

June 12, 2023

The Honorable Maria Cantwell U.S. Senate 318 Cannon House Office Building Washington, D.C. 20515

The Honorable Cathy McMorris-Rodgers U.S. House of Representatives 318 Cannon House Office Building Washington, D.C. 20515

The Honorable Bernie Sanders U.S. Senate 318 Cannon House Office Building Washington, D.C. 20515

The Honorable Virginia Foxx U.S. House of Representatives 318 Cannon House Office Building Washington, D.C. 201515

The Honorable Dick Durbin U.S. Senate 318 Cannon House Office Building Washington, D.C. 20515

The Honorable Jim Jordan U.S. House of Representatives 318 Cannon House Office Building Washington, D.C. 20515 The Honorable Ted Cruz U.S. Senate 318 Cannon House Office Building Washington, D.C. 20515

The Honorable Frank Pallone U.S. House of Representatives 318 Cannon House Office Building Washington, D.C. 20515

The Honorable Bill Cassidy U.S. Senate 318 Cannon House Office Building Washington, D.C. 20515

The Honorable Bobby Scott U.S. House of Representatives 318 Cannon House Office Building Washington, D.C. 20515

The Honorable Lindsey Graham U.S. Senate 318 Cannon House Office Building Washington, D.C. 20515

The Honorable Jerry Nadler U.S. House of Representatives 318 Cannon House Office Building Washington, D.C. 20515

Dear Congressional Leaders:

I hope this letter finds you in good health and high spirits. As the chair of the Division I Student-Athlete Advisory Committee (SAAC), I am writing to express our strong belief in the necessity of federal action to address the complex and evolving landscape of Name, Image, and Likeness (NIL) and student-athlete employment status in college sports. Division I SAAC represents the nearly 190,000 student-athletes who participate in Division I sports within the NCAA. The SAAC serves as a voice for student-athletes within Division I governance, providing input and feedback on various issues that affect our

collegiate experience. It acts as a liaison between student-athletes, athletic administrators, and the NCAA, advocating for the welfare and well-being of Division I student-athletes. We humbly request your attention and support in this matter to ensure the well-being and fair treatment of student-athletes nationwide.

First and foremost, we seek federal action to enhance safeguards and provide resources for student-athletes, mitigating the risk of bad actors in the NIL market and ensuring that contracts and commitments are honored. While the opening of NIL opportunities is a welcomed development, it is vital that we establish comprehensive mechanisms to protect student-athletes from potential exploitation or unfair treatment. Robust oversight and enforcement mechanisms, including clear guidelines and a regulatory framework, are crucial to safeguarding the interests of all parties involved.

Federal action is necessary in this area for the following reasons:

- 1. <u>Protecting Student-Athletes' Interests:</u> Student-athletes, often young and inexperienced in navigating the business world, may be susceptible to exploitation or unfair treatment by unscrupulous individuals or entities seeking to take advantage of their NIL. Without proper safeguards, student-athletes could find themselves entering into unfavorable or exploitative contracts that could harm their personal and financial well-being.
- 2. <u>Upholding Contractual Obligations:</u> Honoring contracts and commitments is crucial for maintaining trust and stability in the NIL market. Without proper enforcement mechanisms, student-athletes may face situations where contracted parties fail to fulfill their obligations or attempt to back out of agreements. This not only undermines the financial security of student-athletes but also erodes the credibility and integrity of the entire NIL ecosystem.

Furthermore, it is important to affirm the current and unique relationship between universities and student-athletes. **Student-athletes** *should not* be employees of their institution. The collegiate model, which places significant emphasis on the integration of academics and athletics, fosters personal growth, educational attainment, and character development. Preserving the traditional collegiate experience, where student-athletes are first and foremost students, is essential for maintaining the integrity and values inherent in college sports. By recognizing the unique relationship between student-athletes and their institutions, Congress can help ensure that the core purpose of college sports is preserved.

This acknowledgement recognizes the fundamental principle that student-athletes are primarily students, pursuing their education while participating in athletics.

The following are key reasons why preserving the non-employee status is essential for maintaining collegiate sports:

1. <u>Educational Focus</u>: Maintaining the non-employee status of student-athletes emphasizes the educational aspect of their college experience. It ensures that the primary focus remains on our academic pursuits and the pursuit of a degree. By prioritizing education, student-athletes are provided with opportunities to excel in both their academic and athletic endeavors.

2. <u>Workload and Time Commitments:</u> The demands placed on student-athletes in terms of academics, training, competition, and travel are already considerable. Student-athletes as employees could further increase our workload and time commitments. Balancing academic schedules with athletic requirements could become even more challenging, potentially impacting the well-being and academic performance of student-athletes.

