

DOES THE U.S. OLYMPIC COMMITTEE'S ORGANIZATIONAL STRUCTURE IMPEDE ITS MISSION?

HEARING BEFORE THE SUBCOMMITTEE ON COMMERCE, TRADE, AND CONSUMER PROTECTION OF THE COMMITTEE ON ENERGY AND COMMERCE HOUSE OF REPRESENTATIVES

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(III)

DOES THE U.S. OLYMPIC COMMITTEE'S ORGANIZATIONAL STRUCTURE IMPEDE ITS MISSION?

WEDNESDAY, MARCH 19, 2003

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ENERGY AND COMMERCE,
SUBCOMMITTEE ON COMMERCE, TRADE,
AND CONSUMER PROTECTION,
Washington, DC.

The subcommittee met, pursuant to notice, at 10 a.m., in room 2322, Rayburn House Office Building, Hon. Cliff Stearns (chairman) presiding.

Members present: Representatives Stearns, Upton, Cubin, Shadegg, Bass, Terry, Stupak, and Green.

Staff present: David Cavicke, majority counsel; Ramsen Betfarhad, majority counsel; Brian McCullough, majority professional staff; Will Carty, legislative clerk; and Chris Knauer, minority investigator.

Mr. STEARNS. Good morning, the subcommittee will come to order. Without objection, the subcommittee will proceed pursuant to Committee Rule 4E. So ordered, the chair recognizes himself for an opening statement.

At this time of heightened international tension and the possibility of war looming, devoting congressional attention to sports might not seem a high priority at first glance.

But in the context of the Olympics we recognize the value of the unifying qualities of international athletic competitions that highlight our similarities and ignore our differences.

And there is no competition more important or richer in tradition than the Olympics. Their ability to inspire national pride and provide a sense of identity, in addition to fulfilling the dreams of athletes to compete at the highest level, serve a purpose higher than being just another sporting competition.

Over the past few months, internal problems within the USOC have surfaced, ultimately resulting in the resignation of several of its top officials.

While I do not wish to downplay the significance of these events, it is apparent that they have been the catalyst in focusing attention on a broader range of issues relating to the USOC and the Olympics movement.

It has been 25 years since the Amateur Sports Act recognized the USOC and provided it with its mission. If nothing else, the recent events have provided everyone involved with the Olympics with an

opportunity to put everything on the table for examination, with the intention of improving the organization and preserving the Olympic ideal.

The U.S. Olympic movement is, without question, better off today than it was prior to 1978. Yet the degree of negative attention that has been attached to the USOC regarding these events, recent events, has reached a fevered pitch, often characterizing the USOC as ineffective, dysfunctional and having lost its direction.

Given some of the hyperbole, I was expecting an eminent collapse, similar to the corporate failures this committee investigated this year.

To be sure, the USOC does appear to have some problems, and, like any organization, has room for improvement. Whether the internal problems are attributable to one-time personnel conflicts or rather problems inherent in the structure that will inevitably surface again is a question that is critical to the continued success of our Olympic movement.

The USOC has responded to the criticism by appointing a ten-person internal task force to examine governance and ethics issues. Additionally, an independent five-person commission has been appointed to review the USOC and provide recommendations to Congress.

These are welcome developments and I look forward to reviewing their conclusions. My one concern is that recommendations have been made in the past and have never been implemented.

Despite the recent blemishes, the USOC has been and continues to provide funding and services for athletes at levels unimaginable 25 years ago.

The legislation enacted in 1978 was a necessary tool to implement the changes and has been extremely successful in fulfilling its intent, by many accounts.

However, that was then and this is now. Much has changed in the past 25 years, during the USOC's evolution. Athletes are better. International competition is stronger.

The demands of the USOC to meet these challenges are greater.

The name of the act alone appears to be a misnomer, as many Olympians today are not amateurs, but rather professionals. From the NBA basketball players to the NHL hockey players, it is a far cry from the 1980 Miracle on Ice, the U.S. hockey team that brought home the gold in Lake Placid.

The one constant that has not changed is the value Americans place on the Olympics and the trust we place in the USOC as caretaker of what many consider a national treasure.

It would be tragic if the recent problems of the USOC undermine the success that so many individuals have dedicated their lives to create.

USOC is a unique organization with a mandate unlike any other, comprised of both paid professionals assigned to operate the organization, and heavily dependent on volunteers from a broad constituency.

Observations have been made that it has resulted in a structure that can work to the detriment of fulfilling its mission. I was surprised to discover how broadly USOC membership is.

From the community-based organization at the local level, all the way to the elite athletes that represent the U.S. in the Olympics, Para-Olympics and the Pan American Games, it is no wonder that a board of directors of 122 members, representing such diverse constituents, would inevitably present managerial difficulty.

Whether or not this needs to be changed is clearly open for discussion. Any changes will obviously affect member organizations differently and need to be considered carefully.

While it is appropriate to examine ways to improve the structure and efficiency of the USOC, it is equally, if not more important, to examine its mission itself.

The USOC has been many things to many groups. The tradeoffs of a broad mission versus a narrowly focused purpose are clear.

The USOC can be a jack-of-all trades and do it with reasonable success. If, however, we want it to be the best Olympic organization for the athletes, then we may have to lighten its load of responsibilities.

Any restructuring effort would be premature before we consider what the Olympic movement should be and hear from all the relevant parties.

With that question in mind, I look forward to the beginning of our productive dialog this morning. Today we have expert witnesses representing the USOC, the national governing bodies; the Athletics Advisory Council, the independent commission reviewing the USOC; current athletes; and of course, our distinguished colleagues from the house and senate.

With that, Mr. Stupak.

Mr. STUPAK. Thank you, Mr. Chairman. And thanks for holding this hearing as we examine the structure and recent problems with the USOC.

And I want to thank our witnesses for being here and I am sure they will provide testimony for us today. I, for one, I have Northern Michigan University in my district.

It is the only Olympic Education Center in the country. I have personally seen how hard these athletes work, train, and dream toward their Olympic goals.

But for this dream they sacrifice much and I, once again, want to bring up, as I did 2 years ago, I feel the USOC does not help our Olympic Education Centers.

They will give athletes from other countries scholarships and education in this country, but our own people, they do not help at all.

So I am not real happy with the USOC and the way they treat our Olympic athletes. But without a doubt, and going off your statement, Mr. Chairman, the USOC does need our help.

As I said, 2 years ago, the Oversight and Investigations Subcommittee conducted a lengthy investigation into the International Olympic Committee and various aspects of the USOC following the tawdry bidding process affiliated with both the Salt Lake City and the Atlanta Games.

What the subcommittee found in that investigation was appalling. Bribes were rampant, IOC Representatives were showered with gifts and services of all kinds to lure the games to the cities of Atlanta and Salt Lake City.

All-expense paid trips were tossed to IOC members like candy. Moving fees, condos, airline tickets, college tuition, cash, and even medical services were among the long list of gifts lavished on corrupt IOC members to secure bids.

Clear and overwhelming evidence was uncovered illustrating that the IOC, its representatives, and many involved in the bidding process were operating completely out of the organization's control.

In short, Mr. Chairman, the system was out of control. Rather than behaving as a shining beacon of hope and good will, the example set by the IOC became close to extinguishing the Olympic flame for good.

I bring up the IOC in this early investigation because it was the USOC that was responsible for aggressively overseeing and preventing these unseemly activities, at least insofar as the bid city behavior was concerned. While true that neither Atlanta nor the Salt Lake City bid committees invented this behavior, nobody at the USOC was apparently minding the store.

To view breakdowns that occurred with both the Atlanta and Salt Lake bids was to observe not only a failed IOC structure, but also a failed USOC structure.

Through these scandals it was clear, early on, that major problems plagued the USOC and its construction. It was also clear that major changes would be required to prevent the kind of problems we now find ourselves addressing today.

That the USOC continues to grab dubious headlines, even after the earlier scandals of both Salt Lake and Atlanta, is a sad testament to the organization's continuing flaws.

And while the USOC's intended mission is clearly to serve the athlete, it nonetheless appears too often to serve its own interests while leaving its original mission obscured by politics, in-fighting and a bloated bureaucracy.

To be fair, I would say that some of the blame rests clearly on Congress. It is the Congress that essentially created the USOC and has oversight responsibility over its structure and its activities.

Nonetheless, congressional involvement with the USOC has been absent and only tends to surface once a major problem arises.

While I generally support a hands-off policy or approach, where practical, I believe that Congress must play a greater role in overseeing the direction of the USOC, particularly through this challenging period of restructuring. The plight of our U.S. athletes, the only real mission of the USOC, is too important to allow this organization to continue in stumbling along.

So how did we get to where we are here today, yet again, examining a failed Olympic-related organization? It was clear after the emergence of the Salt Lake City and Atlanta scandals, that not only would a full restructuring of the IOC be necessary, but so too would a restructuring be needed at the USOC.

During these earlier scandals, plenty of commissions, task forces, and blue ribbon panels were formed. Vast details were given regarding how the Olympics' governing bodies failed to do their duties and how scandals arose.

A clear accounting of who shot who was examined by Congress and by the media. What didn't occur, however, was consistent follow-up with particular emphasis on the USOC.

As the IOC and the USOC made promises to re-tool their respective governing structures and various commitments were made to build compliance programs into their organizations, scant review occurred to determine if these systems were adequate or even functioned.

One only need review the first Mitchell report commission after the Salt Lake City scandal to recognize that clear, structural problems existed at the USOC, and that these would require major surgery to prevent future problems.

As the USOC slipped from the radar, however, many deeper issues went unaddressed and unnoticed by Congress. That is why we find ourselves, yet again, in this room attempting to fix the USOC.

It will now be the attempt of this committee to work with our Senate friends to begin the process of fully looking into these matters.

Mr. Chairman, let me conclude by raising a note of caution. While it is important to focus on the structure of the USOC, the subject of today's hearings, we must not forget that the USOC is part of a larger governing body, the IOC.

The IOC cannot and should not be ignored from this inquiry. If continued examination and accountability are not directed at the IOC, like we are now doing with the USOC, I fear another scandal will emerge with the IOC, but will yet again result in muddying the USOC.

In short, in an attempt to re-tool the USOC must also involve an examination of not only how the IOC has been restructured, but also how it interacts with the USOC.

Mr. Chairman, I welcome today's inquiry and the many witnesses that will testify today. I look forward to working with you and the many witnesses to begin addressing the problems facing the USOC.

I would ask that if we start this project that we stay with it. I would also suggest that as we begin to address the problems associated with the USOC, we again reacquaint ourselves with some of the issues still facing the IOC.

The IOC now and in the future will affect how the USOC ultimately functions. With that, Mr. Chairman, I am over my time, but thank you.

I was working off two different statements here for the benefit of—

Mr. STEARNS. Good job. I thank you colleague. Gentleman from Michigan, Mr. Upton.

Mr. UPTON. Thank you, Mr. Stearns. First of all, I welcome the two members that are here and certainly the panel to follow.

It was under my chairmanship of the oversight investigations subcommittee two congresses ago that we in fact did expose a number of real problems with the Olympic bidding, both in Atlanta, Salt Lake and at the IOC.

And I have to say our purpose of the Oversight and Investigations Subcommittee was to in fact look where there were problems, and we found them.

And we thought at the time that when the blue ribbon commission was established, led by Senator Mitchell, Senator Baker, How-

ard Baker, Ken Duberstein and Henry Kissinger, that in fact with an ethics committee it would be solved.

But we found that there was little follow-through. I want to call it a sham, but in essence they were not given the power that they needed to see corrective changes made, and all of us were disappointed, to say the least.

It is important that this committee and this subcommittee take the hearing today and look at constructive changes so that we can, in fact, look at legislation.

To work with the Senate, with Republicans and Democrats, to restore the luster of what every American wants the Olympics to be.

Whether it be in this country or overseas, as well. I look forward to this hearing. I look forward to working with Chairman Stearns to make sure that, in fact, we pursue legislation, but we never get into that situation again.

I look forward to hearing the testimony and I yield back the balance of my time.

Mr. STEARNS. I thank my colleague. The gentleman from Colorado, Mr. Shadegg. The gentleman from Colorado, Arizona, Arizona.

Mr. SHADEGG. Thank you, Mr. Chairman. I want to thank you for holding this important and timely hearing and I also want to thank our witnesses for being with us and I look forward to their testimony.

There is no doubt that the Olympics have inspired millions of Americans and left indelible impressions of inspiration, achievement and sportsmanship on both young and old.

Just last year, at the urging of my daughter, who is a rabid fan of Olympic ice skating and also of my son who is a fan of both Olympic hockey and skiing, the Shadegg Family enjoyed the inspiration of attending the Olympics.

The history of those games is remarkable. Just think of a few examples. The United States upsetting the vaunted Soviet hockey team at Lake Placid.

Or the sight of Keri Strugg sticking her landing to spite an injured ankle. Or the falls of Dan Jansen before he rose up in triumphed.

Fortunately, those and many other great moments are the ones that stick in people's memories when they think of the Olympics, not the dark moments.

The bribery scandal which preceded the Salt Lake City Olympics or the recent in-fighting in the U.S. Olympic Committee.

However, that should not detract us from examining the organization of the USOC. In deed, since the USOC in many ways is the group that oversees how many in the world view the United States, it must step up to the challenges of its Ambassadorial role.

As such, we need to ensure that the Olympic Committee's focus is on athletes and not on its own management difficulties.

Athletes need focus and direction to be successful. But from all evidence, the USOC lacks focus and directions. Athletes need to maintain strict discipline to achieve performance.

And yet from all evidence the USOC is undisciplined. It has bloated salaries and high expenses. Athletes need to have support to win.

And from evidence, the USOC can do a better job of supporting our athletes. Mr. Chairman, I am loathe to have the U.S. Congress get into the day-to-day management of the USOC. However, it maybe wise to have the Congress set out some direction for the committee as we move forward.

Today, across America, young people are training hard to be able to compete at their highest, possible level. It seems to me that our focus needs to be on enabling that training and facilitating those athletes to continue and remove any unnecessary burdens or barriers.

Mr. Chairman, I look forward to hearing from our witnesses and working with you on this issue so that we might improve the circumstances under which our athletes train and prepare for the Olympics.

I thank you and yield back my time.

Mr. STEARNS. And I thank my distinguished colleague from Arizona, Mr. Shadegg. And the gentleman from Nebraska.

Mr. TERRY. Waive.

Mr. STEARNS. Okay, waive.

[Additional statements submitted for the record follow:]

PREPARED STATEMENT OF HON. BARBARA CUBIN, A REPRESENTATIVE IN CONGRESS
FROM THE STATE OF WYOMING

Thank you, Mr. Chairman, for holding this timely hearing.

I would like to welcome my colleagues, Senator Ben Nighthorse Campbell and Congressman Jim Ryun.

Their testimony and presence today, as both Olympic athletes and overseeing legislators, will provide invaluable insight into the U.S. Olympic Committee's current state of affairs.

The U.S. Olympic program exudes the very essence of the American Spirit. It provides unspeakable opportunities to any man, woman or child who dares to dream big enough. The message is clear to all with the ambition—your hard work, determination and God given talents can soar here.

A fellow Wyomingite who embodies that very thing is a member of the second panel. Against all odds in the 2000 Summer Olympics in Sydney, Australia Rulon Gardner upset the three-time Olympic Greco-Roman champion from Russia and took home the Gold Medal.

This tremendous victory will forever be remembered and celebrated. It instilled and reignited the spark of hope in all who aspire to such athletic excellence.

While these triumphant moments will remain, the time has come to shed light on another aspect of the Olympics. The U.S. Olympic Committee (USOC).

In recent months, a number of troubling factors within the USOC have come to light. It is first and foremost an unfortunate situation that potentially compromises our fundamental belief in what has been a tremendous source of pride.

That is why we must examine the structure and mission of the USOC. It is my hope the testimony heard today will shed further light on what necessary steps might be taken to strengthen the Olympic movement in our country.

Thank you, Mr. Chairman and I yield back the remainder of my time.

PREPARED STATEMENT OF HON. W.J. "BILLY" TAUZIN, CHAIRMAN, COMMITTEE ON
ENERGY AND COMMERCE

Last year this Committee investigated and uncovered several high profile corporate failures. The details of the corruption and mismanagement that were the undoing of these former high flyers are legendary now. So when a non-profit organization experiences the type of problems that precipitated the resignations at the USOC recently, it is noteworthy but may seem minor in comparison.

