

**OLYMPIC FAMILY—
FUNCTIONAL OR DYSFUNCTIONAL?**

HEARING
BEFORE THE
SUBCOMMITTEE ON IMMIGRATION,
BORDER SECURITY, AND CLAIMS
OF THE
COMMITTEE ON THE JUDICIARY
HOUSE OF REPRESENTATIVES
ONE HUNDRED NINTH CONGRESS
FIRST SESSION

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OLYMPIC FAMILY— FUNCTIONAL OR DYSFUNCTIONAL?

THURSDAY, JUNE 9, 2005

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON IMMIGRATION,
BORDER SECURITY, AND CLAIMS,
COMMITTEE ON THE JUDICIARY,
Washington, DC.

The Subcommittee met, pursuant to notice, at 11:35 a.m., in Room 2141, Rayburn House Office Building, the Honorable John N. Hostettler (Chair of the Subcommittee) presiding.

Mr. HOSTETTLER. The Subcommittee will come to order.

At this time, the Chair recognizes the Chairman of the Full Committee, the gentleman from Wisconsin, for purposes of an opening statement.

Chairman SENSENBRENNER. Thank you very much, Mr. Chairman.

I am here both to make a statement and to welcome my constituent, Paul Hamm, who is an Olympic Gold Medalist and who was a victim of the United States Olympic Committee's dysfunctionality after his splendid come-from-behind victory in the men's all around gymnastics competition in Athens.

This unexpected comeback victory was the pride of America, and then this glorious victory turned into a horrible nightmare for Paul Hamm.

Seeing him hung out to dry for days on the television compelled me to come to his defense, and in doing so, I got a personal view of the inner workings of the Olympic system and its faults and weaknesses. And one of the reasons I'm here today as an *ex officio* Member of this Subcommittee, and this is the first opening statement that I have made at a Subcommittee hearing since I became the Full Committee Chairman 4½ years ago is because I want to make sure that what happened to Paul Hamm at Athens, where he was hung out to dry and had to fend for himself for hours and days on end, never happens again to an American Olympic athlete who was sent by the U.S.O.C. to compete and excel in the Olympic Games.

Paul Hamm is an Olympic champion who competed to the best of his ability. He followed all the rules of his sport, and he won his gold medal by doing all that is expected of an elite athlete.

He is the perfect example of an American Olympian that makes our country proud not only through his athletic achievement, but also because Olympians represent this country with honor and dignity.

And while understanding the need to handle controversies during the games quietly and in a uniform manner, the support system in place for an athlete should not be silent in the controversy that involves a competitor from an aggressive and vocal country.

This is the situation Paul Hamm found himself in for far too long, and he was there alone.

I hope today that we find changes have been made to address this type of situation in the future.

While the U.S. Olympic Committee has made internal reforms to its governance structure, I strongly believe that reforms need to be made in the organization's priorities, both procedurally and monetarily with regard to Olympic athletes, as well as those who are up and coming within the Olympic Movement.

My understanding is that some of the backroom negotiations and motives of officials that steered Mr. Hamm's experience are commonplace within the Olympic family, and that it should be stopped.

It has been alleged that the head of the gymnastics national governing body, who was so absent in the defense of Mr. Hamm, was in the process of negotiating for a job within the Federation of International Gymnastics and was also affiliated with the gymnastics tour that Mr. Hamm had chosen not to join. There shouldn't even be a perception that the actions of individuals in positions of influence are being governed by pending job opportunities or an athlete's personal choices about participating in profit making non-Olympic endeavors.

Additionally, allegations have been made that too much of the USOC's budget may be going to bonuses for high-level officials within the organization for travel and accommodations, for meetings of the Olympic governing structure and increasingly larger entourages accompanying athletes to Olympic events, rather than on Olympic athletic programs which need the funding and programs that are designed to produce future Olympians.

This is certainly not what most people would perceive as representing appropriate prioritization by the Olympic Committee, and hopefully we can get some answers today, and if necessary address those concerns. Thank you, Mr. Chairman.

Mr. HOSTETTLER. I thank the gentleman.

Today, the Subcommittee will hear testimony—excuse me—on how well the relationships between the U.S. Olympic Committee, Olympic athletes, and sports national governing bodies and organizations within the Olympic family are functioning, as well as how well the USOC itself is performing under its new, reorganized governing structure.

There may be a need to make additional changes to the Federal charter with regard to USOC procedures and purposes so U.S. athletes and sports organizations are getting the support and guidance they need.

The U.S. Olympic Committee has been a federally-chartered organization since 1950. The Ted Stevens Olympic and Amateur Sports Act, enacted in 1978, made the USOC the central coordinating organization for Olympic and Pan American Games sports and their athletes. The USOC's role under its charter is to provide financial, educational, training, and medical support systems for these athletes.

Over the last several years, the USOC has been the subject of many scandals. There was widespread agreement that the unwieldy managerial structure and internal politics were, in large part, the key to these scandals.

In June 2004, the USOC appointed a new board of directors and implemented several reforms. Today, we will be reviewing how well both the new board and the reforms are working.

There are additional issues we will discuss today on other suggested reforms that may better serve the interests of the Olympic family and may have to be addressed in legislation.

One of our witnesses today, Paul Hamm, will be testifying about his recent experience in Athens. That event brings up the question of what role the USOC plays in the support of U.S. Olympic athletes involved in a competitive controversy—whether it was appropriately administered in Mr. Hamm’s situation and whether the roles should be defined differently.

The Subcommittee will also be discussing concerns expressed about reduction of support of U.S. athletes involved in Pan American sports, as well as concerns about inadequate fostering of young talent through youth and school programs. These are areas that fall within the USOC’s primary responsibilities under the Federal charter.

Additionally, the Subcommittee wants to review the USOC international governing bodies for different sports interaction—differences of opinion on who is best suited to decide where recruitment funds are best spent and the ethical standards and procedures where individual governing bodies still exist. The USOC role with regard to these matters may need to be defined in the USOC Federal charter.

Finally, we will be discussing USOC disbursement of funds and how well that process works for all the Olympic family members.

At this time, I turn now—I yield to the gentlelady from Texas, the Ranking Member of the Subcommittee, for purposes of an opening statement.

Ms. JACKSON LEE. I thank the Chairman very much. I want to acknowledge Mr. Howard Berman, who is present and part of the Subcommittee, and I thank the Chairman of this Committee as well.

Mr. Hamm, let me thank you for being a great America, for being a young person who obviously was trained well by his parents to understand that the modus operandi for the United States is that we never give up. And you obviously honored that and honored the tradition and the values of America and Americans by making us very, very proud.

I am, I guess, welcoming of the fact that your Congressperson saw fit to get involved where others might have thought that we were beyond our boundaries. Many times Members of Congress are looked upon as having a narrow focus, but I believe that our work is at home, representing our constituents. And I’m gratified that your national issue is brought to the world’s attention by Chairman Sensenbrenner’s interest in pressing forward on your behalf.

But might I say, though you are enjoying your profile here today, you’ve made a very good lawyer over there, and you won your case.

And you deserve our applause and our recognition. Thank you very much for being here.

This is an important question, and I thank the Chairman of the Subcommittee for holding this hearing. And I hope that we will find at the conclusion that the witnesses representing the Olympic Committee will stand against dysfunctionality and come up with a reasoned response to what happened to Paul Hamm and as well the fact that solutions are already in the mix.

The U.S. Olympic Committee was established in 1896 to select American athletes to compete in the Olympics. The Amateur Sports Act of 1978 provided for the recognition by the USOC of national governing bodies and for dispute resolution. In 1998, the act was amended by the Ted Stevens Olympic and Amateur Sports Act, which provided for recognition of the Athletes' Advisory Council and the National Governing Bodies Council, NGBC, the creation of an athlete ombudsman and the responsibility for the Paralympics Games. I would almost argue that this is more complicated and more bureaucratic than any Federal Government agency could ever be.

The USOC has experienced some embarrassing controversies. In 1991 USOC President, Robert Helmick, resigned amidst allegations of ethical misconduct. A few years later, in an effort to win the bid to host the 2002 Olympic Winter Games, the Salt Lake City Bid Committee was accused of offering bribes to IOC members who were responsible for selecting the host nation of the 2002 Games. I might imagine or might say to you that America turned its head. We wanted the best for our Olympians and for the Committee. And our hearts really continue to support the efforts of the Olympic Committee. But these were embarrassing moments.

In 2002 and early 2003, ethical questions were raised in relation to an action by former USOC Chief Executive Officer Lloyd Ward. The USOC Ethics Committee investigation of Mr. Ward resulted in a ruling that Mr. Ward had committed two technical violations of the USOC's ethics code. Simultaneously, a public squabble between Mr. Ward and then USOC President Marty Mankamyer brought further embarrassment to the organization and ultimately both Ward and Mankamyer resigned.

As a result of these incidents, USOC oversight hearings were held in 2003. This led to the establishment of the Independent Commission on Reform of the United States Olympic Committee.

The Independent Commission issued a report in June 2003 in which it concluded that many of the USOC's past problems could be traced to its large board membership.

According to the report, the size of the board of directors—124 members—made it impossible for the organization to operate in a coordinated way. Also nearly all USOC directors were elected to the board by constituent groups. As elected representatives, the directors would tend to look first to the interest of the organization that elected them rather than to the best interests of the Olympic—American Olympic Movement, which I think is extremely important and has the affection of the American people continuously.

The Commission recommended a statutory overhaul of the USOC's governance structure. I hope, as was noted by remarks already stated that procedurally we can look to befriending and em-

bracing these young athletes and providing them with the pathway of success that they deserve and that we'll look to building up-and-coming athletes as well, starting in early years, because we have taken to athletics in the United States. Girls are now playing soccer and basketball. Swimmers are renowned. Those who engage in gymnastics—we are truly committed. We need our Olympic Committee to be committed to us as well.

In the 108th Congress, several bills were introduced which would have carried out the recommendation of the Independent Commission. In April 2004, however, the USOC implemented its own organizational reforms. The provisions in the bills were implemented with only minor modifications that were perceived by the USOC as being necessary to comply with the requirements of its charter.

The board of 123 members voted themselves out of power and established a board of just 11 members. That's a great step in the right direction. Other than for some minor technical corrections and a few clarifications, the Board does not believe that legislation is still necessary.

I will withhold my judgment on this issue. I'm looking forward to hearing the testimony, and I'd like to see that we've been able to sweep out our own closets and satisfy Congress' interest, but I think we must show without a doubt, that we will never leave our athletes abandoned as was so evident in the case of Paul Hamm.

We will hear from Paul Hamm, the first American man to win the Olympic Gold Medal in the gymnastics all around competition. He scored 9.837 on the high bar to achieve an overall score of 57.823 points, beating his closest competitor, South Korea's Kim Tae Young, by .0123 points, the slimmest margin for the competition in Olympic history, but he did win.

The third place bronze winner was a South Korean score by 0.49, and won the bronze medal.

A few days later, the South Korean delegation lodged a scoring error complaint with the governing board of the sport, the International Gymnastics Federation. They alleged that Young's routine had received a start value of 10 during his earlier identical performances in the team preliminaries and finals, but only a 9.9 during the all around competition, and that this difference of 0.1 points would have given him the gold medal.

According to the rules for the gymnastic competition, challenges to scoring decisions must be made before the following rotation is complete, so the objection from the South Korean delegation was rejected.

Mr. Hamm will testify that the USOC and the other American organizations left him alone to deal with this dispute until it was almost resolved.

We need to know why. And I conclude by simply saying this: at the point where it was discovered that there was an erroneous filing by the objection—or the objection of the South Korean delegation, my question simply is: where was the American Committee? Where was the defense of this athlete, young man without counsel and without support? Where was the vigorous argument that utilization of due process, which we adhere to in a very strong way—what happened? And if it can be fixed, we need to hear how and

when, and we need to know that it will never happen again. I yield back.

Mr. HOSTETTLER. I thank the gentlelady. Without objection, all Members' opening statements will be made a part of the record.

At this time, I'd like to introduce the members of our panel, and thank you for appearing today. Jim Scherr was named Chief Executive Officer of the United States Olympic Committee, or USOC, in April 2005 after holding several leadership positions within the organization. He joined the USOC staff in November of 2000. Prior to that, Mr. Scherr served as Executive Director of USA Wrestling from 1990 to 2000. He is a three-time U.S. national champion and a two-time World Cup champion in wrestling. He is a former Olympian, and also the winner of multiple silver and bronze medals at world championship competitions from 1986 to 1989. Mr. Scherr attended the University of Nebraska and earned an M.B.A. degree at Northwest University's Kellogg Graduate School of Management.

Mark Henderson is Chair of the USOC's Athletes' Advisory Council, which is composed of Olympic, Paralympic, and Pan American athletes elected by their peers to represent the interests and rights of athletes within the USOC. Mr. Henderson won an Olympic gold medal in 1996 in swimming, and he is a two-time world champion. He won six national championships and is a former world, American, and U.S. Open record holder. Currently in San Francisco, Mr. Henderson designed and runs learn-to-swim programs for underprivileged children in the city. Mark Henderson is a vice president with J.P. Morgan Securities and works on the Japanese Equity Trading Floor in San Francisco. He graduated from the University of California, Berkeley, with a Bachelor's of Science in Psychology.

Paul Hamm is the reigning Olympic All-Around Champion in gymnastics after winning the gold medal at the 2004 Athens Olympics. Paul was the first American male to win this honor as was stated earlier. Paul also became the All-Around Champion at the U.S. National Championships in 2002, 2003, 2004, and the World Championships in 2003.

He first represented the United States at the 2000 Sydney Olympics when he was 17 years old, and he has won many all-around, individual, and team awards during his many years of competing.

Paul is a student at Ohio State University, where he is majoring in Finance.

Thomas Burke is Vice Chair of the Pan American Sports Council, which represents seven competitive sports. He is also president of USA National Karate-do Federation. Mr. Burke has been very active in sports organizations nationally and internationally, including having served as delegate to the National Governing Body Council at the USOC.

Currently an attorney in Washington State, he is also former General Counsel to the World Karate Federation, the Pan American Karate Federation, and the U.S.A. National Karate-do Federation.

Mr. Burke received his Juris Doctor from the University of Puget Sound in Washington State.

Once again, gentlemen, thank you for being here today. You will notice that there is a light system. Without objection, your full

written statement will be made a part of the record, and if you can summarize within the 5-minute period, that would be very helpful today.

Thank you once again. Mr. Scherr, you're recognized for 5 minutes.

TESTIMONY STATEMENT OF JIM SCHERR, CHIEF EXECUTIVE OFFICER, UNITED STATES OLYMPIC COMMITTEE

Mr. SCHERR. Mr. Chairman, thank you. I appreciate the opportunity to be here this morning. Good morning to you and to Members of the Subcommittee.

As you know, my name is Jim Scherr, and I am the Chief Executive Officer of the United States Olympic Committee. This is a position I came to after having been an Olympic athlete, the head of the National Governing Body, a member of the USOC's former Board of Directors for almost 20 years, its Executive Committee, and most recently, Chief of Sport Performance of the USOC.

In short, I have considerable experience with and a multi-dimensional perspective of the Olympic family about which you have asked the question, "Is it functional or dysfunctional?"

I submit to you that until recently an argument can be made that the U.S. Olympic Committee and family was clearly dysfunctional, but that is no longer the case; and with a unified effort it can become the entity that Congress originally intended it to be, what the American people expect it to be, and, most importantly, what our Olympic, Paralympic, and Pan American athletes need it to be.

In order to achieve these goals, there will have to be considerable change at all levels, a process that is often difficult and painful to undertake. But this is something we at the USOC know first-hand because we have recently implemented some long-needed and substantial changes ourselves.

As you know, and Ms. Jackson Lee alluded to, 2 years ago there was a series of comprehensive examinations of the USOC's governance and management structures conducted by Committees within both the United States Senate and the House of Representatives, and two separate task forces comprised of distinguished leaders of business, law, broadcasting, and sports reviewed those issues.

Although each operated independently, their recommendations were, with a few minor variations, virtually identical. The major recommendations were pretty tough for the organization to swallow. Without hesitation, the leadership of the USOC began implementing them in November 2003.

The major recommendation was to dissolve the unwieldy and often conflicted 125-person board of directors and substitute for it a streamlined, independent, and more accountable 11-person board.

We also reduced the more than 20 committees to four, and empowered management to make business decisions that were previously imbued with the politics of an oversized governance structure and one that was primarily driven by constituent group representation.

All of this was done by the incumbents. More than 100 people involved in our former governance structure courageously chose to vote themselves out of power in an effort to ensure a better future

for the USOC, the U.S. Olympic family and most importantly, America's athletes.

This new board is chaired by Mr. Peter Ueberroth, one of the most respected business, civic, and sports management leaders in America. The new board has established governance policies and created structures that demand accountability, transparency, and ethical behavior in all transactions, and they have redirected the mission of the organization back to that which puts the interests of athletes first, and demands the same level of excellence administrators and support personnel—by administrators and support personnel that is exhibited by aspiring Olympians and Paralympians we're all dedicated to serving.

On the management side, 2 years ago, we knew we had a significant problem on our hands with public confidence and organizational inefficiencies. And we completed a sweeping reorganization that dealt with those issues. We eliminated more than 100 budgeted full-time positions, over 20 percent of the total workforce of the USOC. The senior management, 79 directors and above, voluntarily voted to freeze their own salaries for 2 years, substantially reduce, except for a very small amount, any bonuses and incentive compensation available to themselves, and significantly reduced overhead expenses, restricted travel, and converted those savings to support for Olympic and Paralympic and Pan American athletes. In fact, we were able to put \$3.5 million in additional support to our athletes in Athens.

We voluntarily undertook those efforts to increase the effectiveness of the USOC, and to send a strong message to the public, our constituent groups, and others that we do indeed place athletes first and that is our priority.

And I might add that—I mean it was a significant sacrifice by us as a staff, but it did work. It changed the day and how we were viewed by others and how our constituent groups responded in their own efforts to support our athletes.

Our efforts during this quadrennium enabled the USOC to enjoy its most successful 4-year period ever by all the relevant measures, including medal counts and revenue generation.

But we have a long ways to go. We can do better as an Olympic Committee, and we believe we are on the path to do so. And that's one of the reasons we're pleased to be here today.

To succeed, however, we will need to ensure that the entire Olympic family, governing bodies, and others who affect our athletes on their path to the Olympic Games are more effective and more efficient and this Committee can assist us in that process.

My comments will now move beyond the changes that have been implemented within the USOC and will focus on the process of working with our member National Governing Bodies, or NGBs, as they're called in the multi-sport organizations, to help them implement similar changes to their structures and standards.

We understand that for some of these organizations, the process of embracing and implementing change is painful and difficult. Nevertheless, in order for us to become a fully functional Olympic family pulling together and servicing our athletes, these changes must be made.