3. <u>Amateurism and Fair Play</u>: Amateurism is a founding principle of college sports, distinguishing it from professional sports. Maintaining the non-employee status reinforces the ideals of amateurism, fair play, and equal opportunity for all student-athletes. Preserving non-employee status also helps institutions maintain compliance with Title IX. By treating all student-athletes as participants in a non-employment capacity, institutions can ensure fairness and equity in resource allocation and athletic opportunities.

4. <u>Financial Sustainability:</u> Treating student-athletes as employees would introduce significant financial implications for institutions. The cost associated with salaries, benefits, compliance with labor laws, and other employment-related expenses would put significant strain on the financial viability of athletic programs. This could lead to budget constraints, program cuts, or even the elimination of certain sports, limiting opportunities for student-athletes. Maintaining non-employee status helps to ensure the financial sustainability of collegiate sports programs.

Overall, treating student-athletes as employees would have a profound impact on the studentathlete experience. It would significantly increase time commitments, potentially compromising our ability to balance academics, athletics, and personal life. The added pressure and demands associated with employment could lead to heightened stress levels, limited flexibility, and potential challenges in managing academic coursework. Financial considerations, including compensation, benefits, and tax implications, would also arise, potentially altering the existing scholarship model. Furthermore, reclassifying student-athletes as employees could disrupt the unique collegiate culture, identity, and sense of pride associated with representing their educational institutions, as their focus shifts more towards professional obligations rather than the holistic development and educational experience that college sports aim to provide. Another critical aspect of federal action requested is identifying select areas where the NCAA membership needs safe harbor from legal complaints to effectively oversee college sports nationally. While accountability and transparency are essential, it is equally important to strike a balance that allows the NCAA to regulate and administer collegiate athletics without undue interference. By providing legal protections and clarifying the scope of NCAA authority in specific areas, we can ensure effective oversight and governance while addressing legitimate concerns.

Safe harbor from constant litigation will allow the NCAA to focus on student-athlete welfare. Safe harbor protection allows the NCAA to concentrate its efforts and resources on initiatives that promote the well-being of student-athletes. By providing a legal framework that shields the NCAA from excessive litigation, it can allocate its time and resources to areas such as academic support, health and safety protocols, mental health resources, and other programs that benefit student-athletes. The focus on student-athlete welfare is essential in preserving the collegiate model and maintaining the balance between academics and athletics.

Finally, we urge Congress to codify that federal law preempt state law in certain areas, such as name, image, and likeness. The current patchwork of more than 30 differing state NIL laws creates an uneven playing field for all college athletes. The absence of consistent regulations across state lines creates logistical challenges, legal ambiguities, and an imbalanced competitive landscape. Federal legislation that supersedes conflicting state laws would establish a level playing field and provide much-needed uniformity. Codifying federal law over state law in the NIL space is essential to establish uniformity, clarity, fairness, and national oversight. It would promote equal opportunities for college athletes, avoid compliance burdens, and ensure a consistent framework for navigating the complexities of NIL. By taking a comprehensive and unified approach, Congress can provide a stable and predictable environment for student-athletes to exercise their NIL rights while preserving the integrity and competitiveness of college sports.

Federal legislation in this area would provide student athletes with the following benefits:

- 1. <u>Uniformity and Consistency:</u> The current patchwork of more than 30 disparate state NIL laws creates an uneven playing field for college athletes. Each state has the autonomy to establish its own rules and regulations, leading to significant variations in NIL rules, restrictions, and compliance requirements. Codifying federal law over state law would establish a unified and consistent framework that ensures all college athletes, regardless of their geographic location, have equal opportunities and protections in the NIL market.
- 2. <u>Level the Plaving Field:</u> State NIL laws can create disparities and competitive imbalances among colleges and universities. Institutions in states with more permissive NIL laws may have an advantage in recruiting top athletes and securing lucrative endorsement opportunities. Codifying federal law would help level the playing field by establishing a consistent set of rules that apply nationwide, ensuring

fairness and equal opportunities for all college athletes, regardless of their state of residence or the institutions they represent.

In conclusion, we implore you to take decisive action in support of federal legislation addressing NIL and student-athlete employment-status in college sports. By enhancing safeguards, affirming the unique university-student-athlete relationship, providing safe harbor for the NCAA, and establishing federal preemption in certain areas, we can bring stability, fairness, and consistency to the evolving NIL landscape.

We are available and eager to collaborate with you and your colleagues to ensure that the voices and interests of student-athletes are well-represented in the legislative process. We appreciate your attention to this critical matter and look forward to discussing it further.

Thank you for your dedication to public service and your commitment to the betterment of college sports.

Sincerely,

Cody J Shup

Cody Shimp Chair, Division I Student-Athlete Advisory Committee (SAAC)