Yet there is a difference when the organization under discussion holds our national trust, as does the USOC. The dreams, hopes, and inspiration for many Americans are often traced to an Olympic hero. It is for this reason that the recent stumbles of the USOC have garnered so much attention.

The ideal of integrity the Olympics represent should be the singular focus and governing factor in every decision made by the USOC. It is not clear whether the resignations of USOC officials indicate a systemic problem or if they were a single random event. Regardless, the USOC faces a problem: we are a forgiving nation, but we do not always forget. Restoring the integrity of our Olympic movement and the trust of the people is of paramount importance not only for today's athletes, but also for future generations of aspiring athletes.

The USOC has taken the initial steps necessary to restore its image by forming an internal task force and appointing an independent commission to perform separate reviews. Very few of us are neither experts on managing a multi-million dollar non-profit nor experts on the needs of the diverse sports organizations that are served by the USOC. We will therefore rely heavily on the recommendations of the experts involved.

I believe Congress can aid in this process as well. We should not be viewed as an adversary; we are here to assist you in any way we can. Perhaps the biggest help we can provide is through a process of education and discussion. There is a lot on the table to discuss, and it is not clear that downsizing, streamlining, or making changes at the margins to the organizational structure will take the USOC where it needs to be. While some changes are a forgone conclusion, the size and scope of any changes should reflect and be compatible with the USOC's mission.

Defining the USOC's mission appears to be the most important issue we need to discuss. The USOC's responsibilities are numerous and varied. Should they be charged with facilitating participation in local communities and providing services duplicative of other organizations? While many voices need to be heard, we should not shy away from this opportunity to examine and define the USOC's responsibilities. It has been 25 years since Congress created the USOC. To say this is a vastly different country now than it was then is an understatement. Perhaps it is time that the USOC reflect these changes.

I thank the Subcommittee Chair for assembling this excellent panel of experts. I look forward to hearing their views and continuing the dialogue with all interested parties.

Mr. STEARNS. With that, we will move to our first panel. It is a pleasure to welcome two very distinguished Members of Congress and former Olympians who will testify.

Senator Ben Nighthorse Campbell of Colorado served in the House from 1987 to 1993, and it now in his second term in the Senate. Prior to his service he was a Rancher, Horse Trainer, a Teacher, Designer of jewelry and is a Judo Champion.

The Senator was on the U.S. Judo Team in the 1964 Olympics. Our other colleague from the House, Congressman Jim Ryun of Kansas is now in his fourth term.

The Congressman participated in three Olympics and won the silver medal in the 1500 meter run in 1968. In addition to being a world class athlete, Jim Ryun has served as a Motivational Speaker, Author and Consultant.

So I welcome, sincerely, both of my colleagues and I appreciate your time. We will start off with Senator Campbell.

STATEMENTS OF HON. BEN NIGHTHORSE CAMPBELL, A U.S. SENATOR FROM THE STATE OF COLORADO; AND HON. JIM RYUN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF KANSAS

Senator CAMPBELL. Thank you, Mr. Chairman, and thank you for showing an interest in this issue and conducting this hearing. And I am just delighted to be here with my colleague and a team member.

Even though we were on different Olympic teams, once you are an Olympian you are sort of the teammate of everybody that has passed before you and after you.

And I am just delighted to be here with a, not only a very fine Congressman, but a world-renowned athlete too, as Jim was.

I want to tell you that we are very proud in Colorado that the United States Olympic committee is housed in our State. When I was in the legislature it was only a few years after the decision was made to transfer an Air Force Base, which was government property, to the Olympic committee to be their headquarters and their training facility.

And in those days many of us worked very hard on the Colorado legislature to get, as an example, in-State tuition of young athletes who wanted to train there and also go to school, to waive the in-State requirements for doctors, if they were doctors from other States who would come to the Olympic committee to practice medicine for the athletes.

We even passed a bill in the legislature to allow people paying their State income tax to check off a dollar to go directly to the Olympic Committee. Which, for a while, raised about \$200,000 for the team.

I think in this whole dialog, if I can take just a moment, that there are thousands of supporters of the Olympic team and there many unsung heroes, Nutritionists and Coaches and Trainers and on and on.

And when we talk about the problems that are basically management problems, I think we tend to cast a broad net and maybe paint with a very broad brush.

But having the Olympic committee in our State, I can tell you the vast majority of people that have anything to do with the Olympic Games are just hard working and dedicated to trying to make youngsters be the best they can be.

We are very proud of all the people that win gold medals as any American would be. But for everyone that wins that, there are literally hundreds and hundreds that are trying equally hard, but just didn't quite make it.

But we think that citizenship and fair play and dedication to effort is an equally important mission for the U.S. Olympic Committee.

I have been here almost 18 years now, and for a while there were three of us, Senator Bill Bradley and Tom McMillan, who was a colleague of yours and you knew very well.

And for years, you know, it was a very proud, being noted by the Olympic team that they didn't get any government help.

Unlike many States in which sports are controlled by a bureaucrat at government level that pretty much dictates and mandates everything that goes on in that amateur sport.

That is the way the Soviet Union did and many of the communist countries still do today. We have always been proud of the fact that government has had kind of a hands off approach to it.

But times are changing. And during the years that Tom and Bill and I were here, we formed what was called an Olympic Caucus of House members and Senate members who were interested in the Olympic movement.

And basically it was kind of a bumper group that would step in and have some voice if some of our colleagues it may, it should be nationalized or the charter should be changed someday.

And so we were very careful with that. Well, the need sort of went down and so Bill and Tom both left and now its just me on the Senate side with Jim on the House side.

But clearly the problems that we face with the Olympic Committee, I think, need to be distinguished from the average rank and file people that are working every day to make it a better committee.

Now, of course, there is big money involved in the Olympic. Not only the money they raise, but the money we put in to, through indirect funding.

I saw one number that said the Salt Lake Games might have been over \$4 billion expense for the Federal Government if you factor in, not only all the security, which was considerable.

ATF was there. The FBI was there. The military was there, as you know. But also the infrastructure that goes to build, for instance, off-ramps from the main thoroughfares to the Olympic venues.

That is almost done at taxpayers' expense. We provide that money through our transportation bills and transportation appropriation committee.

So we do have a vested interest in kind of watching how a taxpayer's money is spent. We, as you know, have done two hearings on the Senate side under the authority of their Senate Commerce Committee, with Senator McCain chairing.

And in those two hearings we, I think we clearly recognized it is time to make some changes and as Congressman Stupak mentioned, there have been some attempts to have some internal change done, but they have not gone very far.

That is probably not as easily said as done because when you have a large board and almost everybody on that board represents an individual sport that may not have anything to do with another sport, there is always some turf involved and some worries about whether they may be left out if there is a change.

And we understand that. But the thing really was brought to a head when there was a recent recognition by several members of the Ethics Committee based on a disagreement between the CEO of the Olympic committee and the President of the Olympic committee.

Both thought they had a certain amount of authority, which apparently was not well defined in their by-laws about who had which authority to be spokesman at international levels.

In any event, at the end of the two hearings, as you mentioned, Senator McCain did authorize an independent commission of five people, and they are supposed to report back to the U.S. Senate by the 30th, with their recommendations on what they are to do from a Federal level.

In having lunch with Senator McCain yesterday, he told me we were going to move forward for sure under his authority and will be revising the Amateur Sports Act of 1978.

Senator Stevens wrote that bill, by the way, and he is our President Emeritus, the President Pro Tem, excuse me, in the U.S. Senate now, as you know. When this, as it has been called, this functionalism came to light, I don't think that is where the beginning was.

As I look back on where things began to go wrong, it seemed to me that when the Olympic Committee, about 4 years ago, or maybe a little more, authorized a study that was called the McKinsey report, that came back and recommended that the Olympic committee be run more like a corporation.

I think that is where some of the people began to lose their way. The Olympic committee is big money, no question about it, and I think they have to have some good corporate practices there in order to manage it well.

But it is also a non-profit and it is also a system of training young people. It is a little different mission, maybe a big different mission than a straight corporate board would do.

And in my view, what happened after that was that there were at least a few people that began to develop what I call a cultural privilege in what I deem to be a real abuse of how money is spent.

And some of the numbers that we got back, I mean it just, I couldn't believe some of the first ones we were getting back. But how much money was being spent that I considered wasteful or self-serving.

In any event, Senator Stevens and I subsequently made a trip out to the United States Olympic Committee to talk to the athletes, the coaches, the management people were there.

And there was an awful lot of newspaper print, as you might guess, and television attention before we even got there.

We have, our office has a satellite office in Colorado Springs. We started getting a lot of calls from people that actually worked at the Olympic Committee, volunteering information of mismanagement, of things that they thought were wrong, that shouldn't be.

And we told them that we, you know, I am your Senator so they have a right to come in and talk to me, obviously, but we didn't want them to just come in and be finger pointing and gossiping and, you know, he said, she said and so on.

But if they had some documentation that they thought would be of interest to the U.S. Congress, they should provide that.

We ended up with a book, I think, between an inch and a half and two inches thick of documentation. Which we very frankly now don't know what to do with.

Some of that information was leaked to the press before we even got it, so it is already public knowledge. Some of it, I am not an attorney, but after reviewing some of it, Senator Stevens said he thought some of it bordered on violation of fraud laws, at least, and maybe other things.

But when we talk about what we do with that information now, one of the things that I personally would like to avoid, very frankly, is dragging our team through any more mud.

While at the same time, fixing the problems that have gotten them in trouble in the first place. We have had suggestions that we turn it over to the GAO and ask for an independent audit of how the finances are being handled.

We have had a suggestion that we turn it over to the Justice Department to see if any civil rights violations have been made or any fraud laws have been broken, things of that nature.

But in the meantime, some of the people that were really at the center of the storm have resigned and have left. The President of the USOC has resigned, Ms. Markmeyer resigned.

Mr. Ward, who was the CEO, resigned. His right-hand helper, I forgot his name, I am sorry, it slips my mind right now, also resigned.

And so I am not sure to what end it would do with all this information. However, I will tell the chairman of the committee you are interested in looking at it and he will be happy to provide that to you.

But since not being an attorney, what I saw in reading that sounded much more in the realm of white collar crime. I thought, well, if we go forward with it and some of the people who are really responsible for this are gone, what would we end up doing?

Slapping somebody on the wrist? Promoting more and more bad stories about a basically good willed organization? And so there we are in that quandary.

But Senator McCain has indicated that when we get back the report from this independent commission, which will be here on the 30th, he intends to move forward with some changes in the Amateur Sports Act.

I think, very frankly, under the new leadership of Bill Martin from the University of Michigan, as Congressman Upton very proudly has said, I think we are really beginning to turn the corner.

His experience is renowned and his credentials, I think, are just sterling. And more than anything else, his heart is in the right place.

And knows that the emphasis has got to be on our young people more than anything else. But we will be doing something, probably accepting some of their recommendations, too, that would be my guess.

And we are hoping that they will, as you mentioned, they have an internal committee also working on how to streamline. They will probably come forward with some suggestions and that will be coupled with what the independent commission recommends to and we will go from there.

But as I mentioned before, the vast majority of people that have been tainted with this, unfortunately, have been done so very unfairly.

Having visited out there and knowing some of the athletes themselves, when I went around and talked to them, many of them are doing a terrific job and they are really focused on 2002, and we hope to get this behind us, long before 2002.

And when the games will be Athens, instead of letting this hang over our head any longer. And we fully recognize that sometimes you have different problems at different levels.

The IOC clearly has some problems. The USOC has some problems also. The organizing committee, as it was in Salt Lake, also had problems.

Sometimes they work in concert and sometimes, very frankly, they don't work very well together. And some of their decisions are made somewhat independently of each other.

But I would hope that our young athletes would not be distracted and I am very thankful that you invited some of them, that are actually in competition now, and not retired like some of us old-timers or retired like some of the recent ones that are just coaching now.

Some that are actually going to be in Athens and are going to be in competition themselves will be able to testify, and I am looking forwards to that. Thank you very much, Mr. Chairman.

[The prepared statement of Hon. Ben Nighthorse Campbell follows:]

PREPARED STATEMENT OF HON. BEN NIGHTHORSE CAMPBELL, A U.S. SENATOR FROM THE STATE OF COLORADO

Thank you Mr. Chairman for allowing me to testify today. As you know, I have a vested interest in this issue, not only as senior Senator of the state where the USOC is headquartered, but also as one of Congress's two current members that are former Olympians.

My time as a member of the U.S. Olympic Team provided me with considerable opportunities that I might not otherwise have had and fostered lifelong friendships that I will always treasure.

I was literally raised in the Olympic movement and without it, I would probably be a member of another institution, but one with bars and guards. Because of these memories, I decided that I would do what I could to help other athletes have the same experiences that I did.

I first started working to help the USOC as a member of the Colorado State Legislature where I worked on legislation providing a state income tax check-off to raise money for the USOC. I also worked on language to give tuition waivers to out-of-state student athletes training in Colorado and to waive in-state certification for doctors working at USOC headquarters.

Since I have been a member of Congress, I have been one of the strongest supporters of the Olympic movement.

As a member of the Senate Appropriations Committee, I have been working for the last six years to provide the USOC with a new office building in Colorado Springs.

I have worked to provide \$14 million for the USOC's drug-testing administration that has been provided directly to USADA (United States Anti-Doping Agency) so that the ONDCP (Office of National Drug Control Policy) does not have administration powers or any other oversight.

Congressional oversight is something we have tried to avoid since the creation of the Amateur Sports Act of 1978. Former Senator Bill Bradley, Former Representative Tom McMillan, and I formed a bipartisan caucus with other members who believed in the Olympic ideals to act as a buffer against any potential Congressional oversight of the Olympic team.

After all of the difficulties the USOC has had over the past few years regarding financial mismanagement, ethics improprieties, and massive organizational dysfunction, it became apparent that Congress did need to step in. While not providing direct support to the USOC, this government has a great interest in the USOC as it has provided millions of dollars and thousands of man-hours to support Olympic events here in the U.S. and worldwide.

As you know, the Senate Commerce Committee held two hearings this year to look into ethics violations only to discover many deeper problems in organizational difficulties. Following these hearings, many current and former employees and athletes came forward, both publicly and anonymously, to express their feelings and views and let me and my staff know of their complaints.

Let me just say that it was eye opening to see the huge travel budgets, unnecessarily large severance packages, and bloated salaries, all occurring while athletes are having to live day to day and, in some cases, finance much of their own training in order to compete for their country.

But through these hearings and media reports, we are all aware of what's been said and it is not necessary to dwell on it as long as it is recognized that these improprieties cannot occur again. Now is the time to move beyond these problems to create a new Olympic organization that will better serve its mission to promote the Olympic ideals and to develop and prepare our nation's athletes to compete against the rest of the world.

I will credit the USOC for creating a task force to look at its own problems. But given everything I have come across through the ethics investigations, I don't know who can be trusted.

This is why Senator McCain, Senator Stevens, and I have created an independent commission to look at the necessary changes at the USOC. We have our ideas, but I think that we'd like to avoid imposing Congress's will through legislation, if that is at all possible.

But at the same time, legislation and Congressional oversight isn't impossible and I must remind everyone involved that it can be done and will be done if necessary. Thank you Mr. Chairman.

Mr. STEARNS. Thank you, Senator.
Our colleague, Jim.

STATEMENT OF HON. JIM RYUN

Mr. RYUN. Thank you, Mr. Chairman, members of the committee. I appreciate the opportunity to sit here with my friend and fellow Olympian, Senator Campbell, who by the way isn't really a bad fencer.

We have had a little competition with that along the way.

Senator CAMPBELL. To enlighten you, Mr. Chairman, someone got the two of us into a fencing match. Neither of us knows a broad sword from a foil, but we did our best.

Mr. RYUN. And we had a good time sharing that experience and it really was a good experience, with the Olympic committee here in Washington.

And I trust that this subcommittee's investigation and the continuing cooperation with the USC will actually yield some strong solutions to the problem facing the Olympic Committee.

Let me begin by first of all echoing some of the concerns that Ben has expressed with regard to the Olympic movement and how far it reaches into the fabric of American society.

When you consider the athlete, we often focus upon him. There is usually a coach, there is a sponsor, there are sometimes children, if they are old enough. You have the support groups that go with it.

So, it reaches deep when you think of how the process is completed. Usually starting on a local level, then a State level and then a national level. And then you have to meet certain qualification standards and work your way through the process.

My only point in highlighting that is that whatever you do here it is important that it is done right, because it does send a very clear message to the young people of this country, many of whom have high aspirations of maybe winning an Olympic medal, or at least being a part of the Olympic movement, and being a part of the Olympic team.