Twenty-six years ago, Congress put a system in place which identified the USOC as the central coordinating body for amateur sports in the United States, and they tasked—and the USOC delegated—much of the responsibility for developing athletes and supporting them to our national governing bodies. That system has worked well, but in many ways, we have failed our athletes, and our governing bodies and the USOC have to do a better job of more efficiently supporting our athletes.

And one of our first and most important priorities we now have is to deliver effective support to those athletes, particularly financial support. For the USOC, our funding is generated entirely from private sources, which stands in stark contrast to almost every other major national Olympic Committee, of which there are more than 200 in the world, and I believe there are only two or three that receive no funding from their Federal Government.

The allocation of our limited resources is our greatest challenge. We have demands from many different sectors ranging from our high-performance services and programs for athletes, elite athlete health insurance, anti-doping programs, and programs for the disabled. Our priority and our internal mantra is to put athletes first. Accordingly, we have just doubled the amount of financial assistance that we provided directly to Olympic and Paralympic athletes and hopefuls. That increase in financial support takes place July 1st.

We've also doubled the amount we spend on Elite Athlete Health Insurance for athletes this quadrennium, increased the amount we spend on Olympic training centers and other high-performance services we provide to athletes, substantially increased our funding for the fight against doping in sport to protect our athletes and to protect their reputations, and have substantially and more than doubled our support for elite Paralympic athletes and their development.

We have discarded—and I think this is a very important point—we have discarded our previous policy of giving NGBs automatic entitlement to a certain level of annual funding. Instead, the award of a grant and its amount will be contingent and predicated upon a comprehensive evaluation of the NGB's performance, programs and capabilities to serve those athletes.

In short, there will be accountability for the funds that we provide to the national governing bodies going forward. I believe that this process is quite similar to how this Subcommittee and other Committees of Congress evaluate various Executive Branch programs under their jurisdiction.

Similarly, in an effort to allow the organization to more effectively fulfill its mission of winning Olympic and Paralympic medals, we have revisited its program for funding NGBs that govern sports that are only on the Pan American Games program.

On the governance side, as a condition for affiliation with, recognition by, and other support from the USOC, we are also requiring that national governing bodies restructure their board in a manner that is reflective of good governance practices and principles contained in Sarbanes-Oxley as the USOC has done. That will not be a process without great—

Mr. HOSTETTLER. Mr. Scherr, could you summarize maybe for us, and a conclusion.

Mr. SCHERR. Thank you. Let me summarize on two points. One, as it relates to progress that we have made over the past 2½ years to change the USOC and become more effective, we have made significant progress. We have a ways to go. We have reformed our board. We've reformed our management practices and our staff and how we deal with others. We need to reform and push this reform through the national governing bodies.

As it relates to I believe what is a primary concern before the Committee today how we supported Mr. Hamm in his attempts to retain his medal, I believe we made mistakes in that process. We have already admitted those mistakes. I think we made two principal mistakes.

One, we did not communicate more clearly and more directly with Paul Hamm early in the process.

Second, we did not support and come out publicly soon enough in support of, or strongly enough when we did, in support of Paul Hamm. And there was a period of 4 or 5 days where I think both of those things could have been done more quickly.

As it relates to Ms. Jackson Lee's remarks, there was not an opportunity nor venue to support the retention of Paul's medal until the Koreans actually filed their arbitration in accordance with arbitration for sport; filed their grievance. And once we did, we defended it vigorously and spent over \$400,000 to defend his medal before that tribunal and were successful in doing so.

But there was a public venue and there was a private venue directly with Paul that was available to us that we relied on the national governing body and the person, Bob Colorossi to communicate directly with Paul, and we understand now that those communications were not effective and not to the satisfaction of Mr. Hamm, and we would have done those things differently in hindsight.

But in the end, Paul Hamm is the Olympic champion. He has retained his medal. And for that, we are very proud of Mr. Hamm and his struggle, and what he has accomplished as an athlete.

[The prepared statement of Mr. Scherr follows:]

PREPARED STATEMENT OF JIM SCHERR

Good morning Mr. Chairman and members of the Subcommittee. My name is Jim Scherr and I am the Chief Executive Officer of the United States Olympic Committee. This is a position I came to after having been an Olympic athlete, the head of a National Governing Body, a member of the USOC's former Board of Directors and its Executive Committee, and most recently, Chief of Sport Performance of the USOC. In short, I have considerable experience with and a multi-dimensional perspective of the Olympic Family about which you have asked the question, "Is it functional or dysfunctional?"

I submit to you that until recently an argument can be made that the US Olympic family was clearly dysfunctional, but that is no longer the case, and with a unified effort it can become the entity that Congress originally intended it to be, what the American people expect it to be, and, most importantly, what our Olympic, Paralympic, and Pan American athletes need it to be. In order to achieve these goals there will have to be considerable change at all levels, a process that is often difficult and painful to undertake. But this is something we at the USOC know firsthand because we have recently implemented some long-needed and substantial changes.

As you probably know, two years ago there was a series of comprehensive examinations of the USOC's governance and management structures conducted by com-

mittees within both the United States Senate and the House of Representatives, and two separate task forces comprised of distinguished leaders of business, law, broadcasting, and sports. Although each operated independently their recommendations were, with a few minor variations, virtually identical. The major recommendations were pretty tough, but without hesitation the leadership of the USOC began implementing them in November 2003.

The major recommendation was to dissolve the unwieldy and often conflicted 125-person board of directors and substitute for it a streamlined, independent, and more accountable 11-person board. We also reduced the more than 20 committees to 4, and empowered management to make business decisions that were previously imbued with the politics of the oversized governance structure. All of this was done by the incumbents—the more than one hundred people involved in our former governance structure chose to vote themselves out of power in an effort to ensure a better future for the USOC, the US Olympic family and most importantly, America's athletes.

The new board is chaired by Mr. Peter Ueberroth, one of the most respected business, civic, and sports management leaders in America. This new board has established governance policies and created structures that demand accountability, transparency, and ethical behavior in all transactions, and they have redirected the mission of the organization back to that which puts the interests of athletes first, and demands the same level of excellence of administrators and support personnel that is exhibited by the aspiring Olympians and Paralympians we are all dedicated to serving.

On the management side, to regain the confidence of the public and deal with the organization's inefficiencies, we have recently completed a sweeping reorganization that involved the elimination of more than 100 budgeted full-time positions, representing more than 20% of the total USOC workforce. The USOC's senior management voluntarily decided two years ago to freeze the salaries of all senior positions, substantially reduce the incentive compensation program, reduce overhead expenses, restrict travel, and convert to cash certain assets, all to generate more funds for the support of our Olympic, Paralympic, and Pan American athletes. We voluntarily undertook these efforts to increase the overall efficiency and effectiveness of the USOC, and to send a strong message to our constituents that the USOC does in fact place Athletes First. These efforts allowed us to make available an additional \$3.5 million in support for our athletes training for the Athens Olympic Games, and to pursue our fight against athlete doping which has become the world standard that other sports organizations have been encouraged by Members of this Congress to emulate.

Our efforts during the 2001 through 2004 quadrennium enabled the USOC to enjoy its most successful quadrennium ever by all relevant measures, including medal counts and revenue generation. But we know we can do even better and we believe we are on a path to do so. To succeed, however, we will need to ensure that the entire Olympic family is more effective and efficient.

My comments will now move beyond the changes that have been implemented within the USOC and will focus on the process of working with our member National Governing Bodies, or "NGBs," and the multi-sport organizations, to help them implement similar changes to their structures and standards. We fully understand that for some organizations, the process of embracing and implementing change is painful. Nevertheless, in order for us to become a fully functional Olympic family pulling together for the same goal, that is, service to our athletes, these changes must be made.

One of the first and most important priorities we now have is to deliver effective support to our athletes, particularly financial support. For the USOC, our funding is generated entirely from private sources, which stands in stark contrast to almost every other major National Olympic Committee, the majority of which receive funding from their respective governments. The allocation of our limited resources is one of the greatest challenges we face, with demands from so many sectors ranging from high performance services and programs, elite athlete health insurance, anti-doping programs, and programs for the disabled. Our priority, and our internal mantra, is to put "Athletes First." Accordingly, we have doubled the amount of financial assistance that will be provided directly to Olympic and Paralympic athletes and hopefuls. We have also doubled the amount we spend on Elite Athlete Health Insurance for athletes, increased the amount we spend on training centers and other high performance services we provide to athletes, substantially increased our funding for the fight against doping to protect athletes, and substantially increased our support of Paralympic athletes.

We have discarded our previous policy of giving NGBs automatic entitlement to a certain level of annual funding. Instead, the award of a grant and its amount will

be contingent upon a comprehensive USOC evaluation of an NGB's performance and programs. I believe that this process is quite similar to how this Subcommittee and other committees of Congress evaluate various Executive Branch programs under their jurisdiction. Similarly, in an effort to allow the organization to more effectively fulfill its mission of winning Olympic and Paralympic medals, the USOC has revisited its program for funding NGBs that govern sports which are only on the program of the Pan American Games.

On the governance side, as a condition for affiliation with, recognition by, and other support from the USOC, we are requiring that NGBs restructure their board in a manner that is reflective of good governance and Sarbanes/Oxley principles as the USOC has done. Further, we are requiring that they adopt procedures and practices that ensure the same level of accountability, transparency, and ethical conduct that the USOC is demanding of itself.

When the USOC dissolved its large board nearly two years ago there was some resistance because it meant that many people, indeed, more than one hundred, would lose their seats at the table. I believe that some of the NGBs may be experiencing similar resistance to our efforts to require accountability, good governance and increased support for elite and developing athletes in their sports. I submit, however, that these and other changes should be accepted and implemented just as the USOC did in response to recommendations of two Congressional Committees and the task forces that had carefully considered what would best serve America's Olympic interests. These efforts to assist NGBs should be applauded, not attacked, because they are in the best interests of our athletes and the entire nation.

There is still important work that must be done before the USOC can function with maximum efficiency and effectiveness. However, we have come a long way in a very short period of time, and there is much about which we are proud. We have just completed a quadrennial period that was the most successful in the history of the USOC. America's Olympic athletes captured 137 medals, 34 of them at the 2002 Olympic Winter Games in Salt Lake City and 103 at the Summer Games last summer in Athens. And matching their level of achievement were our Paralympians who finished among the top five nations in the medal count in both Salt Lake City and Athens. We have reformed the way the world views us in the fight against doping in sport. We have accomplished the highest levels of revenue generation ever. The viewership of the Athens Olympic Games was the largest ever for a Games not based in North America and the highest ever worldwide.

Just as important as the medal count, however, was the manner by which America's athletes represented our country—with pride, honor and in a manner consistent with the Olympic Ideals, which includes honest, fair, and drug-free competition. We went to great lengths to address with athletes negative conduct issues that had occurred in the past in an effort to ensure they did not occur again, and they did not occur.

All of the measures we have implemented—and are now asking our family partners in the Olympic Movement to implement—are designed to provide more tools and resources to fulfill our newly-articulated mission, developed in consultation with and approved by an overwhelming majority of all of our constituent organizations, which is “to support U.S. Olympic and Paralympic athletes in achieving sustained competitive excellence and preserve the Olympic ideals, and thereby inspire all Americans.” To achieve this we are doing old things in new ways and new things in better ways. We are trying to be more creative, and more relevant to society as a whole, consistent with our obligations as announced in the Amateur Sports Act, and in the spirit of what we refer to as “Olympism.” For example, we have launched a program to bring Paralympic sport to disabled active duty and veteran American servicemen wounded in the Middle East and elsewhere. We have been conducting demonstrations at Walter Reed Army Medical Center and, working closely with the House Veterans Affairs Committee, are in the process of establishing a more formal partnership with the Department of Veterans Affairs so as to better serve these men and women. Since all funds that the USOC receives come entirely from finite private sources rather than government sources, to conduct new programs such as this we must operate in an even more efficient manner than ever before.

Let me briefly address an issue with which Chairman Sensenbrenner had direct involvement, specifically the challenge leveled by a Korean gymnast to Paul Hamm's Olympic gold medal. I cannot express to you how proud we are of what Paul was able to accomplish in Athens, and how committed we were to defending his medal against the attacks of the international gymnastics federation and the Korean Olympic Committee. In the effort to get Paul to the podium in Athens, through 2004, the USOC and USA Gymnastics provided Paul and his coaches with more than \$200,000 in direct athlete support and access to programs that cost the USOC and USA Gymnastics more than \$200,000 to deliver. This is consistent with the

type of support the USOC, in partnership with our National Governing Bodies, provides a successful aspiring Olympian.

We were as supportive of the effort to preserve his gold medal as we were in the effort for him to earn it. In the preservation of Paul's medal, we expended over \$400,000 and additionally committed the staff time and attention of our legal division and other employees for over a month. While there were issues with communications in Athens between the USOC, the international gymnastics federation, USA Gymnastics, and Paul that appear clearer now in the light of hindsight than they did at the time, I can tell you we have learned a great deal from our experience. We have implemented internal policies and practices to address these issues in the future. To sum those up, going forward, we are not going to rely upon others to be conduits in our communication with athletes about issues affecting them at the Olympic Games—we are going to involve them in a direct discussion as we attempt to manage these issues to their benefit.

I can also tell you that the USOC has been very active in the preservation of athletes' rights. In particular, I am a former athlete and approach these issues from that perspective, and a number of our management team and Board members are former athletes and have the same perspective. In addition, since the 1998 revisions to our statute, the USOC has had a full-time, statutorily-mandated athlete ombudsman who is an Olympian himself and acts as a resource to athletes who bring these matters to his attention. We have invested considerable efforts in ensuring that all athletes are aware and able to take advantage of the athlete ombudsman system. In addition, we have invested USOC employees other than the athlete ombudsman in the effort to protect athlete opportunities to compete in Olympic-related competition without undue interference from commercial considerations or considerations other than athlete performance. While athlete's rights issues develop and change over time, we have made every effort to be responsive to and communicate those changes to ensure that the rules governing athlete participation in the events leading up to the Olympic Games are being followed by the NGBs and other sports governing bodies. We believe that athletes' rights are adequately protected by the existing statute, the USOC Bylaws, and internal policy, such that no legislative change is needed at this time.

The vision of the USOC is to 'enable America's athletes to realize their Olympic and Paralympic dreams.' Through the achievement of these dreams by our athletes, we can inspire our country and make important contributions to our country, our society, and indeed, the world. I appreciate your interest in an institution and a movement that has meant so much to me for over 25 years first as an athlete, then as a volunteer, and finally as an NGB and then USOC executive. I welcome your involvement in helping us to make the Olympic Family the best it can be.

Mr. HOSTETTLER. Thank you, Mr. Scherr. Mr. Henderson.

**TESTIMONY OF MARK HENDERSON, CHAIR,
ATHLETES' ADVISORY COUNCIL**

Mr. HENDERSON. Good afternoon, Chairman Hostettler, and Members of the Subcommittee. Thank you for the opportunity to speak to you from an athlete's perspective on the current status of the Olympic Movement in the United States.

As the chairperson of the AAC and an athlete in the Olympic Movement, I offer this testimony to provide an athlete's perspective on the progress of governance reform at the USOC and the current status of the Olympic Committee, as well as, to express the needs of the athletes over the next quadrennium and discuss whether Congress should revise the Ted Stevens Olympic Amateur Sports Act for the sake of the athletes in the movement.

First, I want to acknowledge and thank the United States Olympic Committee Governance and Ethics Task Force and the Senate-appointed Independent Commission, whose efforts helped to provide both guidance and momentum to the reform process, of which the AAC has been a strong advocate. The separate recommendations of the USOC's task force and of the Independent Commission to reform USOC governance shared several important similarities

which enabled the Olympic family to swiftly set into action the governance reform process.

In April of 2004, the USOC Board voted unanimously to approve the sweeping reforms recommended by the USOC's Governance and Ethics Task Force, including cutting the Board down to just 11 members from 125, as Jim mentioned.

It is only a short time since its enactment, but I believe that the current governance reform has truly changed the USOC from a constituent-based brand to an athlete-focused entity. The new structure did not come without certain concerns to the AAC in the early stages. These concerns focused on the communication with the newly seated Board. At issue was whether athletes' concerns would be heard in this indirect representative structure.

In accordance with the current governance, communication from the AAC to the USOC Board is directed through the Olympic Liaison to the USOC Board. Reflecting the importance of athletes in the Olympic Movement outside of competition, a former Vice-Chair of the AAC, Chris Duplanty, was selected by the Nominating and Governance Committee as the initial Board Liaison. To date, this communication pipeline has functioned effectively; the AAC has been kept informed of the Board's current objectives and goals.

Conversely, communication from the AAC has been reliably forwarded to the Board so that it is aware of athlete issues and perspective. In my years of experience, this productive and effective exchange was difficult. The newly clarified roles of the Board members and staff and the clear communication channels which they have been acceptant of, has enabled the AAC to represent the athletes in the Olympic Movement in a more progressive manner.

To that end, the AAC intends to direct its resources toward addressing a great number of athlete-specific issues. In addition to working to solidify the current role and maximize effectiveness of the AAC within USOC and NGB Governance reform, some of the relevant areas to address include: working to improve athlete support programs such as Olympic Job Opportunities Program and Elite Athlete Health Insurance; advocating approval of a USOC Commercial Terms policy; increasing awareness of Olympism and international good will through sport; addressing the growing problem of doping in sport through participation in anti-doping efforts; communicating with, and considering issues related to, the National Collegiate Athletic Association; and enhancing our own awareness through effective communication and direct involvement in the Olympic athlete experience and most importantly conception of an Athletes' Bill of Rights.

A priority of the AAC is to have a leadership member present at every Olympic and Paralympic Games to assist and advise our athletes.

This agenda is very ambitious, but the continued success of the Olympic Movement hinges on it. Its realization will require input from all members of the Olympic family.

At this stage in the reform process, I strongly suggest that the Congress not re-open the Ted Stevens Olympic Amateur Sports Act. The governance reform has thus far proceeded smoothly. Consideration of opening the act at such a fragile stage of the reform process invites constituent-based debate that has proven so dam-

aging to this organization in the past and can only slow progress. With an Olympic and Paralympic Games every 2 years, such a delay can mean disaster to those athletes currently in the system.

It is my hope that we can continue the momentum made since the inception of our new Board and ultimately realize the potential of the USOC to fulfill the goals of athletes and inspire Americans.

In closing, I would like to thank Paul Hamm and his family for taking the time to be here today. I do not have first-hand knowledge of the events that occurred in Athens regarding Paul, but I support his concerns and applaud his passion to see that this does not affect another U.S. elite athlete. I extend an open invitation to him to attend an AAC meeting and encourage him to run for the next quad's AAC representative position. Obviously, he would bring a lot of invaluable experience and enthusiasm to our Council. Paul's testimony today validates the direction the AAC is heading and the amount of time and travel we sacrifice as volunteers. As many elite athletes understand, learning from one's mistakes enables success.

