

ONE HUNDRED NINETEENTH CONGRESS

Congress of the United States

House of Representatives

COMMITTEE ON ENERGY AND COMMERCE

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June 9, 2025

MEMORANDUM

TO: Members, Subcommittee on Commerce, Manufacturing, and Trade
FROM: Committee Majority Staff
RE: Subcommittee on Commerce, Manufacturing, and Trade Hearing

I. INTRODUCTION

The Subcommittee on Commerce, Manufacturing, and Trade has scheduled a hearing on Thursday, June 12, at 10:00 a.m. (ET) in 2123 Rayburn House Office Building. The title of the hearing is “Winning Off the Field: Legislative Proposal to Stabilize NIL and College Athletics.”

II. WITNESSES

- Mr. William King, Associate Commissioner/Legal Affairs Compliance, Southeastern Conference
- Ms. Sherika A. Montgomery, Commissioner, Big South Conference
- Ms. Ashley Cozad, Swimming Student Athlete and Division I SAAC Chair, University of North Florida ‘24
- Mr. Ramogi Huma, Executive Director, National College Players Association (*Minority*)

III. BACKGROUND

The adoption of Name, Image, and Likeness (NIL) rights for collegiate athletes has fundamentally altered the landscape of college sports by enabling student-athletes to profit from their personal brands. While there is widespread support for this long overdue change, the current system—characterized by rapid implementation, lack of transparency, and inconsistent regulation—lacks long-term viability.¹

¹ Sportse Media, *NIL Is a Bad System That Is Failing College Sports*, SPORTSEPRENEUR (Apr. 24, 2024), <https://sportsepreneur.com/nil-is-bad-system-failing-college-sports/>.

For years, the National Collegiate Athletic Association (NCAA) had strict amateurism rules prohibiting student-athletes from profiting off of the commercialization of their NIL.² Beginning on July 1, 2021, the NCAA allowed student-athletes to profit from commercial use of their NIL, and permitted schools and conferences to establish their own NIL policies, provided they adhere to state laws.³ This shift followed several court decisions related to NCAA antitrust violations.⁴ Since the rule change, over 30 different state NIL laws have gone into effect.⁵

After years of legal battles on antitrust grounds, a historic settlement was reached between the NCAA, the power conferences, and former college athletes on June 6, 2025.⁶ The \$2.8 billion agreement in *House v. NCAA* allows Division I schools to directly compensate athletes starting July 1, 2025, effectively ending the NCAA's amateurism model.⁷ While the settlement provides retroactive payments and a new compensation structure, it also introduces legal and operational uncertainties that have intensified calls for federal regulation.

The rapidly evolving NIL landscape, combined with the absence of consistent and enforceable rules around athlete eligibility and the transfer portal, has intensified recruiting battles and led to a surge in student-athlete transfers. Meanwhile, the rise of donor-funded collectives and increased booster involvement has normalized pay-for-play arrangements, raising serious concerns about academic integrity and the erosion of amateurism in college sports. With the 2025 settlement allowing institutions to directly compensate student athletes, whether student-athletes should be classified as employees is a pivotal question. Classifying student-athletes as employees, however, would likely place enormous financial burdens on college athletic departments and create additional legal uncertainty, possibly forcing schools to cut programs and reduce opportunities for student-athletes nationwide.⁸

² See NCAA, Nat'l Collegiate Athletic Ass'n Const., art 1.3.1, in 2002-03 NCAA Division I Manual (2002).

³ See NCAA, NCAA adopts interim name, image and likeness policy (June 30, 2021), <https://www.ncaa.org/news/2021/6/30/ncaa-adopts-interim-name-image-and-likeness-policy.aspx>.

⁴ See Claire Haws, Michigan Business & Entrepreneurial Law Review, Volume 11, Issue 2, The Death of Amateurism in the NCAA: How the NCAA Can Survive the New Economic Reality of College Sports (2022), <https://repository.law.umich.edu/cgi/viewcontent.cgi?article=1132&context=mbelr>.

⁵ See Troutman Pepper Locke, State and Federal Legislation Tracker (last updated May 5, 2025), <https://www.troutman.com/state-and-federal-nil-legislation-tracker.html>.

⁶ See Ross Dellenger, NCAA's House Settlement Approved, Ushering in New Era Where Schools Can Directly Pay Athletes, Yahoo! Sports (June 6, 2025), <https://sports.yahoo.com/college-football/article/ncaas-house-settlement-approved-ushering-in-new-era-where-schools-can-directly-pay-athletes-011814078.html>.

⁷ *Id.*

⁸ See Nick Tremps, The Wake Forest Law Review, *The Memorandum heard Around the College Athletics World: Why Student-Athletes in Non-Revenue-Generating Sports Should not Enjoy the Status of "Employee" Under the NLRA* (Apr. 1), <https://www.wakeforestlawreview.com/tag/employment-law/>.

IV. SELECTED ISSUES

A. State Patchwork and Legal Challenges

The lack of a national NIL standard has resulted in a fragmented system where 33 states and D.C. have enacted their own laws, creating competitive disadvantages and compliance challenges for student athletes and institutions.⁹ The interstate nature of college sports has made these inconsistencies unworkable. Separately, the NCAA's attempts to regulate NIL have faced significant legal challenges, with courts consistently finding that its restrictions violate antitrust law. Pertinent cases include:

- *O'Bannon v. NCAA* (2015): The Ninth Circuit affirmed a ruling that the NCAA's prohibition on student-athletes being compensated for their NIL rights was an unlawful restraint on trade.¹⁰
- *Alston v. NCAA* (2021): The Supreme Court struck down NCAA limits on education-related benefits.¹¹
- *House v. NCAA* (2025): The Northern District of California approved a settlement between the NCAA, the Power Conferences, and student-athletes resolving the *House* antitrust lawsuit, among others.¹²