For over 100 years the aim of the Olympic movement has been to build a peaceful and better world by educating youth through sport by bringing together athletes from all countries in sincere and impartial competition by sharing mutual understanding bound by friendship, solidarity and fair play that is a part of the Olympic spirit.

As a three-time Olympic athlete, I have experienced first-hand the pinnacle of Olympic spirit. I have also fully appreciated what a positive force the USOC can be on young athletes.

Created to, in the words of the USOC's current institution, and I quote, may the world's best national Olympic committee help U.S.

Olympic athletes achieve sustained competitive excellence while inspiring all Americans and preserving the Olympic ideal.

The committee has often lived up to its calling and its mission. However, scandal has followed scandal over the past several years and this is deeply, deeply troubling.

Although these actions probably have not interfered with the training success of our athletes, they have certainly tarnished the image of the USOC and the Olympic movement.

Mr. Chairman, I hope your subcommittee, through this and other similar hearings, will discover some of the root causes of these scandals and associated problems.

Whether the causes are structural or lack of transparency, poorly realized mission and strategy, or some other reason, the need to restore confidence in the USOC is very important to the continued success of the Olympic movement.

Some of the problems with the USOC are easy to identify. For instance, and you highlighted this a moment ago. With a 122 board of directors, along with their unusually layered management structure, including paid staff and volunteer executives, it is hard to imagine how effective the structure can be in carrying out its mission.

However, other problems, along with their corresponding solutions, are not so easily visible. This is one of the reasons I appreciate the recent comments and actions of USOC President Bill Martin.

You had created a task force called by Mr. Martin and is charged to review the USOC from top to bottom and to devise major structural changes in policy revisions.

I have heard the group will focus on six areas. Ethic behavior; governance and organizational structure; maintenance of sensitive, confidential and proprietary information; communications policies; openness; transparency in disclosure; and fund raising efficiency.

This is the first tremendous step and I applaud Mr. Martin for this actions. I hope the task force will review and develop strong recommendations for the structural changes needed to address the problem plaguing the USOC.

During this process I encourage the task force to remain focused on the well-being of the athletes. A much needed streamlining of the organizational structure and more open and transparent environment and the required confidence building measures needed to repolish the image of the Olympic Committee.

Mr. Chairman, again, I thank you for the opportunity to be here and provide a statement to the subcommittee. I would be happy to entertain any questions some of the members might have at this time.

[The prepared statement of Hon. Jim Ryun follows:]

PREPARED STATEMENT OF HON. JIM RYUN

Thank you Mr. Chairman, members of the Committee. I appreciate the opportunity to sit here with my friend and fellow Olympian, Senator Campbell, and provide you some personal thoughts on the US Olympic Committee. I trust that this subcommittee's investigation and continuing cooperation with the USOC will yield strong solutions to the problems facing the Olympic Committee.

For over 100 years the aim of the Olympic Movement has been to build a peaceful and better world by educating youth through sport, by bringing together athletes from all countries in sincere and impartial competition and by sharing the mutual

understanding bound by friendship, solidarity and fair play that is the Olympic Spirit.

As a three-time Olympic athlete, I have experienced first-hand the pinnacle of the Olympic Spirit and also fully appreciate what a positive force the USOC can be on young athletes. Created to, in the words of the USOC's Constitution, "Lead the world's best National Olympic Committee: Help U.S. Olympic athletes achieve sustained competitive excellence while inspiring all Americans and preserving the Olympic ideal," the Committee has often lived up to its calling and mission.

However, scandal has followed scandal over the past several years. This is deeply troubling. Although these actions probably have not interfered with the training and success of our athletes, they have certainly tarnished the image of the USOC and the Olympic movement.

Mr. Chairman, I hope your subcommittee, through this and other similar hearings, will discover some of the root causes of these scandals and associated problems. Whether the causes are structural, a lack of transparency, a poorly-realized mission and strategy, or some other reason, the need to restore confidence in the USOC is very important to the continued success of the Olympic movement.

Some of the problems with the USOC are easy to identify. For instance, with a 123-member board of directors, along with an unusual and layered management structure including paid staff and volunteer executives, it is hard to imagine how effective this structure can be in carrying out its mission. However, other problems, along with their corresponding solutions are not so easily visible.

This is one of the reasons I appreciate the recent comments and actions of USOC President, Bill Martin. The newly-created Task Force, called for by Mr. Martin, is charged to review the USOC from top to bottom to devise major structural changes and policy revisions. I have heard that the group will focus on six areas: ethical behavior; governance and organizational structure; maintenance of sensitive, confidential and proprietary information; communications policies; openness, transparency and disclosure; and fundraising efficiency. This is a tremendous first step, and I applaud Mr. Martin's judicious actions.

I hope this Task Force review will develop strong recommendations for the structural changes needed to address the problems plaguing the USOC. —During this process, I encourage the Task Force to remain focused on the well-being of the athletes, a much needed streamlining of the organizational structure, a more open and transparent environment, and the required confidence-building measures needed to re-polish the image of the Olympic Committee.

Mr. Chairman, again, thank you for this opportunity to provide a statement to your Subcommittee. I would be happy to entertain any questions you or other Members may have.

Mr. STEARNS. I thank both of my colleagues. I really don't have questions. I think, Senator Campbell, I am struck by three things you said.

I don't think the American people realize that \$4 billion was spent by taxpayers on the Olympics. I mean I had never heard that number.

Senator CAMPBELL. I might add, Mr. Chairman, that about a year ago Senator Stevens and I and several members of the Appropriations Committee traveled to Greece.

We went to several other countries too, but we did go to Greece. We already have Americans in Greece now training people for any potential terrorist event for the Athens games.

That is to the extent we go as Americans to help other countries make sure that their games are safe for athletes, for officials and for coaches.

Mr. STEARNS. Big financial commitment.

Senator CAMPBELL. Well, we are financing those people, Americans that are over there. But there were some, we talked to the Prime Minister of Greece and several of the cabinet members who assured us that it would be safe.

The venue would be completely done and all of those other things. And I hope it is. But our interest, of course, was making sure that it, that we are participating.

So even when the games are not in this country, we do provide some of the money.

Mr. STEARNS. Your other comment that a culture of privilege has developed, is obviously a concern. And then this book that you mention.

I am sort of nonplused, like you, what to do with it, because you don't want to damage further. But if you have individuals that have committed fraud and there is criminal activity, that, I think, is important.

So, perhaps, a question I have is do you think this book should be given to Mr. Martin?

Senator CAMPBELL. We have offered to let Mr. Martin review it, if he would like to.

Mr. STEARNS. Okay, okay.

Senator CAMPBELL. As I mentioned, some of it had already been leaked to the press before we got, so it is already common knowledge.

Mr. STEARNS. Okay.

Senator CAMPBELL. We were also very careful that the people who provided this information would not be at the end of some retribution by mid-management or upper-management people.

Mr. Martin has assured me that is not going to happen. And I have assured the people in Colorado Springs that will not happen either.

And, although, I have to tell you that when we originally went out there, both Senator Stevens and I thought that because it was a federally chartered institution that the employees would be protected as government officials are by the Whistle Blowers Act, and they are not.

And so Senator Stevens has indicated one of his first efforts in this whole restructuring is going to be protection for employees of the Olympic committee in that bill.

Mr. STEARNS. I think that is important. Having gone through the Oversight Committee on Enron and Worldcom and Qwest and Imclone, the Whistle Blower protection is extremely important.

So I think obviously that should be part of legislation. Mr. Stupak, do you any questions.

Mr. RYUN. Mr. Chairman, if I may, can I make another comment. I know the committee takes very seriously the charge and the process of oversight.

But I might just remind you that every 4 years literally billions of people watch the Olympic. Now having said that, there is a great deal of interest in what is going on here.

We often think of this as being just a national issue, but the rest of the world is watching what is going to happen with the USOC.

So, you know, I know you take that seriously, but there is a larger audience out there and that is why it is important that we get it right this time.

Mr. STUPAK. Thank you, Mr. Chairman. Let me thank both of our witnesses for being here and let me thank them for the help. On this side of the House we have been spear-heading the Olympic Education Scholarships, and both Senator Campbell and Jim Ryun have helped us out on those scholarships to try and help some of

our athletes to get an education while they train to represent their country in their chosen sports.

I want to thank them for their help there. Senator Campbell, what in your mind has really broken down over the years regarding the USOC? I know you have done this——

Senator CAMPBELL. If I could put it in a perspective, going back to my era, which I was on the 1964 team, we have come a long way.

In those days you were pretty much on your own until the trials. I mean you supported yourself. If you got hurt, you were on your own.

There was no medical support, nothing, I mean that was it. And if you didn't have a job, and in fact, some people actually lost their jobs. When they would make the team, they would be fired for losing time at work.

And after we won our trials we would simply get together in a designated city, which was a kick off. We would get our uniforms issued and so on and then go to wherever the games were.

And then when you came back, you were totally on your own again. Little by little that has changed now. So if a young athlete wants to try out now, in fact, even if they are not in the top level of their skill.

If they are just interested in doing it, there is an avenue where they can train and work their way up. And in fact, I think there is about, oh, maybe 11 or a dozen full-time teams that train year-round at Colorado Springs.

Others train in Lake Placid, as you know, and some other places. But they have come along way. I went and visited the doctors when I was out there, the trainers, and ate with some of the team members.

And I kept thinking that when I was going through that, boy, if we could have only had this. So all that has been made available because of the good will of every Mom and Pop that sends \$10.

And, of course, the big corporation sponsors that are very interested in what we are doing. Because when I was there I happened to talk to the people from McDonald's, and encouraged them to stick with us.

This is going to get ironed out and they shouldn't let their confidence be shaken. But at you probably know, several sponsors have already said that they are a little worried and wondering whether they should pull their sponsorships or not.

And we, I am the first one to try and discourage them from doing that because it is going to get better. We have come a long way and now we have to realize that because of this new management problem, we have got a long way to go yet.

But I look forward to doing that and I know we can. But it seemed to me, as I mentioned earlier, it began to change when the McKinsey Report was issued.

Which basically says they should move more toward a corporate management style.

Mr. STUPAK. Jim, anything you want add on that?

Mr. RYUN. Just that you really are dealing with a lot of different jurisdictional issues, and it is hard to get it right because, you

know, Ben's needs and for what he was doing were different than, say, the track and field athletes' needs.

And so with those dynamics, even though you need a sponsorship and I am saying that is an essential part of it, you had to pull those things all together and to make it work.

And I think, you know, really what we are looking at here is kind of like a family relationship. And it is the refining of those particular characteristics that is going to lead to better management and a better program.

But it is a painful process, as well.

Mr. STUPAK. Well, 2 years ago we looked at what had happened with Salt Lake and Atlanta. And, again, as I said in my opening, we did our investigation and then they said they would reform, things would get better.

And here we are 2 years later, going through basically the same allegations and the same problems. Do you believe Congress will need to do more oversight, not only of the USOC but also the IOC? Senator?

Senator CAMPBELL. Well, we have very limited ability to oversee what the IOC does, as you know. Much more with the USOC, but I think the time has come that we have to.

I am not sure, very honestly, Congressman Stupak, I am not sure that they can reform themselves to the degree they need to.

It is a complicated, difficult thing. And we have 122 members on that board. And many of them, you know, they represent a lot of different sports.

Mr. STUPAK. True.

Senator CAMPBELL. In fact, when I looked at the list, the new list of all the sports, I didn't recognize some of those sports. I didn't know what they were.

And even when I went out to the Olympic committee the other day and I watched women's weight lifting and women's wrestling and some other things.

I know wrestling and I know weight lifting, but my group, you know, it was pretty much a man's sport. A lot of changes have been made. And with every change there comes a constituency and an agenda for that particular sport.

So when you have 122 members on that board, many of the members are much more interested in their own sport and their agenda than they are of the total picture.

And then you add to that about \$150 million a year that the USOC is raising now, you can see it complicates it. A few years ago, about 3 or 4 years ago, there was several groups that were leaning on Senator Stevens to revise the Sports Act and require the Olympic committee to divide up some of the money based on the percentage to their sports.

And Senator Stevens and I went out and did a hearing at that time. And we rejected that notion. We thought the Olympic committee was very capable of deciding how much money went to each one of the sports, the governing bodies of each sport.

But clearly, money itself has changed the dynamics of the movement.

Mr. STUPAK. Jim, would you care to comment?

Mr. RYUN. I would say clearly money has changed the dynamics but it has been a positive influence. And I can remember 1964, as well, and how hard it was for the athletes just to make the team, and they had to provide for their own support.

While money has created an avenue of making it possible, it has also created the problem. So it is worth the battle. You know, one of their recommendation is greater transparency. I agree with that.

And somehow we have to take, put the polish back on the Olympic Committee, the U.S. Olympic Committee, so we can move ahead of our sponsors.

Because it is not very far off before we will again be putting together an Olympic game.

Senator CAMPBELL. If I could add one comment to that. One of the things, I wish I had brought the charts over that we had staff make for our hearings over on the Senate side.

But one of the things that I got very interested in when I thought that there was some mismanagement about how the money was used was the Forbes study about 6 months ago.

That studied the top 200 non-profits about most efficient use of money. The Red Cross was at the top, as I remember, that had like an 85 percent efficiency rating, meaning only 15 percent went to overhead and the other 85 went to what their mission was.

The Olympic committee was one of the three worst, the three bottom ones with something like a 65 percent efficiency rating.

That told me that there was a lot of money going to other places than what their mission should of been, which was to the athletes.

And then we, we tried to get some comparative charts made, well we did get them made, of how the Red Cross is an example and some of the other ones, how their lines of authority go.

How there chain of command goes. And then we did one of the Olympic Committee. One of the people testified that it looked like a bowl of spaghetti.

And when I first saw it, the first thing I thought was it looked like something you might see in a Rorschach test. There were all kinds of lines going all kinds of ways.

I mean I couldn't even figure the thing out about who had responsibility to who. But clearly they have some structural problems that need to be changed.

And some of that they can probably do internally and some of it we have got to do. One of the things that I noted was that one of the people that resigned from the Ethics Committee, in fact, was working for a person who he would then have to judge, he would have to judge his behavior as a member of the Ethics Committee.

Well, that puts them both in a very uncomfortable and precarious position. You are working for a guy who you are going to have to judge his ethical behavior when he does something wrong?

Tough place of anyone to be. So they need a lot of structural changes and hopefully we will be able to do that using some more efficient systems of governance.

Mr. STUPAK. Thanks.

Mr. STEARNS. Thanks, gentlemen. The gentleman from Michigan.

Mr. UPTON. Thank you, Mr. Chairman. I just want to thank you both and the witnesses following as well. And sadly for me, there are a number of different pressing scheduling conflicts.

We have a mark-up downstairs in Energy and I have a briefing over on the Capitol floor. I just want to say that what you have said underscores the need for a fix and I know that we can work together.

And I have the greatest confidence in Bill Martin to provide us the best and most honest advice so that we can, in fact, do what every American wants us to do.

And I appreciate your help on this and look forwards to your continued leadership. And yield back the balance of my time.

Mr. STEARNS. Thank you, gentleman. Anyone else wish to ask questions to colleagues? Barbara?

Ms. CUBIN. No, thank you.

Mr. STEARNS. Okay. Thank you very much for your time and we appreciate your thoughts. If now the second panel will come forward.

We have two members who want to introduce two of the people. I will allow them to do so and I will mention the other individuals.

Rachel Godino, Chair, Athletes' Advisory Council, United States Olympic Committee, National Headquarters. Harvey Schiller. Dr. Schiller is President and Chief Executive Officer of Assante.

He is 1 of the 5 persons of the task force that Senator McCain has put together. Robert Marbut, Chairman, National Governing Bodies' Council, United States Olympic Committee.

Jim McCarthy, a member, board of directors, United States Olympic Committee, National Headquarters. I will let me, please have a seat and I will let my colleague, Fred Upton, introduce the acting chairman.

Mr. UPTON. Mr. Chairman, you don't know how much I appreciate introducing an amazing blue guy to a Florida guy after the Orange Bowl win on January 1.

And as I had the great privilege of saying such to your Governor, Jeb Bush, when he testified on Medicaid last week, as well, particularly in the big house, the committee hearing room downstairs.

But I just want to say that Bill Martin has stepped in at the University of Michigan several years ago and there has not been a complaint out there.

He has done a terrific job at bringing excellence back on the athletic field, but also the desire on academics as well.