It is my responsibility as the newly elected chair to take the testimony heard here today, present it to the AAC, and use the available channels to ensure this type of situation does not happen again. Thank you for your time and I look forward to answering any questions you may have.

[The prepared statement of Mr. Henderson follows:]

PREPARED STATEMENT OF MARK HENDERSON

Chairman Hostettler, Ranking Member Jackson Lee, and other members of the Subcommittee on Immigration, Border Security and Claims, thank you for the opportunity to speak to you today from an athlete's perspective on the current status of the Olympic Movement in the United States. My name is Mark Henderson. I am a 1996 Olympian and Gold Medallist in the sport of swimming, and serve as the elected chairperson of the United States Olympic Committee Athletes' Advisory Council (AAC). The AAC is composed of Olympic, Paralympic, and Pan-American athletes elected by their peers to communicate the interests and protect the rights of athletes, in cooperative support of the USOC achieving its mission. It is truly an honor to represent and lead such a prominent group.

As brief background, let me remind the members of the subcommittee of the nature of the AAC, the group of which I serve as chair. The AAC is codified in the 1998 Amendments to the Ted Stevens Olympic and Amateur Sports Act, and is composed of one democratically elected athlete representative from each Olympic and Pan-American Games Sport, two Paralympic athlete representatives, one from summer sports and one from winter sports, and six at-large members. In order to be eligible to vote and/or serve as a representative, athletes must have represented the U.S. at an Olympic Games, Pan American Games, or qualifying events within the last ten years.

As the chairperson of the AAC and an athlete in the Olympic Movement, I offer this testimony to provide an athlete's perspective on the progress of governance reform at the USOC and the current status of the Olympic Committee, as well as to express the needs of the athletes over the next quadrennial and discuss whether Congress should revise the Ted Stevens Olympic Amateur Sports Act for the sake of athletes in the Movement.

First, I want to acknowledge the United States Olympic Committee Governance and Ethics Task Force (USOC Task Force) and the Senate appointed Independent Commission (Independent Commission), whose efforts helped to provide both guidance and momentum to the reform process, of which the AAC has been a strong advocate. Additionally, I would like to specifically thank the former leadership of the Athletes Advisory Council: Cameron Myler, Mary McCagg, Chris Duplanty, Rob Stull and particularly former chairperson, Rachel Godino. You may have heard from some of these individuals previously; their tremendous volunteer commitment to advocating for fellow athletes and work toward improving the health of the US Olym-

pic Committee has been inspiring. It was an honor to serve under them and a reassurance to know that most of them are still involved in the Olympic Movement.

The separate recommendations of the USOC Task Force and of the Independent Commission to reform USOC governance shared several important similarities. Both groups recommended that the organization's mission shift its focus to the athletes and athletic performance. Both groups recommended that the USOC Board of Directors (USOC Board) size be reduced dramatically to come into line with the current best practices of good governance for organizations the size and stature of the USOC. Both groups also recommended that the USOC take substantial steps toward breaking down the culture of quid pro quo that had heretofore existed at the USOC. Finally, both groups agreed that there was a need to clarify the roles of the governance and staff functions within the organization. Although important differences between the two groups' recommendations exist, the major governance changes that needed to occur were fairly evident and not disputed. In April of 2004, the USOC board voted to approve and implement the sweeping reforms recommended by the USOC's Governance and Ethics Task Force, cutting itself down to just 11 members from 124.

It is only a short time since its enactment, but I believe that the current governance reform that resulted from that April 2004 USOC Board vote has truly changed the USOC from a constituent based brand to an athlete-focused entity. The new structure did not come without certain concerns to the AAC in the early stages, as any drastic change may. These concerns focused on the communication with the newly seated Board. Specifically at issue was whether athletes' concerns, problems, and suggestions would be heard in an indirect representative structure, and if the athletes' voice would be filtered, misrepresented, or misconstrued. In accordance with the current governance, communication from the AAC (as well as from the National Governing Bodies' and Multi-Sport Councils) to the USOC Board is directed through the Liaison from the Olympic Assembly to the USOC Board (Board Liaison). Reflecting the importance of athletes in the Olympic Movement outside of competition, a former Vice-Chair of the AAC, Chris Duplanty, was selected by the Nominating and Governance Committee as the initial Board Liaison. To date, this communication pipeline has functioned effectively; the AAC has been kept informed of the Board's current objectives and goals. Conversely, communication from the AAC has been reliably forwarded to the Board so that it is aware of athlete issues and the athlete perspective. In my years of experience, this productive and effective exchange was difficult, if not impossible. In summary, the current organization of the USOC, specifically the clear roles of the Board members and the Staff and the clear communication channels of which they have been acceptant, has enabled the AAC to represent the athletes in the Olympic Movement in a more progressive manner.

This change has allowed the AAC to address its own organizational structure toward the goal of improving efficiency and effectiveness, and align itself with the mission of the USOC—to support the United States Olympic and Paralympic athletes in achieving sustained competitive excellence and preserve the Olympic ideals, and thereby inspire all Americans. Eliminating the direct role of the AAC in USOC Board activity has allowed for increased attention internally. It is my hope, and that of the current AAC, that this will allow us to better represent the athletes we serve, and to be more effective advocates on their behalf.

To that end, the AAC intends to direct its resources towards addressing a great number of athlete-specific issues. Thus, in addition to working to solidify the current role and maximize effectiveness of the AAC within USOC and NGB Governance reform, some of the relevant areas to address include: 1. Working to improve athlete support programs such as Olympic Job Opportunities Program and Elite Athlete Health Insurance; 2. Advocating approval of a USOC Commercial Terms policy; 3. Increasing awareness of Olympism and international good will through sport; 4. Addressing the growing problem of doping in sport through participation in anti-doping efforts; 5. Communicating with, and considering issues related to, the National Collegiate Athletic Association, and; 6. Enhancing our own awareness through effective communication and direct involvement in the Olympic Athlete experience.

Although this agenda is an ambitious one, the demands of success in this arena are great and the concerns of athletes in the Olympic Movement are many, and, as a former athlete, I can truly say that all help is appreciated. These far-reaching goals should reflect our confidence that the work we do is not in vain. We believe the voice of the athletes will be heard so that we can help to maintain competitive excellence in international Olympic sports and represent the United States well. Although not enough time has passed since the beginning of the reform to guarantee long-term success, it is my opinion that at this point the state of the USOC is strong.

In conclusion, I strongly suggest that Congress not re-open the Ted Stevens Olympic Amateur Sports Act (“the Act”). The Act has served the needs of the athletes effectively and, unchanged will continue to do so. Though the governance reform has thus far proceeded smoothly, consideration of opening the Act at such a fragile stage of the USOC Governance reform process invites constituent based debate that has proven so insidious to this organization in the past and can only slow progress. With an Olympic and Paralympic Games every two-years, such a delay can mean disaster to those athletes currently in the system. It is my hope that we can continue the momentum made since the inception of our new Board and ultimately realize the potential of the USOC to fulfill the dreams of athletes and inspire Americans.

Thank you for your time.

Mr. HOSTETTLER. Thank you, Mr. Henderson. Mr. Hamm.

**STATEMENT OF PAUL HAMM, 2004 ATHENS OLYMPICS
ALL-AROUND CHAMPION**

Mr. HAMM. Hello. I want to thank the Committee for inviting me to speak about my experiences at the 2004 Olympics, and the concerns I have about the three federations overseeing my sport: the United States Olympic Committee, the Federation of International Gymnastics, or FIG, and USA Gymnastics.

It is interesting that this hearing is entitled the “Olympic Family—Functional or Dysfunctional?”

The answer is both. But throughout the controversy surrounding my gold medal these three organizations acted in many ways that were dysfunctional. All three bear responsibility in the creation and continuation of the controversy.

I went to Athens to compete in the sport of gymnastics for my country, for my team, for my family, and for myself. After a come-from-behind performance, I was awarded the gold medal in the all-around event.

The next day one of my opponents protested the results. Months later the highest sports court in the world, the CAS, ruled that I was, in fact, the rightful champion.

From the day the Koreans protested until I returned home 8 days later, no one from FIG ever spoke to me about the situation. No one from the USOC ever met with me. Bob Colorossi, President of USAG, only spoke to me twice, to say that nothing could change the medal standings, according to the rules.

During these same days and without my knowledge, the USOC and USAG entered into negotiations with the Koreans about the disposition of my medal. Without my knowledge or consent, the USOC and USAG spoke to the press about the notion of awarding a second gold medal. The USOC met with the International Olympic Committee to propose the double gold idea without discussing it with me. The IOC rejected their proposal.

On the day I returned home, I was informed of an impending conference call from the USOC, described to my agent, Sheryl Shade, as a marketing call. My parents and my agent arranged to have Tom Schreiber, Congressman Sensenbrenner’s chief of staff, participate in the call, along with my freshly hired attorney, Kelly Crabb.

The call began by informing me of a letter from Bruno Grandi, the President of FIG. This letter was addressed to me, but delivered to the Korean delegation and the USOC by way of Mr. Colorossi. It was to be released to the press.

Mr. Grandi had written that he would appreciate it if I would give back the gold medal.

During the first part of this call I, and my complete team, firmly believed that the USOC's intent was to convince me to do just that. After listening to my position for the first time, we all agreed to take a break and reconvene in an hour.

When the call resumed, the first words they said were they had had a change of heart. This change of heart meant that they, now, would aggressively support me, and my medal.

In Athens, the Koreans had scheduled a press conference for the next day. Even though their other gymnasts had returned to Korea, Yang Tae Young remained behind. It seems clear that they fully expected to announce a change in the medal standings. Now, actively supporting me, the USOC scheduled its own press conference in advance of the Koreans. They denounced Grandi's letter in the strongest terms and came out for the first time absolutely in defense of my medal. The Koreans cancelled their press conference.

Two days later the Koreans filed an appeal with CAS.

Originally the USOC made no offer of either legal or financial support to defend my medal. My family was told to start building a defense fund. It was the efforts of Representative Sensenbrenner and others that persuaded them to agree to pay for and mount a vigorous defense of my medal.

To this day, I cannot think of any honorable reason why the USOC failed to support me and my medal flat out; and why they did support the idea of double golds. Their own athlete had won the Olympic competition fair and square, by the rules on the field of play.

I believe that if the USOC had stepped in to vigorously support me from the beginning of the controversy much of the succeeding pain, expense, damage and embarrassment to sport could have been avoided.

The same thing can be said about USA Gymnastics. I can only speculate why USAG didn't consistently and vigorously support me. I do know that USAG and its President, Mr. Colorossi, were not happy that I had decided not to participate in the USAG tour after the Olympics. At the time, Mr. Colorossi was also seeking a position on the FIG Executive Committee.

These three groups failed to defend the basic principle of sport: play by the rules. They also showed a disregard for the interests of athletes. No one bothered to talk to me, but many tried to speak for me. I believe that no one should negotiate or represent an athlete without their prior agreement and expressed consent. That is exactly the type of thing that belongs in an Athlete's Bill of Rights.

Thank you.

[The prepared statement of Mr. Hamm follows:]

PREPARED STATEMENT OF PAUL HAMM

Written Statement of Paul Hamm
Oversight Hearing on "The Olympic Family -- Functional or Dysfunctional?"
June 9, 2005

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It is interesting that this hearing is entitled "*The Olympic Family - Functional or Dysfunctional?*" The answer is both, but throughout the controversy surrounding my gold medal these three organizations acted in many ways that were dysfunctional. All three bear responsibility in the creation and continuation of the controversy.

I went to Athens to compete in the sport of gymnastics for my country, for my team, for my family, and for myself. After a come-from-behind performance I was awarded the gold medal in the all-around event.

The next day one of my opponents, Yang Tae Young from Korea, protested the results. Months later the highest sports court in the world (CAS) ruled that I was, in fact, the rightful champion.

From the day the Koreans protested until I returned home eight days later, no one from FIG ever spoke to me about the situation. No one from the USOC ever spoke to me. Bob Colorossi, President of USAG, only spoke to me twice, to say that nothing could change the medal standings, according to the rules.

During these same days and without my knowledge or consent the USOC and USAG entered into negotiations with the Koreans about the disposition of my medal. Without my knowledge or consent the USOC and USAG spoke to the press about the notion of awarding a second gold medal. They allowed me to be surprised and blindsided by questions from the press about their position. The USOC met with the International Olympic Committee to propose the double gold idea without discussing it with me. The IOC rejected their proposal.

On the day I returned home, I was informed of an impending conference call from the USOC, described to my agent, Sheryl Shade, as a marketing call. My parents and my agent got wind that this call would be momentous and arranged to have Tom Schreiber, Congressman Sensenbrenner's chief of staff, participate in the call, along with my freshly hired attorney, Kelly Crabb.

The call began by informing me of a letter from Bruno Grandi, the President of FIG. This letter was addressed to me, but delivered to the Korean delegation and the USOC by way of Mr. Colorossi. It was to be released to the press. Mr. Grandi had written that he would appreciate it if I would give back the gold medal.

During the first part of this call I, and my complete team, firmly believed that the USOC's intent was to convince me to do just that. After listening to my position for the first time, and listening to the position of my representatives, we all agreed to take a break and reconvene in an hour.

Written Statement of Paul Hamm
Oversight Hearing on "The Olympic Family -- Functional or Dysfunctional?"
June 9, 2005

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To this day I cannot think of any honorable reason why the USOC failed to support me and my medal flat out; and why they did support the idea of double golds. Their own athlete had won the Olympic competition fair and square, by the rules on the field of play.

I believe that if the USOC had stepped in to vigorously support me from the beginning of the controversy much of the succeeding pain, expense, damage and embarrassment to sport could have been avoided.

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These three groups failed to defend the basic principle of sport: play by the rules. They also showed a disregard for the interests of athletes. No one bothered to talk to me, but many tried to speak for me. I believe that no one should negotiate or represent an athlete without their prior agreement and expressed consent. That is exactly the type of thing that belongs in an Athlete's Bill of Rights.

There was a time in Athens when I felt that the whole world was against me, but I have learned that I wasn't alone. I especially want to thank all the Americans who have stood behind me with their unwavering support.

Again, thanks to the Committee for inviting me to speak, and I would be happy to answer any questions.

Mr. HOSTETTLER. Thank you, Mr. Hamm. Mr. Burke.

**STATEMENT OF THOMAS BURKE, VICE CHAIR,
PAN AMERICAN SPORTS COUNCIL, USOC**

Mr. BURKE. Thank you, Mr. Chair. If it please the Committee, Mr. Hamm, you're a hard act to follow. You have my congratulations, sir.

My name is Thomas Burke. I represent the Pan American Sports within the U.S. Olympic Committee. I'm here to talk to you about our concerns within the new Olympic structure, and I would point out that Mr. Scherr's remarks underscore those concerns. Throughout his entire statement, there was not a single mention of Pan Am sport, Pan Am athlete, or Pan American involvement as being a viable part of the movement.

That is the bottom line for us. That's our concern.

I appear before you today on behalf of all the Pan American sports. That's bowling and karate, racket ball, roller sports, men's softball, squash, and water skiing. The Pan American national governing body structure has been recognized by the U.S. Olympic Committee since the adoption of the 1978 Sports Act, and it is included within that act.

Our athletes participate successfully in the Pan American Games, but can only dream of participation in the Olympic Games. We sincerely appreciate this opportunity to meet with this Committee to discuss the concerns affecting our sports, as well as other sport organizations within the new reorganized Olympic Committee.

Participation of United States athletes in Olympic and other related competitions is governed exclusively by Federal statute. The 1978 Amateur Sports Act revised the Ted Stevens Amateur Sports Act and established the USOC. It gives it a monopoly for amateur sport related to Olympic competition. It defines its role, its authorities, its responsibilities, and its internal organization.

A non-profit amateur sport organization, which Pan American Sports are, may be recognized by the USOC as the national governing body. A national governing body functions as the basic building block of the greater USOC organization. It's what connects the grassroots programs to the elite levels of Olympic competition.

The NGB administers its sport to be sure that its competitions are fair, non-discriminatory, and ensures equal participation and opportunity for participation of athletes, coaches, and others.

As I say, the NGB is who is conducting the grassroots level. Importantly, in the language of the Sports Act, Congress has mandated equal treatment for all Olympic, Pan American, and Paralympic athletes and NGB organizations. The language functions on participation in the games—all these games. There's no single sport in the Amateur Sports Act where Olympic, Paralympic and Pan American are not mentioned together.

In addition, the Congress clearly defined the purposes for which the USOC was established. These purposes include equality of relationship and responsibility of the USOC to athletes competing in all of those competitions—Olympics, Paralympics, and Pan American Games.

Whether or not the current governance structure and internal culture of the USOC are in compliance with the Sports Act on this and other issues is subject to question. For the Pan American Sport NGBs and their 7.7 million active participants it's all about an Olympic dream, and for the Pan American sport athletes who attain elite competitive levels, it's about fulfillment of that Olympic dream through the Pan American Games.

For these athletes the dream is an inspirational goal not only for themselves, but for their kids, and generations to come.

Each athlete in the Pan American sports hopes that their sport will be the next one moved on to the Olympic program, and that just maybe they will be part of a future Olympics Game.

While the former Olympic Committee governance structure was not a model of efficiency—it was burdensome—it was still diverse and democratic. The involvement of seasoned volunteers was a positive influence on the work of the USOC. It provided continuity and grassroots anchoring. For all of this discussion about how dysfunctional this big board was, and I was a part of it for 15 years, when it got down to getting athletes on the field and taking care of business, it was together. The athletes, the USOC staff, the board members, everybody pulled together for that goal.

The new governance structure of the USOC is intentionally different. It is dedicated to efficient production of Olympic sports heroes and medal production. It's a business model. It's not a family one.

Diversity and compromise are not efficient. Debate is not efficient. It involves listening to people. These are not seen as part of the new mission of the USOC. In fact, USOC staff has recently directed the NGB Council that it should be composed of professionals or stakeholders in their respective sports, limited to the executive director or presidents. Volunteer participation is not only discouraged at this point, it's to be eliminated from the process.

Now, we'd like to be very clear to the Committee that our concerns are based upon current USOC policy and priority and not personalities. The staff and officers of the USOC have dedicated themselves in good faith to doing their mission as they see it to be done. We believe the view is too narrow. We believe that Congress needs to clarify the intention of the statute and its purpose for the USOC, reminding it of its greater responsibilities.

