

April 21, 1997

Summary of Statement Of Donald C. Collins

SUMMARY OF TESTIMONY

A. Discussion Of The USOC's Proposals

1. I agree with changing the name of the Act to the Olympic Sports Act.

2. The USOC asks this Committee to clarify the extent to which it is obligated to send a complete team to Olympic or Pan American games. The USOC appears to feel a financial constraint caused by sending excessively large teams which often consist of alternates and athletes with no reasonable chance of winning. The USOC argues that sections 104(4) and (8) of the Act appear to require this.

Section 104(4) and (8) represent our short term interest in fielding a current Olympic team. Other sections of the Act protect our long term interests in future Olympic teams by requiring the USOC to develop lower levels of sports, and promote women, minorities and the disable community's participation.

Congress left to the USOC the decision on how to allocate resources between short and long term interests. In making these decisions, the USOC must keep in mind its statutory charge to develop lower levels of sports, and provide meaningful opportunities for women, minorities and the disabled.

3. Third, the USOC seeks the broadest possible immunity from suit. Such a broad grant of immunity would exceed the immunity of the government and would not be fair. A more reasonable solution would be to grant the USOC absolute immunity from actions for damages while allowing actions for injunctive relief; allow appeals to be entertained in federal court from arbitration decisions authorized under the Act; finally, create a strict statutory proscription against the bringing of frivolous suits.

4. The Act's requirement that the USOC file annual reports should be expanded rather than eliminated. The USOC and each national governing body should expand these reports to inform the public on how well it is meeting its statutory obligations to developmental levels, women, minorities and the disabled community.

5. The Form 1040 idea is agreeable. The national lottery needs further study as it may conflict with state lotteries and consequently reduce lottery revenue going to state schools.

B: My Proposed Amendments To The Act

1. The Act should be modified to provide a role for the National Association of Sports Officials (NASO), which represents sports officials. Having sports officials in administrative

capacities with the USOC and with NGBs will assist in rules changes, rules instruction and sportsmanship efforts.

2. A reasonable balance needs to be struck between athletes' rights to market themselves and national governing bodies' rights to condition athletes' participation on the use of the sponsors' equipment

C. Non-Act Legislative Proposals

1. Federal legislation classifying amateur sports officials as independent contractors is needed. We are not talking about officials of professional sports contests here. Amateur sports officials have no daily nexus with the schools, leagues, teams and sports governing bodies whose games they officiate.

The law is on the side of this proposal. Eight state courts have published opinions ruling that amateur (as opposed to professional) sports officials are independent contractors. No published opinion has ever held that amateur sports officials are employees. Eight other states have passed legislation making amateur sports officials independent contractors. Only tax agencies still contend that amateur sports officials are employees. The taxes and the expense of fighting tax agencies is prohibitive. The costs, even for a small organization, will be well into the six figures. Each dollar a group spends fighting a tax agency is a dollar that should be spent creating participation opportunities for athletes. Let's draft federal legislation to solve this problem.

2. Federal Sports Agent legislation is needed. State legislation regulating sports agents is inadequate to regulate the agents because the agents operate in interstate commerce. Unfortunately, there has not been a federal sports agent Bill which was of sufficient quality to do the job.

Respectfully Submitted,

Donald C. Collins