

Chairman Guthrie Opening Remarks at CMT Hearing:  
*“Moving the Goalposts: How NIL is Reshaping College Athletics”*

Good morning and thank you to all the witnesses for being here today. I am excited to hear your testimony and learn about your experiences with Name, Image, and Likeness.

Today, college athletics is a multi-billion-dollar industry fueled by the dedication and talent of student-athletes – a few of whom are here with us this morning.

For decades, student-athletes were prohibited from earning money from their own Name, Image, or Likeness, even as some sports brought significant revenue to universities, conferences, and the NCAA.

That changed in 2021. The NCAA, under mounting pressure from state laws, lawsuits, and a Supreme Court ruling, lifted its restrictions. As a result, student-athletes could finally profit from their own Name, Image, and Likeness. And rightfully so. This was a long-overdue step, finally allowing student-athletes the opportunity to benefit financially from their talent, hard work and public personas.

But the rapid rollout and proliferation of NIL has introduced new complexities and challenges. The absence of a uniform national framework has allowed a patchwork of state laws and institutional policies to grow, creating disparities and confusion among student-athletes and universities alike. So far, 33 states and the District of Columbia have passed NIL laws, oftentimes focusing on creating a competitive advantage instead of prioritizing good policy.

As this subcommittee knows well, a patchwork of state laws leads to uncertainty, inconsistency, and confusion.

One of the more concerning developments is the rise of the “pay-for-play” system. Third party groups have blurred, and in some cases fully wiped away, the lines between legitimate NIL opportunities and outright recruiting inducements. Without clear rules or transparent practices, some student-athletes are being misled by bad

actors and are pressured into signing unfair contracts that may not serve their best interests.

Adding to this transformation, the preliminary NCAA settlement could permanently alter the financial model of college athletics. If finalized, \$2.8 billion in back damages would be distributed to current and former student-athletes while institutions, beginning in the next school year, would be allowed to share revenue directly with student-athletes – a move that will fundamentally change the way college sports operate.

While the NCAA settlement could bring much-needed structure and stability to the current landscape, it may not be sufficient to address the opportunities and challenges posed by NIL. As we examine this issue, our goal is to consider the implications of the NCAA settlement, assess the current state of NIL policies, and explore legislative solutions that serve student-athletes, educational institutions, and the conferences they compete in.

Like many of you, my family and I have cherished memories of cheering for our favorite teams (Roll Tide and Go Tops / Go Cats!) on campus, watching young athletes grow into leaders both on and off the field.

I know my colleagues agree with me that we must preserve the spirit and virtue of collegiate athletics and ensure non-revenue generating programs are protected.

I'm grateful to our witnesses for their willingness to help us better understand both the opportunities and challenges NIL presents.

I look forward to an informative discussion on how our Committee can help shape a sustainable and transparent NIL system.

With that, I yield back.