For us, inclusion in the Pan American Games is crucial to the existence of our NGBs. By definition, if the sport is not included on a Pan American Games, they lose their membership status. Since 1995, the PASO, the regional organization, has never excluded an Olympic sport from their play program, but has been historically reluctant to include Pan American sports.

Our sports have lobbied vigorously and successfully for inclusion in the 1995, '99, and 2003 Pan American Games. Unfortunately, the program for the 2007 games in Brazil does not include any of our Pan American sports. The Pan American Sports Council has requested the assistance of the USOC in changing this situation, but given the remarks I make later, we have serious concerns about the priority which is going to be assigned to that.

For Pan American sport athletes, inclusion in the Pan American Games is the closest they get to the American dream. We believe

that the Amateur Sports Act honors the dreams of the Pan American athletes as well as those who participate in Olympic and Paralympic sport.

A source of concern to the Pan American Sport NGBs is the new USOC mission statement contained in their recently adopted bylaws. Section 2.1 of the USOC Bylaws state the mission shall be to support United States Olympic and Paralympic athletes in achieving sustained competitive excellence.

The omission from the Pan American Sport Athletes from this mission statement is deliberate, the intention obvious.

The self-defined USOC mission does not place a priority on anything but Olympic and Paralympic athletes and thus Pan American sports can be slowly prioritized into extinction.

We believe this is clearly against the original congressional intent as found in the Sports Act.

Further, section 2.2 of the current USOC bylaws provide that the USOC Board of Directors will review and prioritize the statutory purposes for which Congress created the USOC and will oversee the business of the corporation to advance the mission.

The current bylaws assume an authority in the USOC Board to replace the mandates of Congress with a self-directed system of priorities about statutory purposes—which ones, if any, will be followed and how they fit into the new USOC mission.

Clearly, compliance with congressional statute is optional under the bylaws. As noted by Mr. Scherr and announced at the recent Olympic Assembly, the USOC staff has announced that all base funding for NGBs will be eliminated in 2006, with future funding to be based on performance. Well and good.

If this is a reality, and the “performance” is based on Olympic and Paralympic success, then the Pan American sports are going to be excluded. And if they use any other formula for establishing the priorities, by the terms of their mission statement and bylaws, we’re lower down the pole, and priority has to be given to Olympic and Paralympic organizations.

Mr. HOSTETTLER. Mr. Burke?

Mr. BURKE. Yes.

Mr. HOSTETTLER. Mr. Burke, could you summarize in conclusion.

Mr. BURKE. Absolutely.

Mr. HOSTETTLER. Thank you.

Mr. BURKE. All this being said, the Pan American Sports are grateful and proud to be part of the U.S. Olympic Committee. It is a fantastic organization.

We want to be a full partner. We don’t want to be the afterthought, the ignored. We want to be there. We do our part. I can tell you for the kids in our programs, it’s as good and as strong a dream as any Olympic sport.

Thank you very much for your consideration.

[The prepared statement of Mr. Burke follows:]

PREPARED STATEMENT OF THOMAS BURKE

INTRODUCTION

My name is Thomas Burke. I am currently the Vice Chair of the Pan American Sports Council. I am also the President of the United States of America National Karate-do Federation, the National Governing Body (“NGB”) for the sport of Karate.

In my capacity as an officer of the National Karate-do Federation, and as the Vice-Chair of the Pan American Sports Council, I have been involved in the recent reforms of the United States Olympic Committee. I have attended the general meetings of the Olympic Committee and NGB Council regarding the reorganization of the USOC, as well as the recent Olympic Assembly in Phoenix, AZ.

I appear before you today on behalf of the following Pan American sports and their athletes: Bowling, Karate, Racquetball, Roller Sports, Men's Softball, Squash and Water Skiing. The Pan American National Governing Body (NGB) structure has been recognized by the United States Olympic Committee (USOC) since the adoption of the 1978 Amateur Sports Act. Their athletes participate successfully in the Pan American Games and dream of future participation in the Olympic Games.

We sincerely appreciate this opportunity to meet with the Subcommittee to discuss the serious concerns affecting our sports, as well as the other sport organizations within the "new" Olympic Committee.

FRAMEWORK OF THE INTERNATIONAL OLYMPIC COMMUNITY

A sport's participation in the "Olympic" movement is based upon membership in a hierarchy of related international organizations. The International Olympic Committee ("IOC") is the highest sport authority for the Olympic Games and other sanctioned international sporting competitions. The IOC is composed, in part, of the National Olympic Committees ("NOC") from over 190 participating countries on all Continents. The role and definition of an NOC is contained in the IOC Charter, and includes the duty to "promote the fundamental principles of Olympism" at the national level. The United States Olympic Committee is the NOC for this country.

The various NOCs are organized into continental associations. For the Americas and the Caribbean countries, the regional organization is the Pan American Sports Organization ("PASO"). The PASO conducts a continental athletic competition every 4 years, the Pan American Games. The Continental Games, including the Pan American Games, are conducted in the year before the Summer Olympic Games and are also used as an "Olympic Qualifier" event for several Olympic sports. The United States consistently participates in the Pan American Games.

UNITED STATES SPORT ORGANIZATIONS: "THE NATIONAL GOVERNING BODY"

The participation of United States athletes in Olympic and other related competitions is governed exclusively by federal statute. The 1978 Amateur Sports Act and the more recent Ted Stevens Amateur Sports Act established the United States Olympic Committee, its role, authority, responsibilities and internal organization. A non-profit amateur sport organization which meets the requirements of the statute may be recognized by the USOC as the NGB for a particular sport.

The NGB functions as the basic "building block" of the greater USOC organization. The NGB administers its sport to be sure that its competitions are fair, non-discriminatory, and insures equal opportunity for participation of athletes, coaches, and others. The NGB conducts the "grass roots" developmental programs, and nurtures these athletes to the elite levels of competition.

NGB's are autonomous organizations having IRC 501(c)(3) nonprofit status. Their responsibilities and expectations are enormous. Each NGB controls and regulates all matters related to the governance, development, and conduct of its sport.

Importantly, in the language of the Sport Acts, Congress has mandated equal treatment for all Olympic, Pan American, and Paralympic athletes and NGB organizations. The Sport Act does not create a preference or priority of one set of sports over another. In addition, Congress has clearly defined the purposes for which the USOC was established. These purposes clearly provide for equality in the relationship and responsibility of the USOC to athletes competing for the United States in the Olympics, Paralympics, and Pan American Games. Whether or not the current governance structure and internal culture of the USOC are in compliance with the Act, on this and other issues, is subject to question.

THE PAN AMERICAN SPORTS ORGANIZATIONS: WHERE THEY FIT

The "Pan American Sports" are a specific group of NGB organizations within the USOC. They represent sports which have an International Federation recognized by the IOC, evaluated by the USOC and granted NGB status for their respective sports. In order to maintain this NGB status a Pan American Sport must have been included in actual competition on the program of the two past Pan American Games and the sport must also be included on the program for the current Pan American Games.

For the Pan American Sport NGB's and their 7.7 million active members, it's all about the Olympic dream. And for the Pan American Sport athletes who attain the

elite competitive level, it's about the fulfillment of the Olympic dream realized through the Pan American Games. For these athletes, the dream is an inspirational goal not just for themselves but also for their children and future generations. Each athlete hopes that their sport will be the next one moved onto the Olympic program, and that maybe, just once, they could be a part of a future Olympic Games.

Inclusion in the Pan American Games is crucial to the existence of the NGBs involved. By definition, if the sport is not included on the Pan American Games program, they lose their membership status. Since 1995, the PASO has never excluded any Olympic sport, but has been reluctant to include Pan American Sports. Our sports have lobbied vigorously and successfully for inclusion in the 1995, 1999, and 2003 Pan American Games. Unfortunately, the program for the 2007 Games in Brazil does not include any Pan American Sports. The Pan American Sports Council has requested the assistance of the USOC in changing this situation, but has serious concerns about the priority which the USOC will assign to our request.

For Pan American Sport athletes, inclusion in the continental Games is the closest they can get to the "Olympic Dream." We believe that the Sport Act honors the dreams of these athletes, as well as those who participate in Olympic or Paralympic sport.

THE USOC REVISED GOVERNANCE FOCUSES ON OLYMPIC SUCCESS

While the former Olympic Committee governance structure was burdensome, and not a model of efficiency, it was diverse and democratic. The involvement of seasoned volunteers was a positive influence upon the work of the USOC, providing continuity and a "grass roots" anchor. When it got down to core value, there was absolute commitment to the success of United States Olympic, Paralympic and Pan American teams.

The new governance structure of the USOC is intentionally different. It is dedicated to efficient production of Olympic sports heroes and medal production. It is a "business" model, and not a "family" one. Diversity and compromise are not particularly efficient, and are not seen as a part of the "Mission" of the new USOC.

In fact, the USOC staff has directed the NGB Council that it should only be composed of "professionals" in the respective sports: the Executive Directors or Presidents. Volunteer participation is not only discouraged, it is to be eliminated from the process.

PAN AMERICAN SPORT CONCERNS

We want to be very clear that our concerns are based upon USOC policy and priorities, not personalities. The staff and officers of the USOC have dedicated themselves in good faith to their "Mission" as they see it. However, we believe that their views are too narrow. Congress needs to clarify its intention and purpose for the USOC, reminding it of its greater responsibilities.

An obvious source of concern to the Pan American Sports NGB's is the new USOC "Mission Statement" contained in the new recently adopted internal USOC bylaws. Section 2.1 of the USOC bylaws clearly state: "The mission of the corporation shall be: To support United States Olympic and Paralympic athletes in achieving sustained competitive excellence and preserve the Olympic ideals, and thereby inspire all Americans." The omission of Pan American Sport athletes from the USOC mission statement is deliberate; the intention obvious. The self-defined USOC "mission" does not place a priority on anything but Olympic and Paralympic athletes, and thus the Pan American Sports will be slowly prioritized into extinction. This is consistent with the practice of the USOC over the past 15 years, with the Pan American Sports being slowly reduced from equality with Olympic Sports to approximately 15% of the level of support.

Further, Section 2.2 of the Bylaws provides that USOC Board of Directors will "review and prioritize" the statutory purposes for which Congress created the USOC, and "oversees the business of the corporation to advance and achieve the corporation's mission." The current Bylaws assume an authority to replace the mandates of Congress with a self-directed system of "priorities" about which statutory purposes, if any, will be followed only if they "fit" into the new USOC mission. Compliance with the Congressional statute is clearly optional under the current USOC bylaws.

The USOC staff has recently announced that all "base funding" for NGBs will be eliminated in 2006, with all future funding to be based on "performance." If this becomes a reality and "performance" is based upon Olympic or Paralympic success then the Pan American Sports will be completely excluded from any future funding. If any other formula is established, the USOC mission and bylaws require that priority be given to Olympic sports and athletes.

The Pan American Sports primary concern is not just funding; it is our continued survival as participants in the Olympic movement. The Pan American Sports have received minimal funding in the past, and low priority for use of USOC Training Centers, grant opportunities, and performance grants to our successful athletes. But we've made the relationship work, understood our role and worked hard to develop world class athletes. However, if the focus of the new USOC is only on successful Olympic and Paralympic athletes then the little structure we had will evaporate and the Pan American athletes will be easily forgotten.

CONCLUSION

All this being said the Pan American Sports are grateful for and proud of our relationship with the USOC. Without financial, consulting and related resource support from the USOC, many NGBs could not survive, including some NGB's currently on the Olympic schedule. For the fortunate few sports that might be considered financially independent, the related USOC resources are still invaluable. Consider the world-class training centers, cutting edge sports science and medical research, access to the highest levels of potential corporate support, as well as administrative, logistical, legal and financial guidance that can be provided by the USOC to all sports. These are the programs that enable NGBs to focus on their mission—offering a dream to all Americans.

We want our relationship to develop and return to full partnership with the other sport members of the USOC. We believe that unequivocal USOC support for inclusion of all Pan American Sports is necessary to convince PASO to include our athletes in the 2007 Pan American Games, to continue their dreams of success.

We respectfully request that the Committee and the Congress clarify in legislation the status of Pan American Sports as full partners in the United States Olympic Movement, along with Olympic and Paralympic sport.

We are pleased and grateful for your efforts and we applaud your commitment. Thank you again for the opportunity to share our thoughts and concerns!

Mr. HOSTETTLER. Thank you, Mr. Burke. At this time, the Committee will move to questions, and my first question is to you, Mr. Scherr.

It is the Subcommittee's understanding that some national governing bodies have recently threatened to end their relationship with the USOC because they feel that the USOC is inappropriately exerting control over the policies and practices of their individual organization. I guess first of all, are you familiar with this notion and then do you disagree with that sentiment, and, if so, why?

Mr. SCHERR. Let me say I'm familiar with two cases. One is the sport of triathlon and USA Triathlon, which had a vote brought before their board by one board member, and any board member can introduce a resolution and that resolution was to sever its relationship with the USOC. Its board voted with only one to remain with the USOC with only one person voting to leave the USOC and that was the person who brought the motion.

That motion was brought because the USOC, in its review of the governance practices of USA Triathlon, found a practice to which we had an objection, which was that I believe it is any 100 members of the organization can—who sign a petition—can stop the business of the organization and have the entire membership of the organization, which I believe is roughly 35,000, vote on that resolution, so that included any action the board took—hiring an executive director, making any actions. So we asked them to change that in their provisions because 100 people in their organization could stop the entire activity of the governing body. This brought the one individual of the board to tender that motion.

But their board reaffirmed at a recent meeting that I was present in Colorado Springs that they are very happy to be part of the Olympic Movement and voted to remain as a part of it.

The other is Modern Pentathlon, which did not vote to leave the organization, but voted to dissolve because they had become bankrupt, and the USOC is currently exercising directly the responsibilities of that national governing body until we can form a new one. And we're working closely with the international federation to do so.

Mr. HOSTETTLER. Thank you. Mr. Hamm, since the events in Athens, have you and your brother's relationship with the USA Gymnastics and the USOC changed? And if so, how?

Mr. HAMM. Well, they haven't changed a great deal just because my relationship in the past with them didn't include that much communication, especially the USOC. Typically, if I wasn't competing in a world or Olympic Games or an event that involves the USOC, I would not be in contact with them.

But, for the most part, I just feel more worried about whether or not I can trust these organizations in the future. That's the way that I feel like our relationship has changed. I feel that I have to be kind of on guard when I talk to them or tell them anything in confidentiality.

Mr. HOSTETTLER. Well, let me ask you something. And not only yourself, but for all future athletes, is this a sentiment that you had before Athens?

Mr. HAMM. I don't understand the question. I'm sorry.

Mr. HOSTETTLER. Is this—did you feel that you had to be independent of these two governing bodies in order to win a gold medal? I mean aside from your training and what you had to put in, what did you feel that, as an athlete, and what do you think most athletes in your situation—what do you think most of them believe should be the responsibility of the governing body and the USOC to their pursuit of a medal?

Mr. HAMM. Well, as far as when athletes go over to Athens and this is the way I felt myself is that you basically give over complete control to these governing bodies. And you are—and staying in the Olympic Village with USA Gymnastics representatives, and they are the people that are taking care of you for that time. And they are the people that are supposed to be defending you and protecting you. There's no one else there. You don't have contact or easy contact with outside sources when you're in the Village. It's very difficult to even to get in contact with family members or see family members.

So I think a lot of athletes feel that these governing bodies are supposed to be there to protect them when they're in the Village at the Olympics.

Mr. HOSTETTLER. Very good. In your statement, you indicate that your attorney was told that you needed to build a defense fund. Were you told what the rationale for that was?

Mr. HAMM. Well, the reason to build a defense fund was told to my attorney, Kelly Crabb, and the rationale for that was that if I wanted to defend my medal in court, I would need legal representation. And if I didn't have legal representation, the possibility of losing the medal would be a lot higher.

Mr. HOSTETTLER. How do you relate that to the previous statement that you made that when you give over control of your life essentially to these governing bodies and then you're told that you

need to create a legal defense fund. How do you resolve—it seems to be a conflict to me.

Mr. HAMM. Yes. Well, I feel that if the organizations are there to support you and they know that you personally have won the medal fair and square that they should legally support you through the time in order to maintain that medal.

Mr. HOSTETTLER. Thank you. Mr. Scherr, do you feel that that is the—it seems to me that that is the purpose of the USOC is to represent the athlete's best interests and the USOC today, do you believe, is understanding that mission? It seems somewhat strange to me and as my family and I watched on TV this episode unfold, we were very surprised that it took so long for what we thought was the United States Olympic Committee to say at the very outset, well, of course. Our athlete has won the medal. Is that the case today? Is there some culture within the USOC in its relationship to the International Olympic Committee and governing bodies to say we don't want to ruffle any feathers before the time has come and so we're going to take a while to digest this or do you feel that the sole purpose of the existence of the U.S. Olympic Committee is to at the time of the delivery of the medal or at the time of the announcement of the results that that is what, as Mr. Hamm suggested, it's the field of play. That's where it is and regardless of what another foreign country or even the International Olympic Committee would suggest, we are going to defend immediately the rights of our athlete? Do you feel that that's the way it is today?

Mr. SCHERR. I do feel that's the way it is, both today and in past practice. The USOC I think in terms of our involvement here—it's when we have an opportunity and an appropriate venue for involvement.

The international federation runs and conducts the Olympic competition for that sport. The national governing body has a direct relationship and is a member organization of that international federation. We, as a National Olympic Committee, are a member of the IOC. We do not have a relationship, directly or indirectly, with the international federation.

Now, there may be some politics from time to time between the IF and its member entity, but we do not have a relationship nor any political concerns within that IF other than in this case, in gymnastics, for us to come out and strongly denounce the international federation publicly prior to the conclusion to the competition. It could have had repercussions in the competition for Mr. Hamm and other athletes who still had an opportunity to compete, because it is a very subjective and judged sport. And the international federation can exert influence.

But for us—and I'll give two examples—you know, Apollo Ono during the Salt Lake Olympic Games and with an equestrian we had a similar dispute over the application of the rules during the competition. In one case, Mr. Ono was declared the gold medal winner. The Koreans immediately filed a complaint with the Court of Arbitration for Sport, which gave us a venue with which to defend the medal.

During the Games themselves, we had a hearing and the Court of Arbitration for Sport, or Mr. Ono did. We supported him, paid his legal fees for that hearing, and he prevailed.

During the Olympic Games in Athens, an equestrian, there was a similar situation, but another country—I believe it was Germany—was awarded the gold medal. Our athletes weren't. It was a clear technical violation of rules. We supported our athletes, filed an arbitration with the Court of Arbitration for Sport, and prevailed, and were able to earn our athletes the medal. That was a bronze medal.

In Mr. Hamm's case, the Koreans waited until after the conclusion of the Games to file with the Court of Arbitration for Sport, so the hearing was not held until 2 months later. Had they filed during the Games, we would have defended it at the Games.

