean, for example, we subsequently have found out, for example, on campuses with -- related to the Chinese Government, Confucius institutes, and that -- and also students involved in research projects that have specific Department of Defense focus. In fact, we have recently allowed that not to happen anymore.

So, you know, you could see the next frontier is promoting through high-profile

college athletes, things that maybe the college athletes don't understand themselves. I am not saying they would promote it, but I am saying they could be caught up in this.

And it is important, I think, as many people have mentioned, to make sure the contractual relationships young college athletes get involved in have some degree of scrutiny by someone.

Dr. Livingstone, you represent an institution with immense resources -- I think you have mentioned that -- as well as a conference with a great deal of power in the future of NIL. How do you perceive performing your role as an educator, as well, these young athletes as they begin to capitalize on this opportunity, and how do we ensure that smaller institutions that do not have the same brand power as you do and not come out on the losing end of multiple NIL laws if we don't do something here at the Federal level?

Dr. <u>Livingstone</u>. Yes. Thank you for that question. You know, I think that our role as educators just informs how we help our student athletes navigate NIL. I shared earlier some of the things we do at Baylor to help educate our students and prepare them to do NIL, so I think it is just part of our responsibility as we really, for all of our students on our campus, try to help prepare them for life, both while they are on our campus and then after they leave.

We have a phrase we use in our athletics program called preparing champions for life. And so in all aspects of what we do with our student athletes, we want them not just to be successful on field or the court or on the track; we want them to be prepared when they leave Baylor to be successful in life as parents, as spouses, as employees, as community members. And so NIL is just a piece of that. So I think it just -- the philosophy we have just wraps around that new piece that we have to deal with.

In terms of smaller institutions -- and we have talked quite a bit about this -- I think the uneven landscape probably has an even more challenging impact on smaller

institutions and smaller markets, and you have heard Ms. McWilliams talk some about that. So I think --

Mr. Bucshon. Yeah.

Dr. <u>Livingstone.</u> -- it is this national standard that helps us all understand how to do this.

And, frankly, it probably will take fewer resources for less-resourced schools to be able to be in compliance with national standards than if they are dealing with just their State standard, the students coming in from different institutions, because you can then provide educational materials. You can provide support at a national level, whether it is through the NCAA or some other body, to be able to support those institutions.

Mr. <u>Bucshon</u>. Yeah. Thank you, Madam Chairwoman, for your indulgence.

I just want to say, whatever we do, we certainly don't want colleges to make the decision to scrap athletics altogether, and that could happen if we do this wrong. And we could lose tons of potential student athletes and educated citizens as a result.

I yield back.

Ms. <u>Schakowsky.</u> The gentleman yields back, and that concludes the questions. I do want to thank our witnesses for their participation in today's hearing.

And before I adjourn, I just want to have unanimous consent to enter the following document -- only one this time -- into the record, a letter from Representatives Cleaver and Allred.

I seek unanimous consent. Without objection?

Mr. Bilirakis. Without objection.

Ms. <u>Schakowsky.</u> Without objection, so ordered.

[The information follows:]

\*\*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*\*

Ms. <u>Schakowsky.</u> I want to remind our members -- and we will do that -- that pursuant to committee rules, they have 10 business days to submit additional questions for the record to be answered by our witnesses who have appeared today, and we appeal to you to respond in as short a period of time as possible.

And at that time -- at this time, the subcommittee is adjourned.

[Whereupon, at 1:22 p.m., the subcommittee was adjourned.]