And he record in the private sector and now at the prestigious University of Michigan, is unparalleled. And even though he is in this spot, as President of the USOC, almost by default, I guess you could say.

This was not something that he was looking forward to. But he has spent an enormous amount of time. He has the respect of the committee that is there and certainly of me and so many different members.

We welcome you and your testimony and look forward to working with you in the years ahead. Go blue.

Mr. STEARNS. I thank my colleague. The gentelady from Wyoming.

Ms. CUBIN. Is this on? It is really my privilege to introduce a member of today's panel who hails from Star Valley, Wyoming.

His run to, in 2000, to the Olympic gold, took him to a match with one of the, a man who some people consider one of the great-

est athletes of our time in the heavyweight greco-roman wrestling event.

And Rulon, in an upset, upsetting to everyone on the Russian side, beat him, became a gold medal winner and certainly we are proud of him for that.

Some, as I said, some people call it an upset, but I call it hard work, dedication and a never say die attitude that Rulon has and that he projects every place he goes.

I want to tell you a little bit about him. I know him personally and Rulon was offered a lot of money after he won that to go into the WWF or WWE or whatever those things are that none of us watch.

And a lot of money, more money than I have got. And he turned it down. And he said, you know, Barbara, he said, what good is that much money if I go home to Star Valley and I can't look anybody in the eye.

And that is the kind of man that he is. And I am very proud to introduce our gold medalist winner, Rulon Gardner.

Mr. TERRY. Well the gentle lady yield for a minute. Mr. Gardner, will you state for the record where you went to college?

Mr. GARDNER. Well, first I started with Junior College in Idaho, and then of course big red, University of Nebraska.

Mr. TERRY. Thank you.

Ms. CUBIN. I left that out just so we could do that.

Mr. STEARNS. I thank my colleagues.

I welcome all the panelists, and Mr. Martin, we will let you start.

STATEMENTS OF WILLIAM C. MARTIN, ACTING PRESIDENT, UNITED STATES OLYMPIC COMMITTEE, NATIONAL HEADQUARTERS; RACHEL GODINO, CHAIR, ATHLETES' ADVISORY COUNCIL, UNITED STATES OLYMPIC COMMITTEE, NATIONAL HEADQUARTERS; HARVEY W. SCHILLER, PRESIDENT AND CHIEF EXECUTIVE OFFICER, ASSANTE US; ROBERT MARBUT, CHAIRMAN, NATIONAL GOVERNING BODIES' COUNCIL, UNITED STATES OLYMPIC COMMITTEE, NATIONAL HEADQUARTERS; JAMES P. MCCARTHY, JR., MEMBER, BOARD OF DIRECTORS, UNITED STATES OLYMPIC COMMITTEE, NATIONAL HEADQUARTERS; AND RULON GARDNER, 2000 GRECO-ROMAN WRESTLING CHAMPION, UNITED STATES OLYMPIC COMMITTEE, NATIONAL HEADQUARTERS

Mr. MARTIN. Good morning and thank you Mr. Chairman, and Congressman Upton, thank you for those very embarrassing comments you made about me. But I sure do appreciate it.

Members of the committee, my name is Bill Martin. I am the Director of Athletics at the University of Michigan and I am serving as Acting President of the United States Olympic Committee.

My experience at Michigan appears to be a parallel of what I am facing at the USOC as its volunteer leader. I came to the position as Athletic Director after spending my professional life in private business.

The University's Athletic Program was in need of financial and organizational reform and I was asked to bring to that test the skills and experience that I gained from business.

I am now being asked to participate in a similar process at the United States Olympic Committee. While the USOC has many challenges that certainly need to be addressed, at its core it is a magnificent organization who has dedicated, professional staff and committed volunteers performing in the highest tradition of the Olympic ideal.

Look back just a year ago to Salt Lake City where American athletes captured an unprecedented 34 medals. Today, in spite of the unsettling events of the past 8 weeks, the important work of the USOC and our national governing bodies continues without disruption, in a world class manner befitting our athletes.

They have not missed a single training session and access to critical support areas, such as coaching, sports science, sports medicine, training facilities and residence centers has not been impacted.

In competitions across the spectrum of summer and winter sports, American athletes are distinguishing themselves, and in so doing raising hopes and expectations for similar successes in the Pan Am Games this summer, in the Olympic Games in Athens next year.

Not allowing the recent events to become a distraction, is a true credit not only to the athletes but also to the dedicated men and women of the USOC and NGB who work to support them.

The success of American athletes, however, does not permit us to escape the hard truth that events over the past few months have been an embarrassment to the organization, a disappointment to Congress and the American people who have entrusted to the USOC the privilege of conducting America's Olympic affairs.

The good that has been and continues to be accomplished by the USOC has been obscured and attention has been shifted from America's athletes to our organizational gymnastics.

Immediate attention and corrective action is required. Let me briefly outline what I see as the major challenges and what we are doing to correct them.

Three inter-related areas lie at the base of the organizations recent difficulty. USOC management, structure and accountability.

Almost equally important is the need to identify and agree on the USOC's mission, or more realistically agree on how to balance the many and often competing missions of the USOC as demanded by ourselves, our constituent organizations, Congress and the American people.

The USOC is governed by a 122-person board of directors that meets but twice a year and a 23-person executive committee that sets policy, hires management and tends to the day-to-day affairs.

The USOC board is headed by a volunteer President elected by the board. The responsibilities of the President are a bit unclear and seem to vary from incumbent to incumbent.

But it is primarily a policy versus a management position. One function that is not the responsibility of the President, however, is the management of the permanent USOC professional staff, most of whom are located at USOC Headquarters in Colorado Springs.

The staff and a budget of nearly \$125 million a year are managed by a CEO who is hired and supervised by the executive committee.

As you are probably aware, that position was recently vacated. Historically, there have been too often tensions between the President and the CEO.

Congress established the USOC as a private entity that is to receive its funding, not from the Federal Treasury, but from private sources, such as payment for domestic broadcast rights, sponsorship revenues, licensing fees and so forth.

Originally, the USOC's principle responsibility was to field teams for the Olympic and Pan Am Games, to which was added, by amendment in 1998, responsibility for the Paralympic Games, as well.

But there are numerous other responsibilities enumerated in the Act, as well as that range from the obligation for coordinating and providing technical information on physical training to promoting grass-roots developments of amateur athletic programs.

Frequently, these mandated responsibilities come into conflict with one another and certainly put them in competition for the USOC's fixed resources, which as just noted, must be generated privately.

Since it is Congress to which we are ultimately accountable, the USOC needs Congress to tell us exactly what it considers are mission should or should not be.

What it should not be, however, is really what brings us to this hearing today. By the USOC's conduct of this last year, it appears to be an organization in turmoil, although, as previously noted, its routine operations and athlete development and support programs are continuing uninterrupted.

While I believe that the public picture is somewhat distorted, the perception is as serious an indictment as its reality, and I am embarrassed for the organization for which I have respect and affection.

But I also recognize the gravity of both perception and reality and have committed to a program of remedial action that includes the following.

First, a governance and ethics review task force has been appointed to study and make recommendations addressing a variety of issues ranging from ethical behavior to a new governance structure.

Second, at the request of the Senate Commerce Committee, the USOC agreed to a proposal for a creation of an independent council, that the USOC will fund, of distinguished Americans who will examine all aspects of the USOC's operation and structure and submit a report containing recommendations for remedial action to the appropriate committees of the House and Senate, as well as the USOC.

And third, the USOC has received and will accept the most generous offer from long-time Olympic supporter, David D'Alessandro, CEO of Olympic sponsor, John Hancock, for the conduct by a recognized national accounting firm of a comprehensive audit of the USOC's accounting and business practices.

I and my colleagues are embarrassed that there is even a question about the adequacy of the USOC's ethical standards and reporting practices, because this organization, more than any other, not only should stand upon the foundation of the highest ethical

principles, but should serve as an example of integrity to all Americans, particularly the young.

I hope and trust that you Members of Congress would join us in this restorative effort and suggest two areas where you can be of particular assistance.

We need your help in defining and focusing the USOC's missions and responsibilities. We need clear and consistent guidance regarding what Congress expects the USOC to do, and how it expects us to do it.

Second, we need Congress' help in developing and implementing an organizational plan that will convert the USOC's government apparatus into a more professional and streamlined body that can better serve America's Olympic athletes and America's Olympic interests.

I thank you for your support and look forward to having you as an active partner as we jointly move forward to restore America's Olympic organization to its position of prominence and effectiveness that this Congress and the American people expect and deserve.

[The prepared statement of William C. Martin follows.]

PREPARED STATEMENT OF WILLIAM C. MARTIN, ACTING PRESIDENT, UNITED STATES
OLYMPIC COMMITTEE

Good morning Mr. Chairman and members of the Subcommittee. My name is Bill Martin. I am the Director of Athletics at the University of Michigan and I am serving as the Acting President of the United States Olympic Committee.

My experience at the University of Michigan appears to be a parallel of what I am facing at the USOC as its volunteer leader. To a certain degree I am serving in a volunteer capacity as the Michigan Athletic Director, inasmuch as I came to the position not in a continuation of a career in athletics, but after spending my professional life in private business. The University's athletic program was in need of financial and organizational reform and I was asked to bring to that task the skills and experience that I gained from business. I am now being asked to participate in a similar process at the United States Olympic Committee.

I have only been a member of the executive leadership of the USOC for a few months. I was elected a Vice President last November and then succeeded to the Presidency on an acting basis five weeks ago. I have, however, been involved with the organization for many years because of my association with the Olympic sport of sailing, whose National Governing Body, a member organization of the USOC, is the U.S. Sailing Association. I have been involved with U.S. Sailing for over twenty years and served as its president. Consequently, I have both an outsider's as well as a new insider's view of the USOC and have some definite opinions about the USOC.

While the USOC has many challenges that certainly need to be addressed, at its core it is a magnificent organization whose dedicated professional staff and committed volunteers are performing in the highest tradition of the Olympic ideal. Look back just a year ago to Salt Lake City where American athletes captured an unprecedented thirty-four medals. Today, despite the unsettling events of the past eight weeks, the important work of the United States Olympic Committee and our National Governing Bodies continues, without disruption, and in a world-class manner befitting our athletes. They have not missed a single training session, and access to critical support areas such as coaching, sports science, sports medicine, training facilities, and residence centers has not been impacted. In competitions across the spectrum of summer and winter sport, American athletes are distinguishing themselves and in so doing, raising hopes and expectations for similar successes in the Pan American Games this summer, and the Olympic Games in Athens next year. Not allowing the recent events to become a distraction is a true credit not only to the athletes, but also to the dedicated men and women of the USOC and NGB's who work to support them.

The success of America's athletes, however, do not permit us to escape the hard truth that events over the last few months have been an embarrassment to the organization, and a disappointment to this Congress and the American people who

have entrusted to the USOC the privilege of conducting America's Olympic affairs. The good that has been and continues to be accomplished by the USOC has been obscured, and attention has been shifted from America's athletes to our organizational gymnastics. Immediate attention and corrective action is required.

Let me briefly outline what I see as the major challenges and what we are doing to correct them.

Three interrelated areas lie at the base of the organization's current difficulty: USOC management, structure, and accountability. Almost equally important is the need to identify and agree on the USOC's mission, or, more realistically, agree on how to balance the many and often competing missions of the USOC as demanded by ourselves, our constituent organizations, Congress, and the American people.

The USOC is governed by a 123-person board of directors that meets but twice a year. Meeting on a more frequent basis—every two months—is a 23-member Executive Committee that sets policy, hires the executive leadership of the USOC, and attends to more immediate issues that cannot await semi-annual action by the full board.

One Member of Congress rhetorically asked how, with governing entities of such an unwieldy size, the USOC ever accomplishes anything. The answer is that we do, but it is a struggle. But in addition to the size of these governing boards, challenges arise because of their composition. Unlike a typical corporate board of the type with which I am most familiar, the USOC governing boards are comprised almost exclusively of "insiders," that is, people who represent USOC constituent organizations and often place priority on their narrow constituent interests. These are all fine people but one would expect a greater representation of independent board members with no association with the USOC and any branch of what we refer to as the "Olympic Family."

The USOC Board of Directors is headed by a volunteer President elected by the Board, the office that I am filling on an interim basis. The responsibilities of the President are a bit unclear and seem to vary from incumbent to incumbent, but it is primarily a policy versus a management position, with additional responsibilities dealing with representation of the USOC internationally. One function that is definitely not the responsibility of the President, however, is the management of the permanent USOC professional staff, most of whom are located at USOC headquarters in Colorado Springs. The staff, and a budget of nearly \$125 million a year, are managed by a Chief Executive Officer who is hired and supervised by the Executive Committee. As you are probably aware, that position was recently vacated. Historically, there have too often been tensions between the USOC's CEO and its President.

Having a CEO accountable to a 23-person Executive Committee and a 123-person Board, and to myriad other committees and constituencies, is an invitation either to chaos, or to no accountability at all, either of which can spell disaster for an organization. But this leads to the next question of the accountability of the USOC to Congress.

The USOC is chartered by Congress through legislation enacted in 1978, "The Ted Stevens Olympic and Amateur Sports Act," that sets forth certain rights, privileges, and obligations of the organization. As the entity recognized by the International Olympic Committee as the National Olympic Committee for the United States, it is also subject to the same provisions of the Olympic Charter as are the 199 other National Olympic Committees for the countries each represents. Such provisions are far ranging, including, for example, the requirement that National Governing Bodies affiliated with sports on the program of the Olympic Games must constitute a voting majority on a National Olympic Committee's Board of Directors.

Congress established the USOC as a private entity that is to receive its funding not from the federal treasury, but from private sources such as payments for domestic broadcast rights, and from sponsorship revenues, licensing fees, and individual contributions.

Originally, the USOC's principal responsibility was to field teams for the Olympic and Pan American Games, to which was added by amendment in 1998 responsibility for the Paralympic Games as well. But there are numerous other responsibilities enumerated in the Act as well that range from the obligation for coordinating and providing technical information on physical training, to promoting grass-roots development of amateur athletic programs. Frequently these mandated responsibilities come into conflict with one another, and certainly put them in competition for the USOC's fixed resources which, as just noted, must be generated privately.

All of this comes down to the question of just what Congress, to whom we are ultimately accountable, wants the USOC to do. Unfortunately, it seems that individual Members have differing views on what our mission should be as evidenced by a hearing conducted eight years ago in which we were heavily criticized for de-

voting too much attention to elite programs, and not enough to grass roots development. But in that same year legislation was introduced that would require us to undertake major new responsibilities for elite disabled athlete programs. However, there was no accompanying provision for financial assistance that would enable the USOC to perform this task. Consequently, to fulfill this new Congressional mandate the USOC would have had to divert resources from other areas, such as grass roots development.

I realize that the matter of priorities is something with which you elected representatives have to deal every day, and if you choose a course contrary to your constituents' interests you may pay the price at the polling place the following November. It is somewhat the same for us, and we have nearly as many competing constituency groups as each of you. But I raise this matter merely to demonstrate that since it is this Congress to which we are ultimately accountable, the USOC needs Congress to tell us exactly what it considers our mission should or should not be.

"What it should not be," however, is really what brings us to this hearing today. By the USOC's conduct of this last year it appears to be an organization in turmoil although, as previously noted, its routine operations and athlete development and support programs are continuing uninterrupted. While I believe that the public picture is somewhat distorted, the perception is as serious an indictment as its reality, and I am embarrassed for the organization for which I have respect and affection. But I also recognize the gravity of both the perception and the reality and have committed to a program of remedial action that includes the following:

1. A Governance and Ethics Review Task Force has been appointed to study and make recommendations addressing a variety of issues ranging from ethical behavior to a new governance structure. Many of the Task Force's recommendations can and will be instituted administratively, others may require legislative changes to the Amateur Sports Act, and still others will have to await the recommendations of an independent review commission that will be submitting its own report on or before June 30th of this year.
2. At the request of the Senate Commerce Committee the USOC agreed to a proposal for the creation of an independent panel, that the USOC will fund, of distinguished Americans who will examine all aspects of the USOC's operations and structure and submit a report containing recommendations for remedial action to the appropriate committees of the House and Senate, as well as to the USOC. Because of its independent posture our interaction with the panel will only be at their invitation, but I have communicated the USOC's pledge to cooperate fully in whatever way we are asked.
3. The USOC has received and will accept a most generous offer from long-time Olympic supporter David D'Alessandro, CEO of Olympic Sponsor John Hancock, for the conduct by a recognized national accounting firm of a comprehensive audit of the USOC's accounting and business practices.