I'm sorry for the misinformation or confusion on—whomever told Mr. Hamm that he needed to raise a defense fund was incorrect. There was never any question in our minds in this case that we would provide and pay for all the legal expenses associated with the defense of Mr. Hamm's medal.

Mr. HOSTETTLER. The protest was filed after the conclusion of the all-around?

Mr. SCHERR. The protest with the Court of Arbitration for Sport. The protest internally in the international federation was filed—

Mr. HOSTETTLER. The next day?

Mr. SCHERR. The next. I'm not sure exactly when that was filed, but there were two actions at the international federation. The Korean—well, actually, it was the same—the Koreans filed a protest wanting to seek the results overturned. Because they did not do so within an allotted time period during the competition that protest the next day was denied by FIG.

In addition, instead of just leaving it at that, the FIG also suspended three officials who made the decision or made the mistake during the competition that they believed to be a mistake, and they suspended and penalized those officials for that action.

So those two—so that set off what became a public furor over the medal at that point in time, because the FIG admitted publicly that they believed the officials made a mistake. Obviously, there was—and I'm not an expert in the rules of gymnastics—and have since been educated in that regard in how this turned out—obviously, we believed and the Court of Arbitration for Sport believed that the rules were applied correctly and that Paul was the winner. But it wasn't until it was decided in that venue that there was an opportunity for defense other than a public defense in the press or otherwise.

Mr. HOSTETTLER. Very good. I had just one more question. It was mentioned in Mr. Burke's testimony, but why does the mission statement of the USOC remove the reference to the Pan American Sports and do you view that the mission statement has precedence over the Federal charter for the USOC?

Mr. SCHERR. I don't think it has precedence over the Federal charter, but I think it is in concurrence and not in conflict with the Federal charter. The existing mission statement prior to its most current revision did not contain a reference to Pan Am Games or Pan Am-only sports. I think it's important to clarify for the Committee that there are 37 national governing bodies that participate in the Pan American Games. Thirty-one of those go on and partici-

pate in the Olympic Games and 6 are Pan Am-only sports and those are the sports that Mr. Burke is referring to.

Those are treated exactly the same as the national governing bodies in terms of recognition and rights within the U.S. Olympic Committee. They are treated differently in terms of—they are subject to the same criteria of resource allocation, but some of those outcomes might be different than for other national governing bodies.

Mr. HOSTETTLER. Did I hear that there might be a new mission statement that does include the Pan Am?

Mr. SCHERR. No. The mission statement prior to its revision, which was almost 2 years ago now, did not include Pan Am-onlys of Pan Am Games. The new one does not either. But in the deliberations of our Board and the vote of the Board, they viewed the Pan American Games as a stepping stone and a precursor to the Olympic Games and that our support with the Pan Am Games would be subject to its role as a supporting mechanism and training ground for the Olympic Games, and that's why it wasn't specifically cited in the mission statement.

Mr. HOSTETTLER. All right. Thank you. The Chair will now recognize the gentlelady from Texas, Ms. Jackson Lee, for questions.

Ms. JACKSON LEE. Let me apologize that we have a vote pending on the Floor, which doesn't give us much time. So I will try to capture the gist of what I think this important hearing has offered to us this morning.

First of all, let me also applaud you, Mr. Henderson, both for your athletic prowess, but certainly for what you have created after the fact, which is the embracing of opportunities for young Americans who would have a number of different obstacles maybe in front of them to be exposed to the joy, the absolute infusion of energy that athletic participation engenders. And so I want to thank you for that.

Let me just pose to you the first question. Is it my understanding that you would not like to see the Ted Stevens Act reopened? Is that my understanding?

Mr. HENDERSON. At this moment in time, no. I would not like to see it reopened. I have a couple of concerns.

First of all, I'm representing a wide array of athletes, coming from different size NGBs, with different needs. I feel it's very important for the athletes to voice concern for me to hear and understand all of the athletes' concern and then build a consensus and bring that forward.

Ms. JACKSON LEE. So you have not—you don't close the door specifically, but you'd like to poll your constituency and get a better understanding of where they'd like to go?

Mr. HENDERSON. That, on top of a concern that if this is put in the legislation—what I'm concerned about is it might need a little bit of tweaking in regards to commercial terms. So if we're heading into the Olympics and there is something that an athlete comes to me and says, hey, I really feel that this is binding me from making a solid living for myself. I need to adjust this. It gives me the opportunity if I work with the USOC to set up an Athlete Bill of Rights. I can adjust it much quicker. It just takes a board meeting

for that to be passed. Whereas, legislation, as you know, might be more time consuming.

Ms. JACKSON LEE. Well, what I would say to you is you make a very good point about the constant every 2-year participation in the Olympics. I'm not—I have not conceded whether or not legislation is needed or not needed. I do believe that an Athlete's Bill of Rights is an important document, and I would follow up with asking you—you've listed six points, particularly the ones that I'm interested in working to improve athlete support programs, and, of course, job opportunities, which I understand many athletes flounder even in between competition with no support, and then the Elite Athlete Health Insurance. Are you moving toward some of these interests being received by the USOC Committee and are you working toward some of these goals, including the six points that you're concerned about?

Mr. HENDERSON. Actually, yes. We've made considerable movement toward achievement of a lot of those goals. I've been in office only 4 months at this point in time. But this is the first management that has actually showed concern—one of my own personal concerns, which is dealing with athletes after they retire from sport. A lot of—much more money is coming into sport athletics at this point in time, especially Olympic sports, and athletes are retiring at a later age, so we're having a problem with athletes retiring in their late 20's and 30's, trying to find a job, competing with other people that have just done internships and are applying for jobs. There are 23-, 24-year-olds used to getting a lot less income than someone who's coming off the Olympic Movement.

The USOC family has actually worked toward the goal of bringing together a job placement firm, an international job placement firm, and announced that at the past Olympic Assembly about a month ago.

Ms. JACKSON LEE. Let me—Mr. Burke, I am not going to—I'm going to take your testimony under advisement because I do want to pose questions about the immediate incident. But I do believe that hopefully Mr. Scherr will answer—if he did not, if I did not hear him answer that in the Chairman's question—answer again for me when there will be more cooperative relationships with Mr. Burke's organization and what pathways have you established. But let me just say, what I understand is that you came in after the incident with Mr. Hamm? Is that my understanding, Mr. Scherr?

Mr. SCHERR. I was the acting or interim chief executive officer during the Athens Olympic Games.

Ms. JACKSON LEE. And were you in Athens I assume?

Mr. SCHERR. I was.

Ms. JACKSON LEE. All right. Let me just say this that with all of the mea culpa, I still can't understand why Mr. Hamm suffered for 8 days, returned back to the United States, and there was no comment to the athlete, which says to me the same problem we've had—the athletes produce for us but we don't show them the respect they deserve. And even though he's a young man, in essence a youngster, if you will, I cannot imagine in that whole complexity that no one could find a way to get a communique to him.

It also gives me concern, do we know anything about our athletes if they were in jeopardy if you can't even communicate to them by

way of an incident that is happening, who is communicating with them if they're in jeopardy? Who is monitoring their comings and goings or relating to them from the national level in their comings and goings?

The other thing is that I'd be concerned about however it got misconstrued for a FIG letter to be going without his notice to be asking for the medal to be given back or let's see—I had it on here what he was asked to do—that he would give back the medal and then some other commentary about two medals. Absolutely an outrage.

And let me just say this: what we saw back home, that's really the crux of it. What we saw back home was a youngster floundering over a period of time, and the cameras were only on the youngster, the athlete. Forgive me, Mr. Hamm, for calling you a young person. I'm young as well.

But only on him. That whole saga. We didn't get to see an adult-formed committee, spokesperson making a statement. Even if you had said, we will investigate this fully, but we are in strong support of Mr. Hamm.

And let me say this: I understand that you have an international delicate situation. That was what your concern was more than anything else. What do we do about Korea? We don't want to break both the relationship with Korea, but importantly the other athletes that are allegedly still participating. But I think that respect is given to those who give respect. And if we had respected our athlete and we respected ourselves, all the other nations would have respected us as well.

Mr. HOSTETTLER. The gentlelady's time has expired for now, but we will be returning for a second round of questions. We've got a vote on in the House—

Ms. JACKSON LEE. Mr. Chairman, can I indulge you for—

Mr. HOSTETTLER. No. I've got to go vote. So we are recessed.

Ms. JACKSON LEE. But you're not going to go vote while we're listening to the answer.

Mr. HOSTETTLER. We are recessed.

[Recess.]

Mr. HOSTETTLER. The Subcommittee will come to order. I thank the panel, the witnesses for your indulgence. One of the casualties of an early cessation of activities of the House is a loss of Members, but I appreciate your being willing to stick around for a while and answer a few more questions.

Mr. Scherr, with regard to the funding of the USOC, what percentage of your funding goes to travel and bonuses, and what percentage goes to the support of athletes and the development of future athletes, and if I can probably be more generic, what is your—I would like to know about the funding level of travel and bonuses. But you might want to start out by giving an overhead cost—administration versus.

Mr. SCHERR. Yes. Let me start by saying this. About 2 years ago, prior to the internal reformation that we undertook to become more efficient, approximately 78 percent of our total budget was expended on athletic programs and direct support to national governing bodies and athletes and 22 percent on general and administrative expenses.

Today, that number is 87 percent on athletic performance and programming and 13 percent on administrative expenses. Our budget, although it varies on a cycle, will be approximately \$550 million over the 4-year period. So roughly a little over \$125 million a year. And of that, looking at those percentages, it's probably less than \$20 million on administrative expenses.

Travel you'd have to separate between what is staff and administrative travel versus what we spend to send athletes and teams to the Olympic and Pan American Games, and I couldn't give you a specific number on that break out, but it is a small percentage.

As it relates to bonuses, as I mentioned earlier, directors and above in the organization forfeited any incentive compensation and bonuses for the past 2 years. This year, we're instituting a very modest incentive compensation program, the total cost of which is under \$1.5 million and in excess—in comparison to what goes on programming and athletes, it's probably about in excess of \$105 million directly to athletes and national governing bodies and programming.

Athlete funding. The amount we spend directly on athletes, where a check goes to an athlete from the U.S. Olympic Committee has recently doubled. That was about 6.5 million dollars, and will now be about \$13 million, and we doubled that as of July 1st.

Mr. HOSTETTLER. And you've answered that question. Let me ask you. I don't know if you mentioned this in your opening statement, but what was the number of employees at the USOC prior to the reorganization as opposed to the number of USOC members on the payroll after? I know there's a lot of volunteer activity in the USOC, but how many do you have on the payroll today versus how many you had previously?

Mr. SCHERR. When I was named interim executive director, which was just on the heels of the resignation of Lloyd Ward and Marty Mankamyer as our president, just at the start of our governance reform process, there were 572 budgeted positions, and we always have some natural positions that aren't filled at any point in time—vacancies. And there were 550 full-time equivalent positions at that point in time.

Today, we have 383 positions that are budgeted in full in addition to about 20 interns that are part-time employees that are not fully compensated.

Mr. HOSTETTLER. Very good. Thank you. Mr. Hamm, I have additional questions. Are you familiar with any other individuals who have been harmed by actions or the lack of actions by the USOC and the USAG as a matter of course, because they did not participate in tours associated with the USAG?

Mr. HAMM. USOC wouldn't really be involved that much with the post-Olympic tours that I participated in and also other athletes. But I know that one of my teammates, Blaine Wilson, was upset with the way—it was his decision to not be a participant in the tour and actually consulted John Ruger in the Olympic Village, who is the Athletes' Ombudsman about USA Gymnastics' behavior regarding the tour situation.

Also, another athlete that I remember was very upset with USA Gymnastics for the tour situation was Courtney McCool. She wanted to participate in a tour show at her home town, and USA Gym-

nastics would not allow her to do that because that was part of a different tour, the tour that I went on.

I've had conversations with some people that have described the situation with USA Gymnastics, talking that they felt like they in a sense felt as if there was a gun pointed to their head, and they had to sign these agreements in order to compete in the Olympic Games.

So many of the athletes felt pressured into signing these agreements even though they were not agreements that they felt were in their best interest. And in the 2003, prior to the 2003 World Championships, many of the athletes on the men's side were very upset with the tour agreement, and we had the whole men's senior team sign a document that said that we were upset with that and that we propose a different type of agreement, and that was just shot down by USA Gymnastics.

Mr. HOSTETTLER. And once again, the statement with regard to analogizing it with a gun to the head was as a result of the sentiment toward the national governing body?

Mr. HAMM. Yes.

Mr. HOSTETTLER. And not the USOC?

Mr. HAMM. No.

Mr. HOSTETTLER. Okay.

Mr. SCHERR. Mr. Chair, can I—

Mr. HOSTETTLER. Yes.

Mr. SCHERR.—augment Mr. Hamm's answer. In general, our by-laws and the law protect athletes' eligibility rights and should any national governing body or any other entity threaten their eligibility over a commercial issue, such as this tour, we would be compelled to step in at that point in time. And in this particular incident, once Mr. Ruger notified us of the issues and concerns, we spoke with Mr. Colorossi, the executive director of Gymnastics personally and through written communication to cease any action to threaten or attempt to deny athletes' eligibility related to these tours.

However, because of the nature of the relationship between the governing body and services provided, there can be a hostile situation created between athletes who go on other tours versus those that go on the NGB's tour, and those are something that we have great concerns about and take very seriously.

Mr. HOSTETTLER. Great. Thank you. Mr. Henderson, you and Mr. Hamm both spoke about an Athlete's Bill of Rights. Could you in broad stroke terms suggest to us what might be included in that?

Mr. HENDERSON. Commercial terms would definitely be the center of that bill. The problem that we have is that when I'm—as I said earlier, I'm going to be representing several different athletes from several different types of sports. So what might be great for someone like Paul might not be so great for someone that is in a smaller sport. An example could be that an NGB requires an athlete to wear Nike up to the blocks to race, and the athlete thinks—is getting paid to do that. But in a larger sport, they're dependent more on their own sponsors. And so if I'm requiring an athlete to wear Nike and thinking that I'm helping him out, I'm actually not because I'm taking more money away from him than he might get from a competing sponsor.

So as I said earlier, if this goes in the legislation, if an Athlete's Bill of Rights goes into legislation, I will not have the ability to adjust it on the fly, which I will need to do as athletes come to me and give me their concerns. What I need to do is work within the USOC, because the communication channels are now there for us to actually work with the new board and to work with the USOC staff to come up with a Bill of Rights that's fair for the athletes and then is easily adjustable. It's easy to—it's much easier to adjust this type of a bill by just bringing together a board meeting instead of its legislation. You understand how long it can take.

Mr. HOSTETTLER. Sure. Now let me get this straight. The situation, the scenario that you gave to us earlier would that be as result of the action of the NGB? Who would force them, for example, to—and this just is an example I know—who would require them to take Nike to the blocks as opposed to?

Mr. HENDERSON. I can give you an example because it's intimate to me—I can give you an example in swimming. One of the biggest problems that we have in swimming right now, which does not affect a lot of the smaller sports is that we have an international federation who is telling our athletes that they have to wear the international federation sponsor on a bib over their sweats until their name is announced behind the blocks, and then they have to wear the sponsors on their swim caps as well. And they said if they don't wear it, they're disqualified from the meet and will not be allowed to swim the rest of the meet, and this is world championships.

Mr. HOSTETTLER. But that's not the IOC, the International Olympic Committee, or the USOC? That's the foundation that governs—

Mr. HENDERSON. No one has—

Mr. HOSTETTLER.—international swimming?

Mr. HENDERSON. No one can stop our international federation from doing this—FINA. So this is one of the athletes' concerns that we have to address. We have to work together with the USOC and the IOC in a political way to get them to take more responsibility—the IOC that is—to take more responsibility for the international federations that are governing a lot of the big meets that our athletes are going to.

Now, the case with Paul right here is a prime example. You have an NGB who is trying to a little bit muscle the athletes to come on their tour to help them make money because they're raising money to fund the grassroots athletes as well, and the NGB. And the athletes have a competing tour that they're making great money on as well, and trying to make a living. The USOC stepped in and protected the athletes, and when we came—the knowledge came to us about what was going on. So we're in the loop. We're working together. But as Paul said, a lot of this is dealing with the NGBs and not the USOC.

Mr. HOSTETTLER. Mr. Hamm, could you comment on what you might see in an Athlete's Bill of Rights?

Mr. HAMM. Some of the things that I think should be included is that an athlete should be allowed to compete in an unsanctioned event, which means that basically, for instance, the tour that I competed on—or participated in was a non-sanctioned event, which I potentially could be kicked out of competition for.

Mr. HOSTETTLER. By whom?

Mr. HAMM. By USA Gymnastics.

Mr. HOSTETTLER. Okay. Okay.

Mr. HAMM. That's one thing that I think athletes should be allowed to do.

Some of the other things that I have here that were written by my attorney, Kelly Crabb, that are good examples. The athlete will be directly consulted on all matters that affect the athlete's status or standing at any games. That would be something that would definitely need to be included. No athlete will be compelled to join or punished for failing to join any commercial event sponsored or promoted by any NGB. And an independent grievance channel for an athlete needs to be established. And what I guess that means is that, for instance, like John Ruger and Mr. Henderson are all funded in part through the USOC, which makes it very hard for them to have an unbiased opinion about the situation, because they do not want to have to put their job in jeopardy.

Mr. HOSTETTLER. Very good. And then I just want to make one more clarification. Mr. Burke, what were you told was the reason behind the Pan American—the lack of notation of the Pan Am athletes in the mission statement for the USOC?

Mr. BURKE. The mission statement as it was before the new revision or the one that was revised and included Paralympic?

Mr. HOSTETTLER. Well, either one. Well, my question has to do with Pan Am Games. I don't know what—I'm not concerned about what was or what is. My understanding is they both don't include the Pan Am, which I'm going to ask a question as to why Paralympic was included and not Olympic. But my question right now is Pan Am.

Mr. BURKE. Certainly. Pretty much what Mr. Scherr said that we are not considered part of—a real part of the Olympic Movement. We're kind of a preliminary precursor to Olympic sport, and, therefore, would not be included.

Mr. HOSTETTLER. Okay. All right. All right. I'm sorry if you could repeat that.

Mr. BURKE. That the Pan American Sports were a precursor to the Olympic Sport or Paralympic Sport and that we were not—our sports were not of that same level, and so we were not included as being part of the mission for the committee.

Mr. HOSTETTLER. Do you find that in contrast to the Federal charter?

Mr. BURKE. I do.

Mr. HOSTETTLER. Okay. You do. Mr. Scherr, once again, why was the Pan Am omission in the statement? Why is the Pan Am omission in the statement, sir?