B. The \$2.8 Billion Settlement

On June 6, 2025, Judge Claudia Wilken of the U.S. District Court for the Northern District of California approved a class action settlement in the *House* litigation between the NCAA, the Power Conferences, and student-athletes. The *House* settlement resolves multiple lawsuits by compensating tens of thousands of Division I athletes for lost NIL income dating back to 2016.¹³

The settlement also establishes rules governing NIL, revenue sharing, roster limits, along with establishing the College Sports Commission (CSC) to ensure compliance with these new rules. Beginning on June 7, 2025, Division I student-athletes are now required to report third-party NIL deals with a total value of \$600 or more to the CSC. The CSC will use an online

⁹ See Troutman Pepper Locke, State and Federal Legislation Tracker (last updated May 5, 2025), <https://www.troutman.com/state-and-federal-nil-legislation-tracker.html>.

¹⁰ *O'Bannon v. NCAA*, 802 F.3d 1049 (9th Cir. 2015).

¹¹ *National Collegiate Athletic Association v. Alston*, 141 S. Ct. 2141 (2021).

¹² *In re College Athlete NIL Litigation*, 4:20-cv-03919, (N.D. Cal. Sep 26, 2024) ECF No. 535, <https://www.courtlistener.com/docket/17248915/535/2/in-re-college-athlete-nil-litigation/>.

¹³ *Id.*

portal, built with assistance from Deloitte, to assess whether third-party NIL deals serve a legitimate business purpose and offer compensation within a reasonable range.¹⁴

Further, the settlement's revenue sharing model allows institutions to share a percentage of athletic revenue with student-athletes. Each year, institutions can distribute up to 22 percent of the average revenue generated by schools in the ACC, Big Ten, Big 12, Pac-12 and SEC from media rights, ticket sales and sponsorships—known as the revenue sharing cap. For the 2025–26 academic year, the cap is estimated to be \$20.5 million per school, pending final confirmation. With limited exceptions, the cap will increase by 4 percent annually for the next two years and will be re-evaluated every three years over the duration of the 10-year settlement period.¹⁵

Finally, NCAA scholarship limits have been removed, and roster limits have been established for each sport to give schools more flexibility in funding non-revenue sports and to maintain competitive balance. Under this new model, schools will have the option to offer partial or full scholarships to every student athlete on a team's roster.¹⁶ These changes were approved by the NCAA Division I Board of Directors in April 2025, conditioned on final court approval of the settlement.¹⁷ The settlement's full impact will depend on its implementation and the presence or lack of a federal NIL law.

V. LEGISLATION

The Subcommittee intends to discuss the following legislation:

1. **H.R. ____, Student Compensation and Opportunity through Rights and Endorsements (SCORE) Act (Rep. Gus Bilirakis)**

The discussion draft establishes a federal framework governing NIL rights for college athletes. The bill defines key terms used throughout the legislation, including college sports revenue, institutional affiliates, Interstate Intercollegiate Athletic Associations (IIAA), and pool limit. The discussion draft affirms the rights of student-athletes to enter into NIL agreements, prohibiting colleges, conferences, and IIAs from restricting those rights or penalizing athletes for engaging in NIL deals. However, two exceptions apply: agreements that violate a school's code of conduct or conflict with existing institutional contracts, and unauthorized use of institutional branding or facilities. Student-athletes earning more than \$600 annually through NIL deals must disclose the terms to their institution and IIAA. It also protects the privacy of

¹⁴ College Sports Comm'n, <https://www.collegesportscommission.org/> (last visited June 5, 2025).

¹⁵ *Id.*

¹⁶ *Id.*

¹⁷ NCAA, DI Board of Directors Conditionally Approves House Settlement-Related Rules Changes (Apr. 21, 2025), <https://www.ncaa.org/news/2025/4/21/media-center-di-board-of-directors-conditionally-approves-house-settlement-related-rules-changes.aspx>.

NIL agreements and guarantees athletes the right to hire agents without jeopardizing eligibility. In addition, the bill codifies the NCAA's core guarantees, which include continued access to medical coverage, academic support services, and scholarship protections.¹⁸

The discussion draft modifies the Sports Agent Responsibility and Trust Act (SPARTA) to reflect the new NIL environment. It requires agents involved in NIL deals to register with an IIAA and removes outdated provisions about eligibility risk disclosures when hiring agents. It clarifies the role of IIAs in collecting and sharing NIL data, along with enforcing rules related to eligibility, recruiting, NIL compensation limits, revenue sharing, scholarships, transfers, and championship management. The discussion draft includes a placeholder provision to address antitrust liability in college athletics. Finally, it preempts any state or local laws related to NIL. The draft expressly states that student-athletes are not employees, shielding institutions from employment-related obligations under state or federal labor laws.

VI. KEY QUESTIONS

1. How does the final decision in the *House* settlement align with the provisions in the discussion draft, and what additional issues should the committee consider addressing in light of the decision?
2. What is the role of the College Sports Commission, and how does it interact with the framework outlined in the discussion draft?
3. How is the lack of a national standard impacting competition and recruiting between universities in states with different or no NIL laws?
4. How would small universities and conferences, such as Division II or III, be impacted by the discussion draft?
5. What transparency measures are necessary to safeguard the integrity of college sports in a world where collegiate athletes have opportunities to receive compensation for their NIL?

VII. STAFF CONTACTS

If you have any questions regarding this hearing, please contact Giulia Leganski or Natalie Hellmann of the Committee Staff at (202) 225-3641.

¹⁸ NCAA, Student-Athlete Core Guarantees (May 23, 2024), <https://www.ncaa.org/sports/2024/5/23/student-athlete-core-guarantees.aspx>.