I and my colleagues are embarrassed that that there is even a question about the adequacy of the USOC's ethical standards and reporting practices because this organization, more than most any other, not only should stand upon the foundation of the highest ethical principles but should serve as an example of probity and integrity to all Americans, particularly the young. Newspaper accounts of recent days and months belie that notion but I still believe that the transgressions that blemished the USOC's reputation were exceptions. Nevertheless, I and my colleagues are committed to doing all that we can to restore the USOC's reputation for integrity, and returning it to a position that is as deserving of respect and support as are the young men and women we have the honor to serve.

I hope and trust that you Members of Congress will join us in this restorative effort, and suggest two areas where you can be of particular assistance:

1. We need your help in defining and focusing the USOC's mission and responsibilities. As previously discussed, the Ted Stevens Olympic and Amateur Sports Act sets forth a variety of areas for which we are responsible but sets no priorities, and offers no assistance for addressing them. We need clear and consistent guidance regarding what Congress expects the USOC to do, and how it expects us to do it.
2. We need Congress' help in developing and implementing an organizational restructuring plan that will convert the USOC's governance apparatus into a more professional and streamlined body that can better serve America's Olympic athletes, and Olympic interests. This will require some fundamental changes that may be painful to some of the USOC's current leaders and constituents, but with Congress' assistance and support the overall Olympic Movement will ultimately be better for it.

I thank you for your support, and look forward to having you as active partners as we jointly move forward to restore America's Olympic organization to the position of prominence and effectiveness that this Congress and the American people expect and deserve.

Mr. STEARNS. Mr. Martin, thank you. I just wanted to tell the panel, we have a, Mr. Ridge is giving a security briefing now, and most of the members went to that.

I have decided to continue the hearing. I know many of you came from out of town and I want to get your opening statements and questions on record.

Many of them probably will come back after noon, but I just want to alert that to you. So, and also I just remind all of you, our opening statements are generally 5 minutes.

And so you will see that red light after 5 minutes, just for your information. And we welcome Ms. Godino.

STATEMENT OF RACHEL GODINO

Ms. GODINO. Thank you, Mr. Chairman, members of the subcommittee. Thank you for the opportunity to speak to you today about the Olympic movement in the United States and for your interest in this topic, particularly as our Nation faces the prospect of war.

My name is Rachel Mayer Godino. I am a 1992 Olympian in the sport of figure skating and I serve as the elected chairperson of the Athletes' Advisory Council, the AAC of the United States Olympic Committee, the USOC.

The AAC is composed of Olympic, Pan American, and Paralympic athletes who are democratically elected by their peers to represent the interests and protect the rights of America's athletes.

It is truly an honor to represent and lead such a distinguished group. I imagine the question of whether the USOC's organizational structure impedes its mission has been raised, in part, because of the conflicting images of the USOC.

On the one hand, it is a troubled organization. There are the recent ethical issues, questions about financial reporting and the revolving door in the positions of leadership at the USOC.

On the other hand, are America's athletes. They have performed phenomenally, winning 97 medals in Sidney, 34 medals in Salt Lake City, and they have continued to be extremely successful in the 13 months since Salt Lake.

Great athletic performance and dysfunctional bureaucracy. Which one of these is the true reflection of the USOC. The answer is both, today.

The USOC is doing some things right. First, the USOC continues to help American athletes achieve their Olympic dreams.

Second, the USOC has improved its ability and the ability of each national governing body to target dollars and resources where they will most impact athletic performance.

The positive results of that are being seen on the field of play. Third, the USOC is protecting athletes' rights. Part of the genesis of the 1978 Amateur Sports Act was the lack of protection for athletes' rights.

The processes and principles incorporated into the USOC constitution as a result of that 1978 Act, have been used and tested repeatedly since their inception.

They have proved to be so successful, that consideration should be given to codifying these principles in the Ted Stevens Olympic and Amateur Sports Act.

Last, athletes, defined in the Act as those who have competed in the Olympic, Pan American or Paralympic Games or the World Championships in the last 10 years, bring a unique voice and perspective to both USOC and the NGBs.

And both NGBs and athletes, those who know and live sport, should continue to have a meaningful voice in the governance of the USOC, and continue to have some forum for debate, such as that provided by the AAC today.

The USOC can also be improved in many ways. First, the USOC faces the challenges of fulfilling many diverse purposes and serving many stakeholders identified in the Act and in the USOC organic documents, which limited resources.

Many people have described the USOC as trying to be all things to all people. But given limited resources, choices must be made. The USOC cannot be all things to all people.

Is the primary goal to win the medal count at the Olympic Games? What about the Paralympic and the Pan Am Games? What about promoting sport for all?

To date, neither the USOC nor Congress has effectively answered these fundamental questions. An analogy can be made to an athlete training.

The elite athlete has one ultimate goal, to win an Olympic medal. In order to meet that goal, the athlete must make choices. Delaying education and job opportunities, moving away from family and friends, all to attain the ultimate goal.

The choices are difficult, but they must be made. The USOC today lacks this laser focus and the political will to make difficult decisions.

Furthermore, all of the groups represented on the board of directors are there because they are identified as having a stake in the Olympic movement.

But the lack of clear priorities leads to an ineffective decision-making process and fights over limited resources. I am sure that all of you can relate to the frustrations and inefficiencies of resources being doled out based on personal agendas, rather than principle decisionmaking.

Overall, the USOC structure should promote operating in the best interest of the organization, rather than in the interest of a particular member or group.

And going forward, a distinction must be made between representation for purposes of input, and representation for purposes of decisionmaking. Second, the rules and responsibilities of the staff, vis-a-vis the volunteers, must be defined and implemented.

Third, similar to the USOC, the structure of NGBs can be made more efficient and streamlined. If economies and scales can be realized with the NGBs, additional resources can be directed to athletic performance.

Fourth, even with a perfect organizational structure, leadership is about people. Selecting the right people for the leadership positions is critical for future success.

Fifth, a system of accountability should be implemented. Board review processes and increased transparency are a place to start.

And last, as noted earlier, the USOC is one of the only countries in the world that does not receive direct government funding.

Instead, the USOC relies on corporate sponsors, television and private donors. These dollars are largely contributed so that companies and people can be associated with the Olympics and Olympic athletes.

However, the dollars raised must fulfill many objectives beyond helping U.S. Olympic athletes. The revenue models should be examined, particularly with respect to fulfillment of objectives outside of helping U.S. Olympic athletes achieve sustained competitive excellence.

So in sum, does the USOC's organizational structure impedes its mission? The short answer is yes. The recent attention has potentially, has provided a potentially powerful and positive impact, forcing the organization to make change.

I am confident that the ongoing reform process, through the internal USOC commission and through the commission appointed at the direction of the Senate Commerce Committee, will create a USOC that is capable of enabling American athletes to reach their full potential.

U.S. Olympic movement and its underlying ideas are resilient. Our athletes, the very reason the USOC exists, are strong and performing well.

Setting new records on the field of play and continually striving to make Americans proud. Not only by their athletic excellence, but also by conducting themselves with honor and integrity.

America's athletes continue to take pride in their efforts and we hope the American public will, as well. Thank you.

[The prepared statement of Rachel Godino follows:]

PREPARED STATEMENT OF RACHEL MAYER GODINO

Chairman Stearns and members of the Subcommittee on Commerce, Trade, and Consumer Protection: Thank you for the opportunity to speak to you today about the Olympic Movement in the United States, and for your interest in this topic. My name is Rachel Mayer Godino. I am a 1992 Olympian in the sport of Figure Skating, and serve as the elected chairperson of the Athletes' Advisory Council (AAC) of the United States Olympic Committee (USOC). The AAC is composed of Olympic, Pan American, and Paralympic athletes elected by their peers to represent the interests, and protect the rights of America's athletes. It is truly an honor to represent and lead such a distinguished group of dedicated and accomplished athletes.

My testimony is based on my years as an athlete, my experience as an Olympian, and my service on the USOC Board of Directors, Executive Committee, and the AAC.

I imagine that the issue of whether the U.S. Olympic Committee's Organizational Structure Impedes its Mission has been raised because of the conflicting messages of the USOC brought to light in recent months. On the one hand, is an organization that seems unable to manage itself, illustrated by the recent ethical issues, questions about financial reporting and effectiveness, and the revolving door in the positions of USOC leadership. On the other hand, are America's athletes. They have performed phenomenally winning 97 medals at the 2000 Summer Olympic Games in Sydney and 34 medals at the 2002 Winter Games in Salt Lake City. America's athletes have been and continue to be highly successful on the field of play in the 13 months since Salt Lake despite the recent turmoil within the USOC. Great ath-

letic performances and dysfunctional bureaucracy—which is the true reflection of the USOC? The answer, at this time, is both.

I will address what I believe the USOC is doing well and where it can be improved. Like many other individuals committed to making the USOC the best National Olympic Committee in the world, I believe that recent events should be viewed as an opportunity to make difficult but necessary changes to the USOC. The unique circumstances we are presented with today make change possible in a way that it has never been before.

WHAT IS THE USOC'S MISSION AND STRUCTURE?

A bit of background is necessary to delve into this topic. The mission of the USOC as stated in Article II of the USOC Constitution is to “Lead the world’s best National Olympic Committee: Help U.S. Olympic athletes achieve sustained competitive excellence while inspiring all Americans and preserving the Olympic ideal.” Section 2 of Article II says that the “USOC shall fulfill its mission on a basis consistent with Section 220503 of the Ted Stevens Olympic and Amateur Sports Act (“the Act”) which sets forth the purposes of the USOC.” The Act identifies thirteen purposes that range from obtaining the most competent representation in the Olympic, Pan American, and Paralympic Games, to the expansive goal of promoting and encouraging physical fitness and public participation in amateur athletic activities. In sum, the USOC has a broad mission and multiple specific objectives.

The organizational structure of the USOC is a complex mosaic. There are multiple constituent groups of the organization, several of which require some detailed explanation. The Board of Directors and the Executive Committee are the two bodies empowered with decision-making authority; the National Governing Bodies (NGB) Council and the AAC, are the two constituent groups codified in the 1998 Amendments to the Act. Each of these entities plays an important role in the current organizational structure of the USOC.

The 120+ member Board of Directors is composed of one representative from each of the 45 NGBs for Olympic and Pan American sports, 25 elite athletes elected by their peers, 4 representatives from the Armed Forces, 17 representatives from Community and Education Based member groups such as the NCAA and YMCA, 8 members from the “public sector”, 5 Vice Presidents, 5 past presidents, 3 U.S. members of the International Olympic Committee, and more. Suffice it to say that the Board is large, diverse and not particularly agile. According to the USOC Constitution, the Board of Directors has “ultimate authority over the business, policies, affairs, and activities of the USOC...” (Article XII USOC Constitution). However, the sheer size of the Board makes the exercise of its written authority virtually impossible.

The USOC Executive Committee is comprised of 20 members who also reflect the diverse constituencies of the USOC. Though smaller than the Board, the Executive Committee also faces decision-making challenges for broader structural reasons described later in this testimony. The Executive Committee is charged with establishing policies and overseeing the conduct of the business and affairs of the USOC, and is subject to direction by the Board of Directors.

The NGB Council consists of one representative from each of the 45 Olympic and Pan American sports. Each NGB determines its own method of appointment or election of one representative to this body. In addition to serving as members of the NGB Council, each of these representatives also serves on the Board of Directors.

The AAC, the group for which I serve as Chairperson, is comprised of one democratically elected athlete representative from each Olympic and Pan American sport. The athletes in each sport who represented the U.S. at the Olympic and/or Pan American Games or World Championships in the last ten years elect one representative to the AAC. In other words, those that have trained and competed together for years, elect one of their peers to serve as their athlete representative. The AAC also has two Paralympic athlete representatives—one from summer sports and one from winter sports. I will provide additional detail on the AAC later in this testimony. The AAC and the NGB Council are both advisory in nature.

In order to have a complete sense of the parameters within which the USOC operates and how it functions, it is also important to realize that the USOC is unlike other large non-profit organizations in its revenue model. Only a small portion of USOC revenue comes from fundraising and individual donors. Instead, the USOC generates the most significant portion of its revenue from television rights and corporate sponsors who pay for the use of the Olympic rings. Some of these sponsors are domestic; some sponsor the Olympic movement worldwide through the International Olympic Committee. This revenue model is more similar to a for-profit corporation than a non-profit. The USOC is also different from other National Olympic

Committees, most of which receive substantial funding from their respective governments, while the USOC relies on sponsors and the American public for its funding.

When the underlying structure outlined above is combined with limited resources to meet multiple purposes of diverse constituencies, the result is a unique set of challenges for the USOC.

WHAT IS THE USOC DOING RIGHT?

First, the USOC is helping American athletes achieve their Olympic dreams. Americans should be proud to know that the talented and hard-working individuals who are America's Olympians and Olympic hopefuls continue to perform exceptionally well. Johnny Spillane recently won the gold medal in Nordic Combined at the World Championships in Italy, becoming the first American ever to claim top honors in this event in World or Olympic competition. Keeth Smart is now ranked number one in the Fencing Men's Sabre world standings, the highest ranking ever attained by a U.S. fencer. Weightlifter Shane Hamman (an AAC member) thrilled the crowd at the Titan Games in San Jose, California, with a lift of more than 500 pounds. Sarah Hughes, Michelle Kwan, and Sasha Cohen stand a good chance of sweeping the medals at the World Figure Skating Championships here in Washington D.C. next week. These individuals and hundreds of others like them are the reason that we must find a way to resolve the organizational challenges facing the USOC.

Second, the USOC continues to develop its relationship and partnership with NGBs. Over the last few years, despite challenges, the USOC has improved its ability, and the ability of each NGB, to target dollars and resources where they will most impact athletic performance. The results are being seen in the great successes on the field of play, as described above.

Third, the USOC is protecting athletes' rights. Part of the genesis of the 1978 Amateur Sports Act was the lack of protection for athletes' rights. The USOC, with Congress' help, has been helping to protect athletes' rights since then. Article IX of the USOC Constitution states: "No member of the USOC may deny or threaten to deny any amateur athletes the opportunity to participate in the Olympic Games, the Pan American Games, the Paralympic Games, a World Championship competition, or other such protected competition..." (Article IX, USOC Constitution). A process to resolve disputes and to expeditiously remedy a situation is also defined. Problems will always arise, and there will always be attempts to suppress athletes' rights. As a result, these processes and principles have been used and tested repeatedly since their inception in the late seventies. They have proved to be so successful that consideration should be given to codifying these principles in the Act.

Furthermore, the 1998 amendments to the Act created the role of the Athlete Ombudsman. The Ombudsman provides "independent advice to athletes at no cost about the applicable provisions..." of the USOC, NGBs, and Paralympic sports organizations, and assists in mediating disputes. The Athlete Ombudsman position has been highly effective in resolving disputes avoiding costly legal proceedings for NGBs, the USOC, and athletes.

Fourth, in whatever new structure for the USOC emerges, NGBs and active athletes must continue to have a forum for debate such as that provided by the AAC today. Elected athletes bring their individual sport experiences to the AAC for the good of all athletes. This structure makes it significantly less likely that personal agendas will rule the day. In fact, the AAC has often been called the "conscience" of the USOC. The AAC also serves as a source of leadership development for the organization. Athletes who might not otherwise be involved in the movement have a place at the AAC. As noted earlier, the Act provides that athletes who have competed at the World, Pan American, Paralympic, or Olympic level in the last 10 years qualify to serve as athlete representatives. Furthermore, athlete representatives must constitute twenty percent of all USOC and NGB committees. Similar to athletes' rights, these fundamental principles of athlete representation have been tested. If these principles were not protected in the Act, they most certainly would have been changed by the various agendas over the years. I submit today that these tenets should continue to be protected. Athletes, as defined in the Act, bring a unique voice and perspective to NGBs and the USOC. NGBs must also continue to have a meaningful voice in the governance of the USOC.

Lastly, the USOC recognizes the need for change. This may be one of the few topics on which you would get unanimous agreement from all parts of the USOC, and perhaps even from the American public, sponsors, and Congress. Unfortunately, the knowledge that change is necessary is not new. The USOC has recognized the need for change in the past and as a result, has held round table discussions, appointed task forces, commissioned studies, and more. Precisely how the organization should be changed has been, and continues to be, the subject of significant debate. How-

ever, the first important hurdle, accepting that change is necessary, has been cleared.