Mr. SCHERR. Let me clarify what I said earlier because I did not say that the Pan Am Games nor the Pan Am Sports were not part of the Olympic family or the Olympic Movement. The Pan Am Games itself is not the competition it was 20 or 30 years ago.

For most of the sports on the Olympic program and who participate in the Pan American Games, it is a development competition, where they send athletes who are not quite at the level of the—of participating in Olympic Games as a developmental competition.

In some cases, it's a qualifier for the Olympic Games and they send their very best teams in order to qualify for the Games. But for most, it's a very easy competition, and they send developmental teams.

So it is not the main focus of the mission of the United States Olympic Committee as decided by the membership of the Committee, not by my self. It was a vote of our membership.

And the vote of the membership chose to prioritize our mission and focus on the Olympic Games as well as the Paralympic Games. The Pan American Games being in some cases a qualifying competition for the Olympic Games is viewed as a very important part of the business of our national governing bodies in preparation for the Olympic Games.

There are six organizations who are on the program or who were on the program of the Pan American Games but not on the program for the Olympic Games. Those are the six organizations that Mr. Burke is representing here today, not the 31 Olympic sport organizations who participate in the Pan Am and the Olympic Games.

Those six organizations are important to the Olympic Committee. We provide them recognition. We provide them support and access to our training centers, and we have provided them a guaranteed amount of funding. As with all of our 30, or actually our 45 if you count the winners, but on the summer side the 37 national governing bodies, none of them are entitled to guaranteed funding any longer. It will all be determined on our prioritized basis on a number of—set of complex criteria and that's the manner in which we will allocate our resources. So at the end of the day, they are part of the Olympic Movement. They are recognize by us. It is not in conflict with our charter to prioritize and allocate our resources in alignment with the purposes in the act and the goals of the Olympic Movement. They are important to us, and they are part of our Olympic family.

Mr. HOSTETTLER. I guess—I remember a little over 20 years ago going to Indianapolis and watching Carl Lewis in the Pan Am Games. Why are the Pan Am Games not what they were over 20 years ago, as you mentioned? Could it be said that over the last few decades as part of the USOC's direction that maybe the USOC did not give it the preeminence that—

Mr. SCHERR. It really has nothing to do with our participation. We spend far more in participating in the Pan American Games and supporting our delegation there than we do the Olympic Games, just because of the size of the delegation.

And we haven't reduced our support for sending a team and participating well in those games. But the market itself and the reality of the world's sport competition has changed.

There are so many new sports and new sport competitions and different interests out there. The Pan American Games is not even televised in North America any longer, because television and the viewer don't find an interest in the competition.

And on the field of play, it is just not an important competition for many of the athletes in terms of their development, and that's just a matter of the fact that teams travel around the world to other competitions now. World Cups, world championships are so

much more predominant and important in the scheme of an athlete's development than the Pan American Games. And the media, television, and sponsors understand that because it's a market reality.

Mr. HOSTETTLER. All right. Great. Mr. Henderson, you wanted to respond?

MR. HENDERSON. Point of clarification on Mr. Hamm's comment. The AAC is federally mandated entity within the USOC, as is the 20 percent representation on any committee, including the Board of Directors, for athletes. And so we hold three meetings a year that we are reimbursed for by the USOC. But I'm strictly a volunteer. I have not been paid one dime, even though I wish I had been. Mr. Scherr or anybody at the USOC do not have the power to fire, hire, or do anything with the AAC.

The AAC members are elected by their NGBs.

Mr. HOSTETTLER. Elected by the NGBs?

MR. HENDERSON. By their peers. By their peers within the NGB, yes.

Mr. HOSTETTLER. But not like—is his name Colorossi—or——

MR. HENDERSON. No. It has nothing to do——

Mr. HOSTETTLER. Okay. Yeah. Thank you. The Chair now recognizes the gentlelady from Texas for purposes of questions.

Ms. JACKSON LEE. As I indicated when I was in the midst of my questions, Mr. Scherr, I had some meetings that delayed me from coming back, but I want to go back to where I was and to allow you to answer the thrust of my questions and let me just summarize.

I do realize that the USOC represents almost a foreign policy face for the United States, and it also represents an opportunity to engage internationally, and your standing in the world and your ability to represent athletes certainly comes about through the perceived or the world's perception of your willingness to cooperate, collaborate and join in a united way to present these outstanding efforts on behalf of athletes around the world.

But it disturbed me, as I said, because it looked as if there was no representation of Mr. Hamm, but I use him as an example of any athlete. Certainly, during the course of that time, there were a number of upsets, if you will. Steroid use was being alleged. Other athletes were engaged in those difficulties, and so I would not suggest a broad brush of representation or involvement or engagement because there are rules that have to be adhered to.

Now, I want to know from the time of the incident with Mr. Hamm, have there been other than the corrective measures of changing the board from 123, 124 to 11, what internal procedures have been put in place in order to provide that kind of direct response to a crisis or an incident such as that? It had a direct relationship to the performance of the athlete after performing in competition. It had direct relationship to an issue that had to do with the receiving of medals and certainly, there was not an allegation of impropriety on the part of the athlete. So the appropriate entity, organization should have felt very comfortable in fighting on behalf of an American athlete.

What procedures have you put in place to totally correct the mishandling of this incident that would give us comfort that the re-

opening of the Ted Stevens Act at this point may not be the correct approach to take, or we should be open minded.

And what approach have you taken to embrace Mr. Burke's organization and move along some of the issues that he is desirous of, and do you have interest or support for an Athlete's Bill of Rights, which the USOC would adhere to in working with the AAC?

Mr. SCHERR. Just let me—I appreciate the opportunity to respond to your question and statement of earlier, as well as your questions now. And I believe there are three parts and we'll take the matter with Paul Hamm and what measures we've taken to provide corrective action.

At the onset of the issue or the controversy surrounding his medal, we met immediately, the following day, with USA Gymnastics. And I believe we've admitted this as a mistake and recognize it as one. We were asked by them not to interfere and meet directly with their athlete, because he was still in competition and still had to compete several days later.

Ms. JACKSON LEE. I'm sorry. Who asked you not to interfere?

Mr. SCHERR. Mr. Colorossi and USA Gymnastics.

Ms. JACKSON LEE. Okay.

Mr. SCHERR. We asked them to convey our support for Paul in his situation to Paul, and we kept them informed almost on an hourly basis during the next several days as to what we were doing and what we were hearing, both Mr. Colorossi and his federation.

They assured us they were communicating with Paul on our behalf. So the for the period of the 20th, 21st, and 22nd, we assumed they were doing so.

On the 23rd and probably a little earlier, it became apparent to us that there were issues of communication and we had tried to meet directly with Paul on the 23rd and failed, and were unable to track him down. And it was a chaotic atmosphere, and I believe he was off on some appearances.

But on the 24th, we did communicate directly with Mr. Hamm through Herman Frasier, who's our team leader for the Olympic Team and a USOC representative to the athletes in the Village.

Ms. JACKSON LEE. Is that August 24?

Mr. SCHERR. Yes. Yes.

But I think the appearance that was given to the American public because of a lack of strong public statements until the international federation involved us and sent the letter directly to us gave the appearance that Paul was alone, and certainly from Paul's perspective—and we have great empathy for what he went through, he in effect was by himself in not understanding what USOC was doing nor what his federation was doing.

We did not negotiate in any way with the Koreans regarding a second gold medal. They came to us, asked for a meeting. We took a courtesy meeting with them as another national Olympic committee. They asked Peter Ueberroth and myself if we would go and meet with the International Gymnastics Federation and the IOC and request a second gold medal.

We said no we would not do that, and we did not go to a meeting with the FIG or the IOC, either separately or with the Korean Olympic Committee to request a second gold medal.

They also asked us if they could represent on our behalf that we would be in favor of a second gold medal in either of those two meetings, with the IAF or the IOC. We said no, they cannot make any representation on our behalf.

And then they asked us what our response would be if one of those bodies were to award a second gold medal, and we said at that time, well, we'll take it under consideration at that point in time if anyone awards a second gold medal.

We also subsequent to that meeting informed Mr. Colorossi that we had met with the Korean Olympic Committee, that the notion of a second gold medal was floated, that there might be some action by FIG or the IOC in that regard. If there were any requests of the USOC to consider a second gold medal, we wanted Mr. Colorossi to assure Mr. Hamm that we would definitely speak with him and his wishes would be taken into account prior to any consideration of a second gold medal. But that occurrence never happened, because, as we know, FIG and the IOC refused to award a gold medal. Instead FIG took the action, which we believe was a cowardly one, and they requested directly—not directly—they requested the USOC to deliver a letter to Mr. Hamm asking him to voluntarily return his medal, which to put any athlete in that position is absolutely ridiculous. We, at that point in time, contacted Paul and his family through John Ruger, who was discussing marketing issues at that time with Cheryl Shade, Paul's agent, and we knew could get a hold of Paul whom we believed had returned to—

Ms. JACKSON LEE. Wasn't there a conference call where the—Mr. Hamm was given the impression that he was being asked to give the medal back?

Mr. SCHERR. I don't believe we ever gave that impression in the call because we had—our games administrative board had met prior to the conference call. Mr. Ueberroth and myself, the chef de mission, and assistant chef de missions for the team had met and decided the disposition of what we wanted to do with the letter, which was not deliver that to Paul Hamm.

The conference call, I will say, was confusing and very emotional in the beginning. We then reconvened and collectively arrive at the course of action we undertook, which was to hold a press conference, refuse to deliver the letter to Paul, denounce the action of the FIG, and publicly declare very strongly that Paul was indeed the rightful Olympic champion.

Ms. JACKSON LEE. Well, let me. We could—this is a very long recounting, and I appreciate the detail in which you're doing so, but now focus on whether there are structures in place to fix what was obviously broken. What, and the very fact that we had a conference call that started off emotionally, with the idea that you perceived or someone perceived that he was going to be asked to give a medal back was already an egregious, I think, breach.

But what do we have now that can interact with his chapter or his particular association—was the athletic—or the—sorry—the Gymnastic Association. It seems like there's a lot of bureaucracy there.

But what is in place to have an orderly process for athlete, for association, and for USOC if something—these kinds of things occur on a regular basis?

Mr. SCHERR. We have changed our past practice and adopted a policy. We name a team leader for each of the teams that is our principal liaison and communication aspect to each team. That team leader is nominated by the national governing body. In this case, it would be USA Gymnastics. We are informing and by policy telling the national governing body and the team leader that the team is responsible to the U.S. Olympic Committee. Should there be any incidents, we expect access to the athlete directly by a representative of the U.S. Olympic Committee, either paid staff or volunteer representative, and we will not rely on the national governing body for those communications in the future. And that is now part of our policy in selecting and directing the team leaders who are responsible for each of the delegations in the Games.

Ms. JACKSON LEE. All right. So that team leader now—is that a by-law or a sort of—a structure change that's written somewhere that we now have team leaders that associate with—

Mr. SCHERR. The team leaders existed in the past, but the policy change is different in that the team leader is responsible to the U.S. Olympic Committee for providing access directly to the athlete.

Ms. JACKSON LEE. All right. Is that a written—when you say it was before, so have their duties been reformed? Do you have something in writing on that?

Mr. SCHERR. Yes, we can deliver that to you in terms of the policy—

Ms. JACKSON LEE. I'd appreciate—

Mr. SCHERR.—procedures for team leaders.

Ms. JACKSON LEE. So that means that that team leader is speaking to athletes and their coaches or and the head of the association and obviously I'm not an expert on the structure, but they would be speaking to the head of the gymnastic association; is that who they're speaking to?

Mr. SCHERR. The team leader is appointed by the national governing body, approved by us, and they're the primary communication vehicle to the coaches, the team directors, and the athletes for all conditions of participation in the Games, their housing in the Village, their entry into the competition, and so on. We have in the past communicated through the team leader. What we are doing by policy now is communicating to the team leader that we will no longer communicate through them, but we will communicate directly with the athlete. And they will be responsible for making that communication possible.

Ms. JACKSON LEE. Okay. Let me say that that is an improvement, and I know the good intentions and good faith with which you offer that, and I thank the Chairman for his indulgence on this. But understand that I still don't hear a change, a structural change in policy that would address where Mr. Hamm found himself, and I don't want to use him as the only example. There could be a number of other incidences that would occur that require your swift intervention, you knowing what you should be doing for the many obligations that you have—one, the world arena and your re-

lationship with the international committee. But I'm not hearing any structure in place that doesn't wind up with families thinking they have to have defense funds and conference calls with misinformation. That team leader—what is then in place that is a trouble shooter or structure to respond to a troubled situation that requires the U.S. AOC's involvement? I don't hear that.

Mr. SCHERR. Well, there is an athlete ombudsman, who resides in the Village, who is responsible to the Athletes Advisory Committee. His salary is paid by the U.S. Olympic Committee, but the athlete ombudsman is responsible to the Athletes Advisory Committee for protecting the rights of the athletes in eligibility issues, commercial rights issues, and any issues regarding—in which an athlete feels aggrieved. Athletes have access to that person. They have their phone number in the Village. They have complete access to them.

And so, at any point in time, if an athlete feels there's an issue, they have that avenue to go through.

As it relates to defending the athlete's medal and eligibility, that is already I believe well protected statutorily, and we do provide, if it's a meritorious case, we provide—and not frivolous—we provide full funding for an athlete's—

Ms. JACKSON LEE. So what happened is just that that communication just didn't get to this—

Mr. SCHERR. It was a communication issue, and it was an issue with timely and effective communication.

Ms. JACKSON LEE. But you say you have rules in place?

Mr. SCHERR. There are rules in place.

Ms. JACKSON LEE. Can you just quickly answer my last two points, which is working with the Pan American group and then AAC in terms of the work that they're doing, particularly focusing on an Athlete's Bill of Rights?

Mr. SCHERR. As it relates to the AAC and Athlete's Bill of Rights, I think there were three issues that were mentioned. Athletes' eligibility rights are protected expressly in our by-laws and the act, and any athlete who feels that they've been improperly denied that opportunity has the ability to have that overturned and protected legally.

So I think that is well protected.

The athletes do have their own ombudsman. It is funded by us, but he reports to the Athletes Advisory Committee and is responsible to the athletes, and I do not think it's conflicted in his duties in representing the athletes. And they have an opportunity to lodge grievances through that person.

And I think the third issue regarding commercial rights and what they wear and whether or not there is punitive or other measures taken at the NGB level, I think that the ombudsman and the USOC has adequately protected in that in the past, and as has the AAC.

I believe the last issue was in this circumstance, is there opportunity for protection for athletes in the Games and the communication channels. And we have approximately 700, 600 to 700 athletes in any Olympic Games, and those communication channels are open. It would be difficult to mandate through I think Federal leg-

isolation how and when you communicate with each of those athletes.

But it's an issue that we take very seriously. We're very concerned about. We know we made an error in this case, and I think we've adequately addressed through policy and practice how we will deal with it in the future.

As it relates to the Pan Am onlys—those seven governing bodies—this has been an issue that we've worked on diligently for over 4 years, obviously not to their satisfaction. And it may not be to the satisfaction of any or all of them at the end of this, but for us and our organization, it does come down to a question of priority of allocation of resources and where those resources are best spent. Can we provide complete funding to every national governing body and still have \$400,000 left to pay for a defense fund for Mr. Hamm in defending his medal? Maybe. Maybe not.

And it comes down to us as a very difficult decision that you face on a daily basis. But we do take their 7 million members and what they do very seriously, and we will work with the Chair of the Pan Am Sports Council, Mr. Baggiano, and Mr. Burke to resolve those differences.

They recently requested yesterday an opportunity for the USOC to support their efforts in the Pan Am Games and Mr. Ueberroth will take that under advisement.

So it is they are important to us. But it does boil down to an overall resource allocation question and decision for our organization. But we do treat them exactly in the same manner as any other national governing body in terms of recognition and support.

Ms. JACKSON LEE. Thank you very much. Thank you, Mr. Chairman.

Mr. HOSTETTLER. The Chair has simply one more question or maybe set of questions for Mr. Hamm.

Mr. Hamm, it's come to the Subcommittee's attention that you have been drug tested over the past several quarters, potentially an inordinate number of times. Can you testify as to your experience with the drug testing prior to the Olympic Games of Athens and afterwards with regard to the number of times, the frequency of testing?

Mr. HAMM. Before the Olympics, I was probably being tested—it depended. If it's an out-of-competition test, I would have been tested maybe three or four times in the year by USADA in out-of-competition test. And since the Olympics, I've been tested I think four times and I've actually had a missed test one time due to the fact that I wasn't around, which seems like a lot.

And also what was interesting recently is that it doesn't seem that these tests are being done randomly, which we are all under the impression that they are supposed to be done randomly. For instance, myself, my brother and a team mate of mine that lives upstairs from me all got tested on the same day.

So there—I don't know whether or not they're picking people for specific reasons. My father actually was upset about this. He called USADA, and they told him that the public understands that it's supposed to be a random thing, but it's not; that it's something that they have certain criteria for and that criteria can change from period to period.

Mr. HOSTETTLER. Now, when you said—you said out of competition, you might be tested three or four times, and since the Olympics, you've been tested four times. Since the Olympics—it's been less than a year—you've been tested four times. What would be the frequency? Would it be once a quarter before the Olympics or once—are you out of competition—let me ask you that. Are you out of competition now? Are you in that timeframe?

Mr. HAMM. Yes.

Mr. HOSTETTLER. Okay. So what would be the timeframe prior to the Olympics that you would be out of competition?

Mr. HAMM. Well, it's any time that you're not actually competing.

Mr. HOSTETTLER. Not actually competing. So World Championships in 2003.

Mr. HAMM. If you haven't just competed in a competition, everything is considered out of competition in a sense.

Mr. HOSTETTLER. So the frequency is significantly higher since the Olympic Games?

Mr. HAMM. Yes, which seems sort of strange because you would expect it to be higher prior to the Olympics.

Mr. HOSTETTLER. Right. Exactly. It seems to me. But what were these criteria? Were they suggested to you as to why you were being tested not so randomly—you and your brother?

Mr. HAMM. I have no idea. My father spoke with a representative from USADA, and they would not admit what the criteria were.

Mr. HOSTETTLER. Who governs USADA?

Mr. HAMM. To my best understanding, I think they are underneath the USOC.

Mr. HOSTETTLER. Is that true, Mr. Scherr?

Mr. SCHERR. USADA is an independent agency from the U.S. Olympic Committee. They're funded roughly two-thirds by the Federal Government and one-third by the USOC. But they operate with an independent board and completely independent from the USOC, and I believe are subject to the ONDCP for oversight. USADA's testing protocols are completely separate, and the USOC itself has no input into their testing protocols. They are random. They do and can within sports profile sports, not individuals, but sports that might be more subject to doping than other sports. But within that, it's completely random.

There is an increase in their budget and an increase in the total amount of tests from 2004 to 2005. But the testing is completely random.

Mr. HOSTETTLER. How often have gymnasts been found to have doped?

Mr. SCHERR. Well, relative to other sports, gymnasts have a very low frequency of positive tests.

Mr. HOSTETTLER. So given that gymnasts generally don't dope as much, why would Mr. Hamm—why would a gymnast—why would two gymnasts be—why would that frequency have elevated to the extent that it has over the last few months? And I understand they're completely independent. There's no direction at all by USOC or who do they answer to? Who do they give that information to?

Mr. SCHERR. We sign a 4-year contract with them, and at that point in time, their overall administration of how they work is done

contractually with the USOC. But in practice of how they administer their tests, how they adjudicate their tests, and how they operate is completely independent.

We have no ongoing input or communication channel into their activities, and I think their oversight on an ongoing basis is the board that is appointed, in part, by them and, in part, I think by the Federal Government.

Mr. HOSTETTLER. I want to thank all of the—thank you, Mr. Scherr. I want to thank all the members of the panel for your testimony today, and your help in this very important issue. It is not only important to the Congress, but quite honestly is important to all the American people because of our love for the Olympics and our love for the Olympians.

Ms. JACKSON LEE. Mr. Chairman, might I just make an inquiry please?

Mr. HOSTETTLER. Yes.

Ms. JACKSON LEE. I think Mr. Scherr indicated that you will provide me with some specifics of the policy in writing?

Mr. SCHERR. Yes.

Ms. JACKSON LEE. And I would greatly appreciate it. I assume for the whole Committee, Mr. Chairman?

Mr. HOSTETTLER. Right.

Ms. JACKSON LEE. And I'd also like to, as I understand it, we haven't closed the door for possibly looking at what potential legislative need—we haven't closed the door. We haven't opened the door. We're remaining open and the more information that the individual witnesses may have I would welcome to help us to consider this very, very important issue, and I want to thank all the witnesses, and I yield back.

Mr. HOSTETTLER. The gentlelady is correct, and I want the record to reflect that submissions for today's hearing will be accepted for 2 weeks from today's date. The Subcommittee has received many inquiries from groups and individuals interested in submitting items for the record, and we want to ensure that all interested parties have the opportunity to make these submissions to the record.

The Subcommittee will be sending any additional questions that we may have, and we would thank the members of the panel for your timely response to those questions.

The business before the Subcommittee being complete, we are adjourned.

[Whereupon, at 1:55 p.m., the Subcommittee was adjourned.]

A P P E N D I X

MATERIAL SUBMITTED FOR THE HEARING RECORD

PREPARED STATEMENT OF THE HONORABLE F. JAMES SENSENBRENNER, JR., A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WISCONSIN, AND CHAIRMAN, COMMITTEE ON THE JUDICIARY

Like many, I sat enthralled watching Paul Hamm's come from behind victory. This unexpected comeback victory was the pride of America. Then this glorious victory turned into a horrible nightmare for Paul Hamm. Seeing Paul Hamm hung out to dry for days on the television compelled me to come to his defense. In doing so, I gained a personal view of the inner workings of the Olympic system and its faults and weaknesses.

Paul Hamm is an Olympic champion who competed to the best of his ability, followed all the rules of his sport, and won his gold medal by doing all that is expected of an elite athlete. He is a perfect example of an U.S. Olympiad that makes America proud not only through their athletic achievement but also because they represent this country with honor and dignity. While understanding the need to handle controversies during the Games quietly, and in a uniform manner, the support system in place for an athlete should not be silent in a controversy that involves a competitor from an aggressive and vocal country. This is the situation Mr. Hamm found himself in and for far too long he was there alone. I hope today we find that changes have been made to address this type of situation in the future.

While the U.S. Olympic Committee has made internal reforms to its governing structure, I think reforms need to be made in the organization's priorities both procedurally and monetarily with regard to Olympic athletes as well as up and coming athletes within the Olympic family.

My understanding is that some of the backroom negotiations and the motives of officials that steered Mr. Hamm's experience are common place within the Olympic family, and that should be stopped. It has been alleged that the head of the Gymnastics National Governing body, who was so absent in defense of Mr. Hamm, was in the process of negotiating for a job with the Federation of International Gymnastics and also was affiliated with a gymnastic tour that Mr. Hamm had chosen not to join. There shouldn't be even a perception that the actions of individuals in positions of influence are being governed by pending job opportunities or an athlete's personal choices about participating in profit making non-Olympic endeavors.

Additionally, allegations have been made that too much of the Olympic Committee's budget may be going to bonuses for high level officials within the organization, for travel and accommodations for meetings of the Olympic governing structure, and increasing larger entourages accompanying athletes to Olympic events, rather than Olympic athletic programs who need the funding and programs producing our future Olympiads. This is certainly not what most people would perceive as representing appropriate prioritization by the Olympic Committee. Hopefully, we can get some answers today and if necessary address these concerns.

PREPARED STATEMENT OF THE HONORABLE SHEILA JACKSON LEE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS, AND RANKING MEMBER, SUBCOMMITTEE ON IMMIGRATION, BORDER SECURITY, AND CLAIMS

The United States Olympic Committee (USOC) was established in 1896, to select American athletes to compete in the Olympics. The Amateur Sports Act of 1978 (the Act), provided for the recognition by the USOC of National Governing Bodies (NGBs) and for dispute resolution. In 1998, the Act was amended by the Ted Steven's Olympic and Amateur Sports Act, which provided for recognition of the Athletes' Advisory Council (AAC) and the National Governing Bodies' Council (NGBC),

the creation of an Athlete Ombudsman, and responsibility for the Paralympics Games.

The USOC has experienced some embarrassing controversies. In 1991, USOC President Robert Helmick resigned amidst allegations of ethical misconduct. A few years later, in an effort to win the bid to host the 2002 Olympic Winter Games, the Salt Lake City Bid Committee was accused of offering bribes to IOC members who were responsible for selecting the host nation of the 2002 Games. In 2002 and early 2003, ethical questions were raised in relation to an action by former USOC Chief Executive Officer Lloyd Ward. The USOC Ethics Committee investigation of Mr. Ward resulted in a ruling that Mr. Ward had committed two technical violations of the USOC's ethics code. Simultaneously, a public squabble between Mr. Ward and then-USOC President Marty Mankamyer brought further embarrassment to the organization, and ultimately both Ward and Mankamyer resigned.

As a result of these incidents, USOC oversight hearings were held in 2003. This led to the establishment of the Independent Commission on Reform of the United States Olympic Committee. The Independent Commission issued a report in June 2003, in which it concluded that many of the USOC's past problems could be traced to its large Board membership.

According to the report, the size of the USOC Board of Directors (124 members) made it impossible for the organization to operate in a coordinated way. Also, nearly all USOC directors were elected to the Board by constituent groups. As elected representatives, the directors would tend to look first to the interests of the organization that elected them rather than to the best interests of the American Olympic Movement. The Commission recommended a statutory overhaul of the USOC's governance structure.

In the 108th Congress, several bills were introduced which would have carried out the recommendations of the Independent Commission. In April 2004, however, the USOC implemented its own organizational reforms. The provisions in the bills were implemented with only minor modifications that were perceived by USOC as being necessary to comply with the requirements of its charter. The USOC Board of 123 members voted themselves out of power and established a Board of just 11 members.

Other than for some minor technical corrections and a few clarifications, the USOC does not believe that legislation is still necessary. I will withhold my judgment on this issue until I have had a chance to listen to the testimony and question the witnesses.

We also will be hearing testimony from Paul Hamm, the first American man to win the Olympic gold medal in the gymnastics all-around competition. He scored a 9.837 on the high bar, to achieve an overall score of 57.823 points, beating his closest competitor, South Korea's Kim Dea-Eun, by .012 points, the slimmest margin for the competition in Olympic history. South Korea's Yang Tae-Young trailed Hamm's score by .049 and won the bronze medal.

A few days later, the South Korean delegation lodged a scoring error complaint with the governing body of the sport, the International Gymnastics Federation. They alleged that Yang's routine had receive a start value of 10 during his earlier identical performances in the team preliminaries and finals but only a 9.9 during the all-around competition, and that this difference of .1 points would have given him the gold medal.

According to the rules for the gymnastic competition, challenges to scoring decisions must be made before the following rotation is complete, so the objection from the South Korean delegation was rejected. Mr. Hamm will testify that the USOC and the other American organizations left him alone to deal with this dispute until it was almost resolved. I would like to know why they did not support him sooner.

Thank you.

LETTER FROM JOHN B. LANGEL, LAW OFFICES OF BALLARD SPAHR ANDREWS & INGERSOLL, LLP, TO JIM SCHERR, ACTING CHIEF EXECUTIVE OFFICER & CHIEF OF SPORT PERFORMANCE, UNITED STATES OLYMPIC COMMITTEE

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November 15, 2004

VIA EMAIL
HARD COPY TO FOLLOW

Mr. Jim Scherr
Acting Chief Executive Officer & Chief of
Sport Performance
United States Olympic Committee
USOC National Headquarters
One Olympic Plaza
Colorado Springs, CO 80909

Re: The United States Soccer Federation

Dear Mr. Scherr:

We are writing on behalf of the members of the United States Olympic Soccer Team who most recently won Gold in Athens. Many of these same women won Gold in Atlanta and Silver in Sydney. And some won the World Cups of 1991 and 1999. It is widely recognized that the United States Women's Olympic Soccer Team is one of the greatest women's sports team in United States history. Their incredible efforts over nearly two decades have changed forever the landscape of both women's sports and the sport of soccer, both in the United States and internationally. They have represented our Nation with dignity since the late 1980s and their performances and behavior have honored all of us. As I write this letter, the United States Olympic Committee ("USOC") features Mia Hamm on its website. She and her teammates have provided tremendous benefit to the USOC and the US Olympic movement.

The reason for this letter is to attempt to avoid having to file an Article VIII or IX challenge with the USOC and/or a Section 702 Grievance with the United States Soccer Federation ("USSF") and/or an independent legal action challenging the behavior of USSF as violative of other federal legislation and/or requesting the initiation of congressional hearings. What prompts the letter at this time is USSF's recent pronouncement to the women that, at the recommendation of their Coach who is also USSF's Technical Director for Women:

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- The women will play only four to six games during 2005;
- Despite having just won Gold at the Olympic Games, there is no core group of players who should be training and playing under USSF's direction;
- Instead of a year of developing players through training and playing, 2005 will be a year of scouting;
- This year, USSF does not plan to send the Team to a protected competition to be held in China in January, 2005; and
- This year USSF does not plan to send the Team to a protected competition to be held in Portugal in March, 2005.

The information recently shared by USSF violates the women's right to participate in a protected competition and constitutes a violation of the Ted Stevens Olympic and Amateur Sports Act. It is directly contrary to the mission of the United States Olympic Committee, which mandates that the USOC and United States National Governing Bodies support United States Olympic athletes in achieving sustained competitive excellence. Sustained competitive excellence obviously means not just winning the Gold Medal, but maintaining the Gold Medal athletes and developing those just below the level of the current Olympians at an elite level between Olympic Games, in order that they will have the prospect of successful performance in the future. It is simply not possible for the USSF to deprive the top United States women soccer players of the opportunity to compete at the highest levels of international women's soccer for an entire year without causing tremendous damage to the elite athlete pipeline and causing damage to the efforts by these women to achieve sustained competitive excellence, as they have achieved for the past fourteen years.

Unfortunately, the decision is just one additional illustration of USSF's discrimination against women and its refusal to fulfill its obligation to treat women equitably. The most recent evidence of this discrimination is that the reason USSF gave for its decision was pretextual. It was not made for "technical reasons" at the recommendation of the Coach/Technical Director with a design to maintain or improve the Team's quality, as USSF claimed. The day after being told of the plans for 2005, the players learned that the Coach/Technical Director who supposedly recommended the plans for 2005 believes that:

- The women should play fifteen to eighteen games, not four to six, during 2005;
- There is a core group of players around whom the future should be built;
- The Team should participate in the major tournament to be held in Portugal in March 2005;
- There is a real question as to where scouting of elite players could be conducted because there are no games being played anywhere; and

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- “Programming”, i.e. games and training camps, is needed to evaluate the scouted players’ performance alongside the best players in the pool. Without programming, evaluation becomes difficult.

When they inquired further, the women learned that the reason for the decision behind what they were told by USSF was that USSF did not want to spend the money it would take to have them train and compete in the protected competitions. We note that it is not that USSF does not have the money. Currently, it has \$30 million dollars in surplus which does not even take into account the \$3 million dollars it earned during the Women’s World Cup in 2003.

These recent events are shocking. It is unethical and violates the USSF’s obligations of transparency to misrepresent to United States Olympic athletes about the reason they will be denied the right to compete in protected competitions. It would constitute a violation of any organization’s policy of ethical behavior, but the USSF does not have such policies. Unfortunately, over the years, there have been a number of other telling illustrations of discrimination. Examples are:

- USSF’s statements in the 1990’s to the effect that they would not have a women’s national team if they were not required to do so;
- USSF has attempted to persuade the Men’s National Team Players’ Association to structure its contracts in a way that would not result in any payments to the women under the same matrix;
- USSF’s unwillingness to pay the women anywhere near equal compensation for successes comparable to the men’s (indeed USSF is committed to paying the women less than the men even though the women have been far more successful on the playing field);
- Unequal support with respect to items such as equipment managers, trainers, massage therapists, meals, hotel accommodations, and transportation;¹
- The commitment of funds to pay for 14 year-old boys and not girls to live and train in Bradenton, Florida while attending a private soccer academy;
- The commitment of \$10 million to build soccer stadiums for a for-profit professional league for men, Major League Soccer (“MLS”);

¹ Only after extensive negotiations and a threat to not participate in the 99 World Cup were the women able to secure USSF’s commitment to provide support for these listed items at the same level as the support provided to the Men’s National Team.

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- The commitment to loan or give millions to assist in the start-up of MLS. Correspondingly, when repeatedly asked by the Women's United Soccer Association ("WUSA") for start-up funding to help relaunch a league, US Soccer has repeatedly claimed "it is not in the business of building leagues".
- The commitment of funds to pay Major League Soccer reserve players, again using not-for-profit funds to support a for profit league that is at no current risk of failure;
- The recent decision to avoid scheduling events at or near certain MLS cities so as not to adversely affect the MLS while conducting the Women's Post Olympic Victory Tour;
- The decision to assign the USSF's marketing rights to the marketing arm of Major League Soccer, thereby benefiting the MLS and ending any attempt to appeal to sponsors of women's sports;
- The recent and repeated refusal to even provide dates to meet with the women to negotiate a new Uniform Player Agreement even though the current agreement requires the parties to meet to negotiate in good faith at least sixty days before the expiration date of December 31, 2004; and
- The refusal to even discuss a plan for the Team for the next four years, knowing the women stop getting paid on December 8, 2004.

In our view, these problems are systemic and are part of much broader and more fundamental problems in the governance and operation of the USSF. In the June 2004 reports issued by the Independent Commission appointed by members of Congress and the Report of the USOC Task Force on Governance and Ethics, fundamental problems in the governance and operation of the USOC and national governing bodies were identified and comprehensive changes were recommended in areas of board size, absence of any independent board membership when a majority or near-majority of independent board membership is required, term limits for volunteers involved in governance, transparency, conflicts of interest policies, and implementation and enforcement of standards of ethical behavior. The Task Force specifically referenced the USSF and the need for the USOC to require reform of the governance and structure of the USSF. In the seventeen months since the issuance of these reports, their findings and recommendations have been affirmed by the USOC and by members of Congress. Yet, although the USOC has gone ahead and implemented the comprehensive reforms recommended by the Independent Commission and the Task Force and required by Congress, the USSF has implemented no reforms. The USSF leadership has said that the USSF is waiting for the USOC to mandate those reforms. As a result, the USSF does not have an ethics policy at all or a conflict of interest policy that is utilized.

It is our understanding that despite the emerging national equality in the number of men and women participating in the sport, less than fifteen percent (primarily athlete

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representatives – part of the mandatory 20% athlete representation) of the members of the USSF Board of Directors are women, and only one member (an athlete representative) of the Executive Committee is a woman. Minority groups are also grossly underrepresented on the USOC Board and Executive Committee.

Even the recent Report To The Board Of Directors Of The United States Soccer Federation (USSF) On Structure, Governance And Ethics conducted by the Consensus Management Group (“CMG”) notes disturbing findings and comments such as:

- USSF is committed to growing the sport; fielding the best possible national teams; winning world cups; qualifying coaches and referees; assuring the development of a pipeline of competitive and elite players; and enabling millions of American children and adults the opportunity to play soccer for recreation, character building, competition and camaraderie. There is a wide range of opinion as to how well the Federation is doing in meeting this full spectrum of expectations.
- Although the Federation is increasingly sensitive to the renewed interest of the U.S. Congress and many state governments in the quality and ethics of governance and management of not-for-profits, that awareness is not evident across the organization.
- While politics is always a factor in decision-making bodies, the level of vitriol in USSF politics is extreme. The amount of talent and energy consumed in internecine strife and finger pointing is destructive. There is little tolerance or respect for differing points of view, and few venues for addressing differences without rancor.
- Board meetings tend to be quiet and dispirited, with the belief that decisions have already been made. Although lots of information and documentation are offered through an advance release of multi-page CD ROM, with minute fiscal details and lots of rationale for decisions, followed by a fairly lengthy power point presentation of issues for approval, there are virtually no questions and little discussion. This is variously said to be because of “trust in leadership,” “fear of retaliating when what I want comes up” or because of “purposeful overload of information, delivered too late for careful study” by others.
- Although Bylaws require that the Board “shall have all governance, supervising and administrative authority of the Federation”, that does not appear to be the case in practice.
- Within a few years, the Board as currently composed will most likely be in violation of expected USOC guidelines for boards of all national governing bodies (“NGBs”).