HOW CAN THE USOC BE IMPROVED?

Given the recognition that the structure of the USOC can be improved, below are several specific areas of potential improvement.

First, the USOC faces the challenge of fulfilling many diverse purposes and serving the many stakeholders identified in the Act and in the USOC organic documents, with limited resources. Many people have described the USOC as trying to “be all things to all people”. But, given that limited resources are a fact of life, choices must be made—the USOC cannot be all things to all people. Is our primary goal to win the medal count at the Olympic Games? Should we put a stronger emphasis on high profile sports such as Skiing and Swimming? What about less well known Olympic sports like Modern Pentathlon and Archery? Where do Paralympic and Pan American athletes fall into the list of priorities? What about the purpose of promoting sport for all? Where one comes out on these questions has a significant impact on allocation of resources (including financial resources, facilities, staff time, etc). Yet, to date, neither the USOC nor Congress has effectively answered these fundamental questions.

An analogy can be made to an athlete training. The elite athlete has one ultimate goal—to win an Olympic medal. In order to meet that goal, the athlete must make choices. For example, the athlete may forego education and job opportunities, move away from family and friends, and miss important family events, all for the purpose of attaining the ultimate goal. These choices are difficult, but must be made. The USOC today lacks this laser focus and the political will to make difficult decisions.

Two related issues arise from the lack of clear purpose and priority: an inefficient, and perhaps ineffective, decision-making process, and the resulting bitter fights over limited resources. While the USOC may have expansive and even lofty goals, and serve broad constituent groups, a distinction must be made between representation for purposes of input, and representation for purposes of decision-making. All of groups represented on the Board are there because they are identified as having a “stake” in the Olympic movement. But, when everyone gets to decide what to do with the resources, and there is an absence of clearly defined and agreed upon priorities, a culture of indecision is fostered. Decisions get “undone” by unspoken factors and inaction. Volunteers trying to serve their constituents undermine difficult decisions made by staff. In short, decisions are driven by self-interest. I am sure that all of you can relate to the frustrations and inefficiencies of resources being doled out based on personal agendas rather than principled decision-making. While the USOC has made some improvements in this area, the organization, and the athletes it serves, would benefit greatly from both clear priorities and a streamlined and effective decision-making process. Any decision that has staying power—whether right or wrong—would be better than the indecision and lack of clarity that we face today. Overall, the USOC’s organizational structure should promote operating in the interest of the organization rather than the interests of a particular member or constituency.

Second, the roles and responsibilities of the staff vis a vis the volunteers must be defined, and volunteers and staff must actually act in accordance with the defined roles and responsibilities. As you may know, in 2000 the USOC amended the Constitution and Bylaws to transfer many responsibilities from the volunteers to the professional staff as a result of the 1999 McKinsey & Co. study. However, I believe that the USOC failed to implement critical changes to the culture and everyday practice to complete the transformation envisioned. Today, there is still no broad consensus as to who has the responsibility or authority to do what in certain key areas such as international relations. Strategies to ensure that the roles and responsibilities of volunteers and staff are both defined and practiced must be part of the recommendations for improvement.

Third, similar to the USOC, the structure of NGBs can be more efficient and streamlined so they can better fulfill their responsibilities. Approximately half of the NGBs have hired a new Executive Director in the last two years, and some have had multiple Executive Directors in the last two years. This instability is less than optimal. Furthermore, it’s possible that economies of scale can be gained particularly among small NGBs. If economies of scale can be realized, additional resources can be directed to athletes on the field of play.

Fourth, even with a perfect organizational structure, leadership is about people. Selecting the “right” people for the leadership positions is critical to future success. Of course, given the current structure, the lack of clear purpose and prioritization of goals, and the lack of definition in roles and responsibilities, the selection process

is difficult and easily manipulated for self-interest. The USOC must first have clarity of purpose, roles, and responsibilities. The organization will then be in a position to recruit and retain the “right” leaders that are so critical for future success.

Fifth, a system for accountability to sponsors, Congress, the American public, and athletes should be implemented. Therefore, built into recommendations for improvement should be a review process that provides for thoughtful and evolutionary change on a regular basis. One way to ensure internal accountability is to implement a review process for the Board of Directors. Such a review process could include a full Board evaluation, individual self-assessments for each director, and peer reviews of each other. External accountability can be improved through increased transparency.

Sixth, as I noted earlier, the revenue model of the USOC is unique. The USOC is one of the only countries in the world that does not receive government funding. While U.S. athletes compete against countries like Australia and China who get significant direct financial support from their Ministries of Sport, the USOC relies on corporate sponsors, television, and private donors for funding. These dollars are largely contributed so that companies and people can be associated with the Olympics and Olympic athletes. However, the dollars raised must fulfill many objectives beyond helping U.S. Olympic athletes achieve sustained competitive excellence. The revenue model should be examined particularly with respect to fulfillment of objectives outside of helping U.S. Olympic athletes achieve sustained competitive excellence.

Lastly, the USOC faces a changing and increasingly competitive landscape. The level of athletic performance worldwide continues to improve making it more and more difficult for the U.S. to achieve sustained competitive excellence. The needs of athletes are also changing. For example, the average American athlete competing at an elite level is older today than a decade ago. In 2004 in Athens, the average female athlete will be 29, and the average male athlete will be 30. It is more and more common for athletes to delay education and job opportunities until later in life. Part of this is because there are more opportunities to make a living in sport, but in many cases, it is just about pursuing the love of the game to its ultimate level at the Olympic, Pan-Am, or Paralympic Games. Without focus and attention on the changing competitive landscape and needs of our athletes, the USOC will be adrift on a course to mediocrity. However, by addressing the organizational challenges facing the USOC, and getting back to the business of sport, we can chart a course to excellence. We must do so for the sake of America’s athletes.

CLOSING

Does the USOC’s organizational structure impede its mission? The short answer is “yes”. The recent attention, though negative, has a potentially very powerful and positive impact, forcing the organization to make change.

To that end, the independent Commission appointed at the direction of the U.S. Senate Committee on Commerce, Science and Transportation, and the USOC’s internal Ethics and Governance Commission have begun to address and will recommend changes to the organizational structure. I am confident that these ongoing reform processes will create a United States Olympic Committee that is capable of enabling American athletes to reach their full potential. Based on the scope of change being considered and discussed here today, in the media, and in the USOC family, I believe that changes to the Act will be necessary, and that many of you will therefore be directly involved in improving the USOC. Furthermore, I am certain that all of you as members of Congress will be lobbied regarding the structure of the USOC. My greatest hope is that principled decision-making rather than self-interest will rule the day.

The U.S. Olympic Movement and its underlying ideals are resilient. Our athletes—the very reason the USOC exists—are strong and performing well, setting new records on the field of play and continually striving to make America proud, not only by their athletic excellence, but also by conducting themselves with honor and integrity. America’s athletes continue to take pride in their efforts, and we hope that the American public will as well.

Mr. STEARNS. Thank you.
Dr. Schiller.

STATEMENT OF HARVEY W. SCHILLER, JR.

Mr. SCHILLER. Thank you. I do want to mention that I support the comments made about Bill Martin. Not just because I have two

degrees from Ann Arbor, but I think he is—and for your attention, Congressman Stearns, I was the Commissioner of the Southeastern Conference. So, I will say something good about Florida, too.

And there are probably a few others. I was the head of World Championship Wrestling, and Rulon, you did the right thing by turning them down.

Chairman Stearns, distinguished members of the U.S. House Committee on Energy and Commerce. Ladies and gentlemen, thank you for the opportunity to talk to you today.

I have previously served as Executive Director of the U.S. Olympic Committee. That term is called Chief Executive Officer. And also I was a volunteer member of the USOC Board of Directors and a member of their Executive Committee as a volunteer.

I also now serve as a member of the five-member independent committee that was discussed by Senator Campbell. And I also serve as chair of the Management Committee of New York City's bid for the 2012 games.

Well, the views I express today are my own and they are based upon my service since the end of my tenure in 1994. It is safe to say that in all my years of service to sport in America, from the school and college world, to every amateur and professional level, I have never seen a more destructive collapse of an organization's image, reputation or effectiveness as we have seen with the U.S. Olympic Committee.

Perhaps it is because it is an organization of diverse membership. Sports like basketball, archery, swimming and yachting, have very little in common with each other.

Both in the way their athletes are trained, selected and evolve, as well as their financial resources. And the question really is, why should the Congress today really pay attention to this, especially while we are on the brink of war?

Now why is it that this is so important for the American public? It is because I believe that in peace time the U.S. Olympic team has rallied the American public as none other.

And I think that is an important statement to make to every individual that is in this country. The performance of Jesse Owens. We have said the 1980 Olympic Team, ice skating team, the, all the others that have been before them have meant so much to the American public.

Last night I had the unique opportunity of appearing at the Sullivan Award in New York City. Sarah Hughes won the award, but this award previously was given for the top amateur athlete in the United States.

Even that is confused in today's terms. The difference between amateur and professional and how that goes forward. And I am sure that will be a lot of attention as we move forward.

I think that there are some very, very specific things I would like to recommend. First, the role and purpose of the organization must be defined.

The USOC presently serves more masters than it possibly can. We have to reorganize the existing executive committee as the main leadership committee of the organization.

I believe that a majority of this committee must be independent. Next, I believe that we should reduce the current board of directors

in size. We have to change its responsibilities, its voting power of the current members.

The USOC's nominating committee should be made up of independent directors. We should reestablish the positions of first, second and third vice presidents, to eliminate a lot of the political infighting that has happened in the past.

We must have continued oversight, both in accountability and the way money is spent for the organization. And there is something else I would like add as a final note.

We are about the only country in the Olympic movement that does not have a Minister of Sport that works directly with government.

And it may be time to think about some way of coordinating all of the interests among all of the government entities as we move forward.

And that is just a suggestion, again, based upon the effectiveness of many, many other countries in dealing with their Olympic movement.

There are certainly many other changes that are probably worthwhile discussing. I believe that the athletes of this country deserve the very best from the leadership.

At the same time, I think we have to be careful. This organization can't fail. It cannot go out of business. We have to make sure, as it moves forward, that it does the right things.

I also would like to add that New York is a candidate city for the games of 2012. It needs the support of a stable and successful United States Olympic Committee to have the chance of making this bid a reality. Thank you very much.

[The prepared statement of Harvey W. Schiller, Jr. follows:]

PREPARED STATEMENT OF HARVEY W. SCHILLER, PRESIDENT, ASSANTE US

Chairman Stearns, distinguished members of the U.S. House Committee on Energy and Commerce, ladies and gentlemen, thank you for the opportunity to appear today to discuss the United States Olympic Committee (USOC), its history and organizational structure. My name is Harvey W. Schiller and I currently serve as President of Assante US, a financial services company and also as Chair of the Management Committee of NYC2012, the United States candidate city to host the Summer Olympic Games in the year 2012. I have served as Executive Director (the position has since been renamed "Chief Executive Officer") of the USOC, as an officer of a National Governing Body (NGB) of Olympic Sport, as well as a volunteer member of the USOC's Board of Directors and Executive Committee.

First, I would like to recognize the many contributions made by members of Congress, as well as by local and state governments in support of the Olympic Movement, its athletes, and the dreams and aspirations of so many Americans. From providing the services of the Armed Forces for security, to creating coin programs to help finance the training of athletes, the support of each of you and our government has helped enable our Olympians to accomplish what otherwise would have been an impossibility. I would also like to recognize the members of your committee, Congressman Steve Buyer, a fellow graduate of The Citadel and Congresswoman Heather Wilson, a graduate of The United States Air Force Academy and a former student during my tenure at the Academy.

The views I express today are my own, based on my Olympic service and observations of the USOC since the end of my tenure as Executive Director in 1994. The performance of our athletes, coaches, and officials in past Olympic and Pan American competitions has been extraordinary. The accomplishments of our disabled athletes in Paralympic and world championship competitions have been second to none. The U.S. Olympic Committee itself has done many things well. It has protected athletes' rights to compete; established comprehensive drug-testing protocol; provided expert logistical support for Olympic, Pan American, Paralympic and World University Games; established national training centers for athletes and accomplished a

long list of other successes. However, in all my years of service to sport in American, from the school and college world to every amateur and professional level, I have never seen a more destructive collapse of an organization's image, reputation, or effectiveness.

The USOC is an organization with a diverse membership, unique needs and limited resources. The constituent groups of the USOC range from National Governing Bodies of Olympic, Paralympic and Pan American sport to community-based organizations such as the Boys and Girls Club. Unfortunately, these diverse membership groups compete for the organization's limited funding, representation and recognition. The diversity of interests and oft self-serving needs among the members of the current Board of Directors indicates a need for structural change to insure the primary goal of the USOC as defined by the Olympic and Amateur Sports Act is met, namely: "to promote and coordinate amateur athletic activity in the United States." The USOC is does not benefit from the collegiality usually seen in organizations such as the NCAA and other sports associations. The National Governing Body for a sport such as Archery has little in common with the NGB of Basketball. Boxing and Equestrian are dramatically different sports, not only on their fields of play, but in their social and economic compositions as well. While the Olympic Team may appear as an integrated unit during Opening Ceremonies, the National Governing Body for each of the sports represented on that team are far fields apart. Each one competes with the others for sponsorships, media coverage, and even athletes themselves. Add to this mix the desire for non-Olympic sports to be added to the Olympic program, the special challenges of Disabled Sports Organizations, the particular needs of the armed forces, community based and religious entities, school and college communities, and state organizations. Only then can you begin to understand what differentiates the USOC from other charitable organizations. In addition, the current size and structure of the various sub-committees and Board of Directors not only impedes its mission, it creates waste, ethical challenges, and loss of opportunity for America's youth.

The future holds even more significant challenges for this country's Olympic Committee. Today, the USOC depends heavily on Olympic Games television and sponsorship revenues for a large percentage of its income. Not only will it be more difficult for the USOC to raise sponsorship dollars in this country's current economic climate, but the recent events have created an image of waste and inefficiency. Both of these factors will continue to reduce the pool of funds available to the USOC and its athletes. Additional stress is placed on the USOC's budget as it becomes more expensive to adequately fund sports teams and the organization's operating costs continue to rise. The current expense of operating the USOC is driven in part by the travel and meeting costs associated with volunteer committees, wasteful protocol, as well as by the costs of maintaining a large paid staff. Forbes magazine has identified the USOC as one of three non-profits that failed to meet its minimum standard for fund-raising efficiency and warned that the USOC's overhead is too high and it doesn't spend enough money on its programs. All of these factors demand careful consideration of developing a more streamlined and efficient structure of the USOC.

There have been numerous attempts in the history of the USOC to improve the governance structure of the organization. During my tenure as Executive Director, the organization eliminated the House of Delegates, a cumbersome quadrennial meeting of over 600 individuals. We established a Code of Conduct for team members, increased involvement of athletes, and even created an independent Ethics Committee. In past years there have also been additional attempts to change the organization's constitution and operating procedures, including engaging independent entities, such as McKinsey and the Steinbrenner Commission, to study and make recommendations to the governance structure of the USOC. However, while many valid recommendations have been made, most have not been implemented by the USOC. There is no question that change must now occur.

I do feel that although the USOC may need some repair of its current structure, the required changes may not be as dramatic as some would suggest. The interface of volunteers and paid staff is no different at the USOC than it is in thousands of other non-profit organizations across the nation. I personally served under three different USOC Presidents during my tenure at the USOC, witnessed numerous changes in the composition of the Executive Committee and saw an almost 75% change in the leadership of National Governing Bodies. I also found that the majority of individuals were fully dedicated to the success of the Olympic Movement. Most volunteers give much of themselves, their resources and their time to serve the needs of their respective organizations, the USOC and the Olympic Movement as a whole.

However, the many accomplishments of the USOC and the athletes it supports seem to have been obscured in recent years by frequent changes of leadership and internal conflict. There have been significant cultural changes in the USOC since my tenure as Executive Director. The role of the elected president and the duties associated with the position have certainly changed since the days of General Douglas MacArthur and William Simon. Today, the president and other officers of the USOC are engaged in much unnecessary travel both domestically and internationally than is required. Defining the roles of both volunteers and staff will help eliminate extraneous expenditures of both time and financial resources. While there are certainly many changes that would help the organization move forward, no change will be effective without a sound governance structure that can support the appropriate individuals in leadership positions. The USOC must recruit, develop, and maintain quality leaders to be successful. Participation should not be based on the rewards of protocol or Olympic junkets. We all will need to work together to insure the best leaders are selected, supported, and retained, and that the focus of the organization remains on America's athletes. It will take time, money and strong leadership to implement the necessary changes.

As a start, I believe the following proposals regarding the governance structure of the USOC should be both examined and considered:

- Define the role and purpose of the Organization. The USOC presently serves more masters than it possibly can.
- Reorganize the existing Executive Committee, which would then function as the principal governing body of the USOC. The new Executive Committee would include the USOC President, IOC members, athlete representatives, and independent members. However, a majority of Executive Committee members would be independent of the general USOC membership. The Executive Committee would appoint a Chairperson from its independent members and the CEO of the USOC would continue to be a member of Executive Committee. The specific responsibilities of the CEO and staff vis a vis the volunteer leadership would need to be determined by the CEO and the Executive Committee.
- Reduce the current Board of Directors in size with changes in responsibilities and voting power of the current members. The role of the new Board of Directors would be shifted from acting as the principal governing body within the organization to becoming more of an advisory group to the reconstituted Executive Committee. The members of the Board of Directors should continue to represent the diverse interests of the organization's constituent groups and should reflect the objects and purposes of the U.S. Olympic Committee.
- Restructure the USOC's Nominating Committee, which is currently appointed on a quadrennial basis to make recommendations to the Board of Directors regarding the officers and public sector members that the Board of Directors will then elect. The Nominating Committee is currently comprised of members representative of the USOC's various constituent groups, each of which brings an inherent bias to the process. The Conference Board Commission on Public Trust and Private Enterprise has recommended that such nominating committees of private corporations be comprised of individuals outside the corporation and who would be more able to objectively consider appropriate individuals for leadership positions. The USOC would benefit from following this sound practice.
- Reestablish the positions of First, Second and Third Vice Presidents to allow for an orderly transition if the Office of President should become vacant. This would help to eliminate the political in-fighting that often occurs during this period of change.
- Continued oversight of revenue and expenses to insure accountability of the highest order.

There are certainly many other changes that would help the USOC move forward and I only offer these recommendations as a start. The USOC and its members have been blessed with a multitude of individuals who have given much to the Olympic Movement. The athletes of this country deserve the very best from their leadership. In addition, America's great cities deserve the chance to be viable competitors in the contest to host future Olympic Games. New York is the candidate city of the United States for the Games of 2012, and it needs the support of a stable and successful United States Olympic Committee to have the chance of making its bid become a reality.

Representative Stearns, I stand ready to help you and this Committee in any way possible to enable America's athletes, the Olympic Movement, the USOC and its members be the best that they can be. Thank you again.

Mr. STEARNS. Thank you, Dr. Schiller.
Mr. Marbut.

STATEMENT OF ROBERT MARBUT

Mr. MARBUT. Good morning. My name is Robert Marbut, I come out of the sport of Pentathlon. I started as an athlete and moved over to the administration.

I also serve as chair of the National Governing Body Council, and in that role I end up serving on the Executive Committee too.

I think before I go into sort of what the future is, there are some common misconceptions about NGBs, National Governing Bodies. So, if you will, I will quickly go through those.

The National Governing Bodies for each Olympic, Pan American and winter sport, there is a separate National Governing Body.

They are sanctioned by the USOC. They are affiliated with the International Federation which represents, through the IOC, their separate 501(C)(3) or non-profit organization.

The NGBs are really the workhorses of the USOC. We do the training, identification, recruiting, development, programming, et cetera, of the athletes.

In many ways, the NGBs produce the athletes and the athletes in turn produce the success on the playing surface. They produce the performance results.

As we look to—the sad thing of what has happened recently, is it has lost so much of what is good going on. What Rachel has talked about.

Our athletic performance on the playing field is at an all-time high. Jim's sport of skiing is having their best season ever, skiing and snowboarding.

My sport of modern pentathlon, our men's team have come from nowhere to be No. 2. We have a husband and wife team who are likely to both win medals next year at the Olympics.

So a lot of good things are happening. There is a great partnership between NGBs and the USOC. In particular, the games preparation division of sports performance. So a lot of good is happening.

But there is a lot that needs to be improved. As we move forward, I think there are 12 critical success factors that we need to work on.

First is leadership. Ultimately, this organization needs the right people in leadership. And if you don't have the right people, you have, you have a fundamental problem.

No matter how good your structure is, if the people are wrong, it is not going to work. I think the nominating committee got it right a couple of years ago, but the politics of the board overrode the recommendation of the nominating committee.

The second is we have extremely murky and turbid roles. We have layers and layers of role ambiguity between the CEO and the President, between the volunteer and the paid staff.

And that needs to be cleared up. We also need to streamline. We are too complex, we are too convoluted. We have a 120 some odd board.

Really that is a board of stakeholders. Then we have an executive committee of 20, and it is really serving as the functional board.

And then the officer's work group is really then serving, filling the role of the executive committee. The clear thing, when we go

to the restructuring, is we have to have an absolute clear mission first before you start deciding how to restructure.

We have 13 objectives that we were given by Congress. We need some help in understanding which one is the most important, which one is the least. Which ones need to stay, which ones need to go.

Beyond these three, and I will quickly go through these, there are some other critical success factors, I think, as we go forward.

We need to have stable revenue sources. The NGBs, in particular, as it relates to coaches and staff. We need to have stable, adequate and predictable fund raising and revenue streams. It is absolutely critical.

The fifth, is as we move forward I think we need to move to quad-base budgeting or 4-year budgeting. So much of what we do in the first year of a quad, is very different than a last year of a quad.

Winter is different than summer. Pan Am is different than summer. So we need to look through that and I think moving to a 4-year budgeting basis is important.

The sixth is in the 1998 rewrite, we were given the new responsibility, the additional duty of developing elite Paralympians.

But again, that came to us as an additional responsibility, but no extra funding came with it. It is analogous to military mission creep without increasing revenue streams.

And we have had mission creep all through this. You know, from 1978 to, you know, at several different points in time.

We need to have a clarification of responsibilities. And if we are going to take on additional responsibilities, I think some funding needs to be brought in with that.

We need to have optimization through economies of scale. We need savings of NGBs at the USOC and how the NGBs and the USOC goes.

We need to continue to promote the positive relationships between the Athletes' Advisory Council and the National Governing Body. The ninth is, as Harvey said, it is critical we bring the Olympics back to America, for all sorts of reasons.

And we need to promote the USOC within the IOC structure to do that. Ten is the NGBs and the athletes are really the masters of success.

We are the experts at the playing field and we need to maintain that role and function and voice and role. Eleventh, is as we go through this restructure I think we need to be mindful of the unintended consequences that happen often when you go through restructuring.

We have to make this restructuring right. And finally, we need to start focusing on performance and not politics. And thank you very much for letting us all come today.

[The prepared statement of Robert Marbut follows:]

PREPARED STATEMENT OF ROBERT MARBUT, CHAIR, USOC NATIONAL GOVERNING BODIES COUNCIL

Good morning Mr. Chairman and ladies and gentlemen of the Subcommittee. My name is Robert Marbut and I am Chair of the United States Olympic Committee's "National Governing Bodies Council." I come from the sport of Modern Pentathlon, whose NGB I head as Executive Director. By dint of my chairship of the NGB Coun-

cil I also serve on the USOC Executive Committee and have been an ex-officio member of the Officer's Workgroup.

A "National Governing Body," or "NGB," is an autonomous organization responsible for all matters related to the governance, development, and conduct of an individual sport. There being only one National Governing Body for each sport, an NGB receives its recognition from the United States Olympic Committee after demonstrating that it is complying with numerous specific requirements enumerated in the Ted Stevens Olympic and Amateur Sports Act. Currently there are forty-five NGB's for sports on the program of the Olympic and/or Pan-American Games.

The NGB's are the workhorse of the Olympic Movement, and we have a great deal of work ahead of us to prepare our athletes for the major international competitions for which Congress gave the USOC the responsibility for "obtaining for the United States the most competent representation possible in each event of the Olympic Games the Paralympic Games, and the Pan American Games." These competitions are right on our doorstep. We are just 121 days away from Opening Ceremonies of the Pan American Games in Santo Domingo, and 513 days from Opening Ceremonies for the next Olympic Games in Athens. Upon their conclusion, just 548 days from now, the Athens Paralympic Games will be held, and 1,064 days from now, the next Olympic Winter Games will be held in Torino, Italy.

For 47 of the 48 months between Olympic Games it is the NGB's that recruit the athletes and provide the training, coaching, and competition opportunities that help them achieve elite status. At the end of the process each NGB, utilizing criteria prescribed by its international federation, selects its athletes for the Olympic, Paralympic, or Pan American Games and hands them off to the USOC, which then takes the responsibility for entering, outfitting, and transporting them to the competition in question, and while there providing all the additional support designed to deliver them to the medal podium following their respective competitions.

But I do not want to minimize the importance of the USOC's role in the development of the athletes. The USOC is the major and invaluable partner of each NGB, and its involvement in and support of all aspects of their operations and athlete programs is vital to their success. One of the most important contributions they make is financial, and without this USOC support many NGB's could not exist. But beyond the financial support are the myriad services the USOC provides ranging from access to world-class training centers, modern sports science and sports medicine programs, administrative assistance, logistical support, legal and financial guidance, and assistance with a multitude of tasks and programs that enable the NGB's to focus on their principal objective, developing world-class athletes. In recent days much has been written about certain USOC problems. While they may warrant public attention I regret that they have distracted from all of the positive accomplishments of the USOC and our NGB's, starting with unprecedented success at last year's Olympic Winter Games and continuing through the present in competition after competition and in sport after sport.

The Sports Partnership group and the International Games Preparation divisions of the USOC have been doing an outstanding job in helping NGB's and athletes achieve maximum athletic performance. These groups within the USOC continue to provide invaluable resources to NGB's and athletes. I should note that one significant accomplishment occurred recently in my sport, Modern Pentathlon, where an American husband and wife couple, Vahó and Mary Beth Iagorashvili, individually had top finishes in the this season's World Cup. Both have the potential of making history at the Olympics by medaling for the United States next year in Athens.

We have momentum and I am deeply concerned that these current problems will distract the USOC and the NGB's from our joint preparations for the major competitions that are just ahead. Further, I am concerned that the public controversy involving the USOC will spill over to the NGB's, thus deleteriously impacting the ability of many of them to attract corporate sponsorship dollars from entities that fail to distinguish between the USOC and its constituent members. In short, we need to put an end to this controversy as soon as possible, and as members of the Olympic Family the NGB's want to be part of that process. Let me briefly summarize what the NGB's consider to be areas of the USOC that require attention.

Congress has given the USOC a wide variety of many responsibilities that range from promoting physical fitness to conducting sociological surveys to preparing elite athletes for international competition. Recently, in 1998, Congress added to this list by requiring the USOC to assume the new responsibilities for elite disabled activities. Congress passed this requirement onto the USOC and NGB's without providing the financial means to perform this new task. If the Congress is going to require the USOC and NGB's to undertake additional responsibilities, it is hoped that additional means will accompany these additional responsibilities.

One of the most important responsibilities of the USOC is dispute resolution involving NGB's. The type of dispute in question might relate to a challenge by a competing organization to serve as the NGB of a given sport, claiming that the incumbent is not complying with the provisions of its own charter, or is not adequately serving the interests of its athletes.

The USOC's process for resolving such disputes involves a seemingly endless series of bureaucratic inquiries, hearings, and study periods before a final decision is rendered, which can sometimes literally take years. Granted, many of these procedures are mandated in the Amateur Sports Act but the USOC, nevertheless, has to streamline its processes so that NGB's can focus on their primary mission—the preparation of its athletes for elite competition—rather than adherence to protracted bureaucratic procedures.

Funding is a principal concern of all organizations, and the NGB's are no exception. Some of the larger NGB's, such as USA Tennis, are less dependent on USOC funding because their respective sports attract major corporate sponsors and through them, significant revenues. However many of the smaller sports have a very limited base of participant and spectator interest and, therefore, do not have access to the same level of sponsorship dollars as their more visible counterparts. These latter NGB's need more financial assistance from the USOC through creation of innovative marketing programs that identify new sources of revenue, or enable NGB's to partner with the USOC in a joint effort.

On a practical level the USOC can offer more services to the NGB's, particularly in the administrative areas, that would permit a greater share of scarce NGB funds and limited NGB manpower to be devoted to athlete programs. What I am thinking of is assistance in areas such as payroll, accounting and bookkeeping, where individual NGB's may be employing people full time to attend to these matters that otherwise might be provided more economically, and possibly more professionally, through a central provider such as the USOC.

Finally, the USOC has to be stabilized, and quickly. The events of the last three months and the resultant attention in the press have impacted not only the USOC itself, but has cascaded down and is dousing the entire Olympic Family—athletes, NGB's, and potential Games hosts such as New York City—in a bath of uncertainty and disfavor. It is affecting the ability to raise funds, to organize new programs, and even to attract volunteers to conduct activities dependent upon unpaid labor.

As we work together to re-build USA's Olympic Committee, there are 12 Critical Success Factors in my opinion that we need to focus on addressing. The first 3 deal directly with the major underlying reasons for many of the recent problems we have been facing:

- 1—Leadership is about people...in my opinion, the USOC Nominating Committee got it right 3 years ago...had it not been for the politics of the Board that overrode the Nominating Committee's recommendation, most, if not all the problems we have faced over the last 3 years would never had occurred...we must strengthen our nominating process.
- 2—The roles between the CEO and the President are extremely murky and turbid...even the best of leaders would have problems with such excessive layers of role ambiguity between these 2 positions...we must clarify the roles between our top volunteer and our top paid executive.
- 3—Our governance process is too complex and convoluted, and needs to be streamlined...we must clarify and then codify the overall operating structure...
 - the current Board of 120-ish has been really operating as a board of stakeholders,
 - the current Executive Committee has been really operating as the operating Board,
 - the officers group has been filling the role of an executive committee.

Beyond these 3, there are 9 additional Critical Success Factors that go beyond the problems related to the current crisis:

- 4—The USOC must be successful at revenue generation through coordinated funding and bundled marketing opportunities...NGB's need stable, adequate and predictable funding streams to support our coaches and athletes.
- 5—Interrelated to #4 would be to mandate a 4-year Budgeting process in regards to USOC funding to NGB's and Athletes.
- 6—During the last re-write of the Sport Act, the USOC and NGB's were tasked with the additional task of developing elite Paralympians, but no funding was provided for this additional mandate.
- 7—We need to search for savings through the optimization of economies of scales within NGB's, within the USOC...and between the USOC and NGB's.

- 8—We must have a structure that promotes positive working relationships between the AAC and NGBC...the working relationships between the AAC and the NGBC are at an all time high, but that has not always been that way.
- 9—It is critical to bring the Olympics back to the USA...in order to be successful in winning the NYC 2012 bid, we must strongly position the USOC within the IOC ...we must also support NGB leaders in attaining leadership positions within their respective International Federations (IF's).
- 10—Throughout this restructuring process and beyond, the NGBC and the AAC must have a meaningful and active role within the USOC...the NGB's produce the athletes who in turn produce athletic performance...we are the experts in the creation of athletic success.
- 11—As we work together to restructure the USA's Olympic Committee, we must be vigilant to the law of unintended consequences...we must move expeditiously, but more importantly, we must get this restructuring right.
- 12—Finally, we must focus on athletic performance, not politics.

I make no apologies nor offer any excuses for some of the actions at the USOC that have precipitated this current crisis, but I believe it is now time to move on and get back to work. While remedial action must, and will be taken, the major focus now needs to return to the athletes, and how we can best serve them. So I say to this Committee that you are a valued member of the Olympic Family and we welcome your involvement and support at this critical time. I thank you for taking the time to convene this forum today which I understand to be one intended to find ways to make the United States Olympic Committee a better organization. I believe that this new partnership will yield positive results. I want to express our sincere appreciation for your interest and involvement.

I am optimistic that working together, we can all make USA's Olympic Committee stronger and more effective. The sooner we get back to our mission, the better off we all will be...thank you!

Mr. STEARNS. Thank you.

Mr. McCarthy, we welcome your opening statement.

STATEMENT OF JAMES P. McCARTHY, JR.

Mr. MCCARTHY. Thank you, Mr. Chairman, members of the subcommittee. My name is Jim McCarthy. I appreciate the opportunity to be here today to discuss whether the U.S. Olympic Committee's organizational structure impedes its mission.

By way of background, for the last 23 years I have been actively involved as a volunteer after being a competitor in cross country skiing, with the United States Ski and Snowboard Association, the recognized NGB for skiing and snowboarding in the United States.