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- CMG believes it is important to face head-on the reality that several hundred people, meeting once a year for four hours, in a highly factional forum, cannot govern a complex national organization that has to be fast and focused all year.
- No Code of Ethics could be identified anywhere in the organization.
- Beyond the Board, the Conflict of Interest document is not widely known to exist and does not appear to be utilized.
- Some committees report never having met, in person or by conference call.
- The Men's National Team Players Association has expressed concern about the size of the USSF Board and the related expenses required to support a Board of this size. This point of view was underscored by several current Board members as well.
- There is little evidence of diversity at any of the governance levels of the organization, or in the coaching or referee ranks.
- Gender issues surfaced in a variety of ways, from "allowing" the demise of the WUSA, to the paucity of women in major leadership positions.
- CMG suggests having a well-worded diversity policy, in addition to a Diversity Task Force. Too often, such committees or task forces are where the best and the brightest spokespeople for diversity find a niche. CMG strongly recommends that when presidential appointments are made, the roster of potential candidates from all under-represented groups be consulted, and individuals on that roster, placed. Demonstration of diversity is the only way to prove a commitment to it.
- A Diversity Task Force should remain in place to examine all diversity related issues in the Federation. It should have the authority and importance that such a Task Force deserves. If the anti-discriminatory Bylaws recommended in a previous section of this report are enacted, that would be an important driver for this assignment.
- To assure the continued positioning of soccer as a mainline American sport, excellence at every level of the Federation, and cohesion among levels, will be essential. From the beginning of the player pipeline through to the development of elite and professional athletes and the teams that employ them, the Federation's roles, rights and responsibilities should be clear to all. Similarly, the roles, rights and responsibilities of each member organization must be equally clear. All policy decisions should be judged by defensible criteria, starting with the most basic one: will this advance the mission?

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Continuing, the Report includes quotes from people interviewed, some of which reflect the problems:

- “How can USSF spend \$10 million for stadium development and zero dollars for the playing fields so desperately needed by kids?”
- “Back room politics, or more correctly, a drink-at-the-bar politics, is how decisions are made here.”
- “Federation is still an old boys club...women are the biggest minority around.”
- “We spend \$50,000 to bring 40 people to a four hour Board meeting at which they do nothing.”
- “Athletes have an important perspective that USSF doesn’t take advantage of.”

We expect that no one disputes what the United States Women’s Olympic Soccer Team has done to fulfill USSF’s mission and its obligation under the Ted Stevens Olympic and Amateur Sports Act to develop interest and participation in soccer throughout the United States. Yet, the women have been treated unequally to the point of USSF being willing to misrepresent to them that the reason for their being denied the opportunity to train for and participate in protected competitions was for technical reasons.

In the short run, the women are asking that USSF be directed to take the steps necessary to insure that the women play in the upcoming protected competition in Portugal. In the long run, the women are asking that USSF be directed to remediate the effects of its discrimination and fulfill its obligations under the Ted Stevens Olympic and Amateur Sports Act and other federal and state laws to treat them equitably. The US Women’s Soccer Team is unique in its unity and willingness to fight for what is fair and right. At the same time, they believe Players should not always have to be the ones left to fight for their equity. NGB’s need to be made accountable. Too many athletes are denied their rights with the simple admonishment that unless you do as we say, you will not make the Olympic Team. We are asking the USOC to help the players alleviate discrimination at US Soccer and in so doing, help ensure the rights of all athletes.

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We are hopeful that the issues this letter raises will receive your prompt attention.
The impact on the players will be immediate.

Respectfully yours,

John B. Langel

JBL:jaw

cc: Mr. Dan Flynn (via email and hard copy to follow)

PREPARED STATEMENT OF MICHAEL T. HARRIGAN, FORMER EXECUTIVE DIRECTOR,
PRESIDENT'S COMMISSION ON OLYMPIC SPORTS

I have been asked to offer testimony for consideration to amend or otherwise clarify the intent of the Ted Stevens Olympic and Amateur Sports Act.

It is a matter of public record that I am responsible for the creation of the President's Commission on Olympic Sports (PCOS, 1975-1977) and persuaded then President Gerald R. Ford to create it. It is also a matter of public record that the Ted Stevens Olympic and Amateur Sports Act (néé Amateur Sports Act of 1978 – the Act) is based 100 percent on the findings of the President's Commission. Ted Stevens was one of 8 members of Congress, four from each party, who served on that Commission. Accordingly, it can be reasonably stated that I designed the strategy that led to passage of the Act. I also had a major role in writing it and its legislative history. I am telling the Committee these things only to establish my “credentials” for the comments which follow.

The Act solved problems that had escaped solution for 50 years, the most notable of which being the 50 year old dispute between the (as constituted then) Amateur Athletic Union (AAU) and the National Collegiate Athletic Association (NCAA). It also:

- (1) Transformed the role of the U.S. Olympic Committee from a “travel agency” functioning once every four years to transport Olympic teams to the Olympic Games and gave it new powers and purposes.
- (2) Established criteria, duties and authorities for NGBs that, if met, allowed them to be recognized by the USOC as the NGB for that sport. Such criteria, duties and authorities for NGBs are also used as benchmarks for NGB performance and for compliance oversight by the USOC.
- (3) Set in place certain procedures, not involving the courts, to adjudicate certain kinds of disputes as measured against an NGB's ability to fulfill or not fulfill the aforementioned NGB criteria and duties.

- (4) Set in place for the first time a reasonable procedure to guarantee an athlete's right to compete that allowed the athlete to appeal the decision of his/her NGB or other sports organization to an independent party.

On balance, the Act has worked well. Certainly, the USOC is hardly just a "travel agency". Other aspects of the Act have worked equally well.

The USOC should be applauded for recently implementing the "small board" with "major representation" of "independents" on its Board. But it is also worthy to note that this was the one major recommendation made by the PCOS in January 1977 that was not implemented in the Act of 1978.

The current problems with the Act are traceable to two conditions. The first of these is the dysfunction/malfunction of the USOC that, in my view, gripped the organization for 20 years and which resulted in the passage of many of the 1998 amendments to the Act.

The second condition is that because the USOC has never educated its member constituents on the letter, spirit and intent of the Act which governs it, misinterpretations abound. As a related matter, the USOC has not taken a pro-active role in reversing other policies by NGBs and other sports organizations that have a deleterious effect on the development of Olympic sports.

The malfunction/dysfunction that resulted in so many pejorative conditions at the USOC should be eliminated by the new organizational structure provided (a) the Board and staff of the USOC remain accountable to the constituents they represent; (b) the Board and staff keep the constituents informed and seek their input before embarking on a major new policy; (c) the Board and staff become educated on USOC history, failures and successes, and are completely familiar with the Act that governs the USOC.

Already, there may be issues. For what it is worth, this observer has heard in recent times from many USOC “constituents” who feel they have no idea what is going on and no input into the generation of policy making. If true, certainly Congress will be hearing from these constituents.

As a specific example, this observer has been told---and Mr. Scherr alluded to it in his testimony--- that the USOC now wants to force on NGBs the same sort of Board of Directors model now adopted by the USOC for the USOC Board. This initiative has some merit in some ways such as increased transparency, elimination of conflicts of interest, etc; however, the Act makes crystal clear that the composition of NGB Boards is intentionally quite different from the composition of the USOC Board. The most fundamental difference: people involved in a sport should make the decisions affecting that sport. This obviously does not apply to the USOC Board, whose concern is the welfare of many sports. To the extent this initiative is being pursued, it could be another example of the USOC misinterpreting the statute that governs it.

In any case, I will confine my comments to the two general areas mentioned above that require Congressional attention either by amendment to the Act (most are amendments of deletion) or which could be addressed in a comprehensive Congressional Oversight Report. In the interest of brevity, the items will be in outline form. I can elaborate fully on each.

I. 1998 Amendments

1. Legislative Clutter, i.e. putting in federal law matters best left outside it to reflect the historical and likely future of the evolution of the USOC. Topics which follow reflect inability of USOC to solve problems/issues they were already empowered to solve or which the various factions disagreed about. So, the warring “constituents” turned to Congress to solve them. Result: legislative clutter.

- Existence of NGB Council
- Existence of AAC
- Hiring/firing, etc. of Ombudsman.

- Number of hearings (two) required by the 1998 amendments to recognize an entity as a new NGB, either in original application or as a result of a successful franchise challenge. Should say “as needed” or “one or more”. Old version just required USOC to hold a hearing and sometimes it was one; other times more than one needed.
- Statutory authorization of USOC not obligated to “send complete teams to Olympics”. USOC already HAD this authority; all it had to do was decide on it. It could not, under the old structure.

2. Disabled Sports Issue

- Huge issue on multiple fronts
- No clarification from Congress if “support” from USOC and NGBs are quota driven based upon number of “disabled” in U.S. or some other category. Potentially huge USOC and NGB liability.
- Treatment of disabled organizationally in '98 amendments goes entirely against vertical structure organization and operational doctrines. Reflected what “warring factions” wanted but not good governance.

3. Role of Courts

- Insertion of “in any lawsuit” involving athlete’s right to compete [see section 220509 (a) of Act]
- One of the major purposes of the original Act was to take disputes of various specific types out of the courts

altogether. By inserting “in any lawsuit,” the USOC is inviting a lawsuit when one has no business being even introduced!

4. Athlete Representation
 - Statute never, never meant “active athletes” to be defined as exclusively elite to serve on NGB boards. Not defined in statute but AAC interprets it that way.
 - Changes in this section get tangled up in other sections of the Act including “direct representation” section affecting eligible national sports organizations which are not NGBs (e.g. NCAA).
 5. Use of Commercial Rules of American Arbitration Association with capital “C” vs. old version of small “c” does **NOT** mean athletes are entitled to monetary damages pursuant to an arbitration ruling.
- II. USOC Misinterpretation or Errors of Omission. These are all items that could be addressed in a Congressional Oversight Report based solely on the original Act and its intent.
1. USOC proper use of funds and resources for grass roots to elite. USOC and NGBs focus almost exclusively on elite athlete programs and support. Intent of Act was to focus on developmental needs of each sport to raise an “underdeveloped” sport to “emerging” and an “emerging” sport to “developed”. Depending on the sport, resources, financial and otherwise, should be focused on the most needed area to attempt to raise it to the next level. “Developed” sports or sports with truly “elite” athletes should receive support. But present formula/philosophy

leaves each sport in status quo in perpetuity absent non-USOC factors bringing about growth of a sport.

2. Vertical structure and operations
 - Direct representation in NGBs of eligible organizations improperly handled both in terms of entitled representation and procedures on admission resulting in inability of NGBs to properly address growth of sport development
3. Ability/authorization to combine administrative services of several very small NGBs under a single administrative structure (see next item as it pertains).
4. Correct interpretation of the “delegation of governance” and related “autonomy” provision as pertinent to NGBs.
5. Acceptance of multiple organizational structures for NGBs.
 - Original statute contemplated many different organizational forms for NGBs, i.e. many ways to meet criteria/duties.
 - USOC has in many instances attempted to force a “cookie cutter” structure on many NGBs.
6. Sanctioning
 - Independent organizations and individuals, as well as NGBs, can conduct unrestricted, domestic competitions and restricted and international (upon obtaining sanction in latter case to either sponsor or just participate) competitions as well. They do not need an NGB sanction to conduct unrestricted competitions unless they are also a member of the NGB and, as a condition of that membership, agree to apply for such sanction from the NGB so that the NGB can better fulfill its “coordinating” role.

- Act did not grant monopoly sanctioning power to NGBs over “unrestricted” competitions as it did for international competitions with necessary checks/balances built in.
- NGBs abuse this under the guise of “coordinating” role which does not permit such intervention.
- Reason NGBs did not get such monopoly power over unrestricted competitions: ties in with ability of franchise challenger to be able to do some things to show it is capable of becoming an NGB.

7. NCAA Rules on Outside Non-Protected Competitions

- NCAA has more restrictive rules on “outside competition” than it did in AAU/NCAA days (the major 50 year old dispute the original Act solved).
- NCAA defines “in season” as the entire school year for all sports.
- NCAA rule is misguided. Reason for it, of course, is that it makes all its rules with football/basketball in mind. While rule makes sense for those two, it surely does not for swimming, track and field, soccer and others. Issue all comes back to looking at these matters on a sport-by-sport basis or in groups of like sports. This is a real deterrent to Olympic sports development in those Olympic sports conducted by the NCAA.

8. USOC and other sports organization sponsored representation at various international meetings and conferences covering issues such as physical education, drugs in sport, sports medicine.

- U.S. sports system is led by the private sector.
- Too often, at international meetings in areas mentioned above, our people are interacting with national

government representatives of other countries because government plays such a greater role in these areas in those countries.

- We need to officially “connect” our representatives to our government in the sense that they have the same stature of those from other countries who clearly are from other governments.
9. Urge USOC to educate itself and its members (e.g. NGBs, etc.) on letter, spirit and intent of the Act under which they operate.
 10. The Act and its legislative history make very clear that arbitration as an appeal is potentially available before the American Arbitration Assn in the resolution of conflicts in three instances: if an NGB is found in non-compliance by the USOC, it may appeal to arbitration with the “respondent” being the USOC; an NGB or a complainant may request arbitration appeal as a result of a complaint finding by the USOC; a franchise challenger or an NGB may request arbitration appeal as a result of a USOC finding in a franchise challenge proceeding.

In the first instance, the USOC has told at least one NGB that it does not have this right and has gone out of its way not to apprise other NGBs that it has this right. This is statutorily incorrect and, more important, sets the stage for the USOC to “go after” any NGB it may not like with the “victim” NGB perceiving it has no right of appeal. This matter goes right back to the “failure to educate” issue.

As I said above, it is impossible to go into detail on all of these issues but I am prepared to elaborate on all of them as the Committee desires. Thank you.

PREPARED STATEMENT OF ROBERT F. KANABY, EXECUTIVE DIRECTOR,
NATIONAL FEDERATION OF STATE HIGH SCHOOL ASSOCIATIONS

I am Robert F. Kanaby, executive director of the National Federation of State High School Associations ("NFHS"). The NFHS is the national service and administrative organization for high school athletics and fine arts programs in speech, debate and music. From its office in Indianapolis, Indiana, the NFHS serves its 50 member state high school athletic/activity associations, plus the District of Columbia.

The NFHS has a strong interest in the Ted Stevens Olympic and Amateur Sports Act and we feel compelled to provide comments of current pertinence.

As Executive Director of the NFHS, I write to address three issues:

1. National Governing Bodies ("NGBs") Governance
2. NGBs deference to the "exclusive jurisdiction" of other organizations; and
3. United States Olympic Committee ("USOC") Board of Directors composition.

The underlying organization and operational philosophy for NGBs as embodied in the Ted Stevens Olympic and Amateur Sports Act is the "vertical structure doctrine," as reflected through NGB criteria, duties and authorities in the Act. While the "vertical structure" phrase is not found in the Act itself, it is prominently mentioned in the Report of the President's Commission on Olympic Sports on which the Act is entirely based and in the legislative history of the Act itself.

In its simplest terms, "vertical structure" means organizationally that every NGB is comprised of all of the constituent individuals and organizations that play a role in the sport. The purpose is that the NGB should exercise a coordinating—but not an interfering role in the case of independent organizations not qualifying as an NGB (such as NFHS). That would include all constituents involved in its sport.

Operationally, "vertical structure" means that an NGB should coordinate the allocation of scarce resources (i.e. funds, programs, use of facilities, personnel, etc.) among the constituents of a sport so that a sport may advance at the levels most needed, whether those be elite sport, intermediate sport or beginner sport development or some combination of all. An NGB must have all constituents represented in its governance structure in order for the NGB to accomplish these allocations in an equitable manner.

Statutory criteria for the NGBs as embodied in the Act require an NGB to be open in its membership to any organization involved in its sport. And, if the organization is national in character and conducts a national program in a sport (e.g. NFHS, NCAA, Little League, AAU, etc.), it is entitled to DIRECT representation on the board of the relevant NGB.

As for DIRECT representation on the NGB's Board of qualifying independent organizations, some NGBs, with the USOC's support, have taken the position that all such eligible organizations shall elect but ONE of its representatives to represent all such organizations on the NGB Board! This action is inconsistent with the letter and purpose of the Act as found in the NGB criteria section, and makes it more difficult for an NGB to work cooperatively with such eligible organizations.

It is unnecessarily difficult for an NGB to achieve the intent of accomplishment of "vertical structure" operationally or organizationally by these practices. Moreover, such practices sustain the insularity of NGBs to focus solely on elite athletes and not to consider the allocation of resources to other serious needs of a sport which, in the long run, will benefit the sport more.

The USOC has either been acquiescent to these practices or has encouraged them.

Legislation is not needed to fix these problems. The principles enumerated are already in the Act. But an Oversight Report from Congress that clarifies Congressional intent in this and other issues is sorely needed.

And then there is the other side of the equation: how NGBs interfere with the internal working of independent organizations, including members of the NFHS.

Section 220526 of the Act grants the NFHS and other similar groups and categories "exclusive jurisdiction" over competitions it conducts if participation is restricted to high school athletes or the members of another independent organization. This position is sustained in Section 220523 (5), Authorities of NGBs, which empowers NGBs to set "eligibility standards for participation in competition *except for amateur athletic competition specified in Section 220526*" (underlining added). Section 220523 (3) authorizes an NGB to "serve as the coordinating body for amateur athletic activity in the United States" in that sport. Legislative history spells out clearly that in fulfilling its coordination role, an NGB is "not given the authority to interfere with the internal affairs" of organizations covered in Section 220526. The NFHS has faced and continues to face such "interferences" by NGBs who wish to allow high school athletes to train and compete on outside teams during the regu-

larly and reasonably scheduled high school season in a sport. Such “interferences” have extended to attempts by NGB constituents in certain states to “lobby” their state legislatures to pass blanket legislation that would allow high school athletes to train and compete on outside teams during the reasonably defined high school season. Such a result would create chaos in high school sports and, in most cases, endanger the educational welfare of the student athlete. This is not to say that state high school associations do not grant some exemptions to allow a student athlete to compete “outside” during the high school season depending on the athlete and the sport. The NFHS also will always grant exemptions for “protected competitions” as referenced in Section 220505 (c)(5) of the Act.

It is my view that such “blanket” legislative initiatives violate the “exclusive jurisdiction” provision of the Act and the provision should be amended or at least clarified by Congress to eliminate such intrusions.

Finally, to take a broader view of the “reorganization of the USOC” in recent years, I would offer some words of caution. While I am in favor of a small Board with major representation of “independents” on that Board, I am concerned that the Board will become too insular from the constituents it represents, notably the athletes, NGBs, multi-sport organizations and the other organizations that comprise the Olympic “family.” Representation on the USOC Board by at least one member of the nation’s education-based sports community would be a very good thing. That is not now true, and causes us to request consideration of such representation.

Moreover, there is a tremendous need right now among USOC constituents

- a) they be kept informed on a much more regular basis with changes that are taking place;
- b) they be provided the opportunity for input beyond a once a year meeting;
- c) they be included in decision making when those decisions impact their operations or organizations

Surely, the original intent of Congress in passing the 1978 Act was to have the USOC lead in many areas; however, an equal intent was to make the USOC accountable to Congress, the American people and the constituents the USOC represents. Congress should look at this issue to determine how the constituents can remain involved and informed in an appropriate way without the need for costly face-to-face meetings by such a large constituency. I believe the present time of reorganization provides an excellent opportunity to seek procedures that will meet that intent.

Thank you for this opportunity to provide these comments for the record.