As a member of USSA's board of directors, I had an opportunity, a number of years ago, to play a leadership role in reducing that organization's governance structure from three separate boards with over 100 members, to one board with 21 members, while at the same time transitioning from an organization that was volunteer-governed and volunteer-operated to an organization that was volunteer-governed and staff-operated.

I am happy to say I think as part of that reorganization our athletes in skiing and snowboarding this year have had an absolute record-setting year.

Johnny Spillane in Nordic Combined, won a gold medal, our country's first ever, at the World Nordic Championships. And Bode Miller led our Alpine Team to six medals at the World Alpine Championship.

Since 1999, I have been USSA's designated representative to the USOC Board of Directors. And since December 2000, 1 of the 5 national governing body members of the executive committee.

The opinions that I share with you today are my own. They are based on my observations and they don't reflect the opinions of either the USOC or USSA.

In answer to the committee's question of whether or not the organizational structure of the USOC interferes with or impedes attaining its mission, my answer is a resounding yes.

Something is clearly wrong within the USOC. The real question is what is it? And I am going to give you my opinion in that regard.

Beginning with the concept of all things to all people, which I think flows, unfortunately, from a combination of our mission statement and the 13 purpose clauses referred to in the Amateur Sports Act.

The mission statement is very clear. It has lead the world's best National Olympic Committee. Help U.S. Olympic athletes achieve sustained competitive excellence while inspiring all Americans and preserving the Olympic ideal.

Unfortunately, when we turn to the Act, which is incorporated into our mission statement, we find that we are as responsible for reducing obesity in the United States as we are winning Olympic medals.

We are responsible for fitness and for the Olympics. It is a very long way from the couch to the podium. If we are going to do both of these things, we probably won't do either one of them very well.

We need to focus our mission on what it is Congress and the United States public wants us to do. I think the second problem within the USOC is politics.

With a mission statement broad enough to include the local running club, Weight Watchers and lead athletes, the membership of USOC board has grown.

With approximately 123 board members, officer elections every 4 years, running for office has replaced running faster as a primary activity of the USOC board.

Governance by lobbying replaced governing policies as political support was rewarded with supposed plum assignments or favorable treatment of your organization.

In 1998, or excuse me, 1988, the Steinbrenner Report advised that it is more important to operate the USOC as an efficient organization, than as a perfectly representative form of democracy.

Unfortunately, we have continued to function more politically than effectively. Possible solutions include a more limited commitment to representative government, selection rather than election of leaders, elimination of patronage based on political support, transparency and adherence to adopted organizational policies.

My third issue is what does the USOC do? And Robert has just referred to the fact that the USOC is really an umbrella organization which serves athletes and NGBs.

The NGBs, in fact, are the entities which supply the services to the athletes on a regular basis. There are 45 NGBs and in 2001, for comparison, if the USOC contributed approximately \$40 million to athletes and NGBs, the NGBs on their own raised another \$370 million.

There are over 1,000 staff people that work for the 45 NGBs. So the USOC is really the top of the pyramid. I think it is very impor-

tant to define again what the USOC does and what it is expected to do in the near, near and long-term future.

Finally, I believe that part of the process should be a serious look at the business models for NGBs that is created implicitly within the code.

Right now the Act provides that NGBs will be autonomous in the governance of their sport. Now as indicated earlier, with 45 NGBs, there are wide variations from sport to sport and capability resources and athletic requirements.

I think that is another area that needs the attention of Congress as well as the USOC. Finally, the USOC is about noble goals.

It provides inspiration in a cynical world and helps fulfill the dreams and ambitions of athletes. The staff and volunteers of USOC build podiums for athletes to stand on.

They do not stand on them. By regaining our focus on athletes and athletics, the USOC can begin to regain and rebuild its reputation and credibility. Thank you.

[The prepared statement of James P. McCarthy, Jr. follows:]

PREPARED STATEMENT OF JAMES P. MCCARTHY, JR.

Mr. Chairman, Members of the Committee: My name is James P. McCarthy, Jr. I appreciate the opportunity to appear before you today to discuss whether the U.S. Olympic Committee's Organizational Structure impedes its mission.

For the last 23 years, I have been actively involved as a volunteer and, for a brief period, a paid professional with the United States Ski and Snowboard Association (USSA) the USOC recognized National Governing Body (NGB) for skiing and snowboarding in the United States. During that period, I have served in virtually every volunteer position within USSA from local club organizer to Chairman of the Board including a stint as the association's interim CEO.

As a member of USSA's Board of Directors, I had the opportunity to play a leadership role in reducing the organization's governance structure from three (3) separate boards with over 100 members to one board with twenty-one (21) members while at the same time transitioning from an organization wherein volunteers performed both governance and day-to-day operational functions to an organization governed by a volunteer board but operated by full time staff members.

That reorganization took place in the mid 1990's and I am pleased report that since then USSA has virtually doubled the funds available for athletes and athletic programs allowing the Association to provide the consistent programs and support necessary for athletic success. The athletes' accomplishments at this year's World Championships speak for themselves: a first ever gold medal won by Johnny Spillane in Nordic Combined at the Nordic World Championships; a record setting six (6) medals including three (3) medals by Bode Miller at the World Alpine Championships; and consistently excellent performances at the World Free-Style and Snowboard Championships.

Since 1999 I have been USSA's designated representative to the USOC's Board of Directors and, since December, 2002, one of the five (5) National Governing Body's Council's (NGBC) representatives on the USOC's Executive Committee.

The opinions I share today with you are from based on my observations as a volunteer for almost a quarter of a century in sport organizations ranging from grass roots programs to the Olympics. The opinions are my own and do not represent position of either the USOC or USSA. I have no authority to speak for either organization.

THE ENERGY AND COMMERCE COMMITTEE'S QUESTION

After living through the last two (2) months of constant turmoil, controversy, and disappointment swirling around an organization as noble in purpose as the United States Olympic Committee, my quick response to this Committee's question about the USOC's organizational structure impeding its mission is a resounding: YES. Doesn't the mess made speak for itself? Something is clearly wrong. But what's the problem?

How does an organization with an accumulation of accomplishments as impressive as the USOC's go in less than a year from helping athletes win 34 medals at the Salt Lake City Olympics to looking like a bad soap opera?

ALL THINGS TO ALL PEOPLE.

I think the answer is “things are never as simple as they seem” and the USOC gives new meaning to that old saying—beginning with its Constitutional Mission Statement. While the first section seems straightforward and well focused, even expected:

“Lead the world’s best National Olympic Committee: Help U.S.Olympic athletes achieve sustained competitive excellence while inspiring all Americans and preserving the Olympic ideal.”

The second section of the same statement incorporates by reference to the Ted Stevens Olympic and Amateur Sports Act (the Act) a wide ranging litany of “purposes” which give the USOC apparent responsibility for all aspects of physical fitness in the United States.

Suddenly, the well focused mission of the USOC possibly measurable by medal counts at Olympic games has turned into a confusing set of goals which could just as well be measured by reductions in the national level of obesity as by counting Olympic medals. It’s a very long way from the couch to the Olympic podium. To expect the USOC to fulfill all of these purposes, and do them all well, is unrealistic and confusing.

The mission of the USOC needs to be clear and focused. The fuzzy, wide ranging mission possibilities inherent in the second part of the USOC’s mission statement tempt the organization to try and be all things to all people. As a result, Board membership expands, precious resources are diverted to non-mission specific activities and the role and function of the USOC becomes muddled.

POLITICS

With a mission statement broad enough to include the local running Club, Weight Watchers, and elite athletes, the membership of the USOC continued to grow. With approximately 123 board members and officer elections every four years, running for office replaced running faster as a primary activity for the USOC Board. Governance by lobbying replaced governing policies as political support was rewarded with supposed plum assignments or favorable treatment of your organization. Although the 1988 Steinbrenner Report advised,

“It... (is)... more important to operate the USOC as as efficient organization than as a perfectly representative form of government.”

the USOC has continued to function more politically than efficiently.

Possible solutions include a more limited commitment to representative government, selection rather than election of leaders, elimination of patronage based on political support, transparency, and adherence to adopted organizational policies.

WHAT DOES THE USOC DO?

The USOC can be described a number of different ways: travel agency; franchiser; regulator; joint marketing agency; trade association; and, provider of resources to athletes and NGBs. The reality is all these descriptions and more are accurate as the role and purpose of the USOC continues to evolve. What is important is for the USOC to begin defining what it does and what it expects to do in the near, mid, and long term future.

WHAT THE USOC DOES NOT DO.

While most people are surprised to learn Olympic athletes are no longer amateurs as Avery Brundage used that term, they would probably be even more surprised to learn the USOC is not the primary provider of services to athletes. Except for the two weeks of the Olympics, the 45 National Governing Bodies (NGBs) recognized by the USOC provide coaching service, athletic programs, competitions and support to aspiring athletes. As a result, the NGBs become the linchpin organizations in the delivery of services to aspiring athletes and the USOC is only as good as its member NGBs.

USOC’s NGB resource allocation policy has moved from a formula driven system to a performance based system customized for the needs and programs of each NGB. While this has been a positive step, the USOC needs to continue to improve and expand services to NGBs, and thereby to athletes. Ultimately, the USOC should develop models of “best practices” for athlete development, coaching, programming, and Olympic sport business management.

As part of this process, the business model implicitly established for NGBs in the Act needs to be reviewed on a regular basis. All aspects of sport have changed dramatically since 1978 but the standards established in the Act have not changed materially since then.

CONCLUSION

The USOC is about noble goals. It provides inspiration in a cynical world and helps fulfill the dreams and ambitions of athletes. The staff and volunteers of the USOC build the podiums for athletes to stand on, they don't stand on them. By regaining its focus on athletes and athletics, the USOC can begin to regain and rebuild its reputation and credibility. It is my sincere hope that some of the suggestions above will be of help in that process.

Mr. STEARNS. Thank you.
Mr. Gardner, welcome.

STATEMENT OF RULON GARDNER

Mr. GARDNER. Thank you. It is a pleasure for an athlete to be here to represent my country and also the sport of wrestling.

My name is Rulon Gardner. I am a Greco-Roman Wrestler and a member of the 2000 Olympic Wrestling Team. You may remember me for the Sidney Olympic Games: I am the dairy farm boy who defeated the undefeated Olympic Champion, three-time gold medalist, Aleksandr Karelin from Russia.

My fellow athletes gave me the ultimate honor in asking me to carry the flag during the closing ceremonies in Sidney. Winning an Olympic gold medal was my lifelong dream and something that I could have not accomplished by myself.

I give credit to my family, which has supported me my entire life. I give credit to my coaches, that helped prepare me and completely fulfill my dream at the Olympic games.

But I also have to give credit to USA Wrestling, the National Governing Body of the sport of amateur wrestling in the United States, as well as the U.S. Olympic Committee.

Without the Olympic family supporting me financially, as well with the training facilities and the international competition, I would have never been able to accomplish my dream of winning a gold medal.

The great sport of wrestling has allowed me so many opportunities that the sport has let me challenge myself as an athlete and as a person.

It has taught me to help set high goals and to work hard to achieve them. Wrestling is the reason that an overweight kid with a learning disability from Wyoming has developed the ability and the honor to come here and speak to you today.

We are here to answer the one question, does the Olympic Committee organizational structure impede its mission? I do not pretend to be an expert on the organization, nor do I know the full history of the USOC and its administration.

What I can tell you is how the athletes feel about the current controversy and how it affects us directly. I, as an Olympic athlete, remind you that the Olympic Committee was formed to help us win Olympic medals.

It is not about professional staff members, volunteer board members or various committees. The Olympic committee is formed to help Rulon Gardner and his fellow athletes realize their Olympic dreams.

This current controversy has been upsetting to the athletes because we truly care about the Olympic movement. However, the hubbub about the USOC has not affected my ability to train, nor has it taken the support away from me. Not yet.

I still have access to the Olympic Training Center in Colorado Springs, where I live. My coaches are still running practices daily. I still have the opportunity to eat at the dining hall and lift in the weight room.

None of the support checks from the U.S. Olympic Committee have bounced yet. Just a joke. I have been able to focus on wrestling and getting prepared for the 2004 Olympic Games in Athens, Greece.

In fact, right during the craziest time last month, I had the honor to represent the U.S. in a tremendous international competition created by the USOC, called the Titan Games.

You may have not heard about that because of the media that was focused on the Senate hearings and the board members and the staff members who were running all around the United States.

Now this controversy will affect me directly as an Olympic, after Olympic sponsors stop their support. And if individual Olympic donors decide to find another cause.

If we let this focus of the Olympic movement go away from the athlete to other things, then I will be hurt. We all have a job here to help the Olympic movement in the United States.

It is my job to be a champion athlete, and it is your job to help me to get to the podium. If changing the way that the U.S. Olympic Committee does business helps me to be an Olympic medalist, then I support it completely.

If finding new leadership to run our professional staff will help me provide more resources for the athlete, then I completely am on board.

We expect our professional staff or volunteer leaders or elected officials to represent the U.S. Olympic movement with integrity.

We expect their best efforts and the commitment to excellence. That is what we expect out of every athlete every time we compete to represent our Nation.

To sum things up, I ask you all to remember the athlete in your work with the USOC. We do not need to tear down the Olympic Committee to the point to where the athletes are hurt.

There is nothing wrong with positive change if we make the USOC better able to support the athletes. Thank you for caring about the U.S. Olympic movement and allowing an athlete to come speak to you today.

[The prepared statement of Rulon Gardner follows:]

PREPARED STATEMENT OF RULON GARDNER

My name is Rulon Gardner. I am a Greco-Roman wrestler and a member of the 2000 U.S. Olympic Team. You may remember me from the Sydney Olympic Games. I am the Wyoming dairy farm boy who defeated the unbeaten three-time Olympic champion Alexander Kareline of Russia for the gold medal. My fellow Olympians gave me the ultimate honor of asking me to carry the U.S. flag in the Closing Ceremonies there.

Winning the Olympic gold medal was my life-long dream, and something I could not have achieved by myself. I give credit to my family, which has supported me my entire life. I give credit to my coaches, who helped prepare me completely for the Olympic Games.

But I also give credit to USA Wrestling, the national governing body for wrestling in the United States, as well as to the U.S. Olympic Committee. Without the Olympic family supporting me financially, as well as with training facilities and international competition, I would have NEVER been able to capture that gold medal for America.

The great sport of wrestling has allowed me so many opportunities. The sport has let me challenge myself as an athlete and as a person. It has taught me to set high goals and to work hard to achieve them. Wrestling is the reason that an overweight kid with learning difficulties has developed to the point where he has been asked to speak to the U.S. House of Representatives today.

We are here to answer the question: "Does the U.S. Olympic Committee organizational structure impede its mission?"

I do not pretend to be an expert on organization. Nor do I know the full history of the USOC and its administration. What I can tell you is how the Olympic athletes feel about the current controversy and how it affects us directly.

I, as an Olympic athlete, remind you that the Olympic Committee was formed to help us to win Olympic medals. It is not about professional staff members, or volunteer Board members or various committees. The Olympic Committee was formed to help Rulon Gardner and my fellow Olympic athletes to realize their dreams.

This current controversy has been upsetting to the athletes, because we truly care about the Olympic movement.

However, the hubbub about the USOC has not affected my ability to train, nor has it taken away the support that I need. Not yet.

I still have access to the U.S. Olympic Training Center in Colorado Springs. My coaches are still running daily practices. There is still food in the dining hall, and equipment in the weight room. None of my support checks from the U.S. Olympic Committee have bounced. I have been able focus on wrestling, and getting prepared for the next Olympic Games in Athens, Greece.

In fact, right during the craziest times last month, I was honored to represent the USA in a tremendous international event created by the USOC called the Titan Games. You may not have heard about that, because the media was too busy chasing Senators and Board members and staff members all over the country.

Now, this controversy will affect me directly if the Olympic sponsors stop their support, and if the individual Olympic donors decide to find another cause. If we let the focus of the Olympic movement go away from the athletes to other things, then I will be hurt.

We all have a job here to help the Olympic movement in the United States. It is my job to be a champion athlete. It is your job to help me get to that podium.

If changing the way that the U.S. Olympic Committee does business helps me to be an Olympic medalist, then I support it completely. If finding new leaders to run our professional staff will help provide more resources to the athletes, then I am completely on board.

We expect our professional staff, our volunteer leaders and our elected officials to represent the Olympic movement with integrity. We expect their best effort and a commitment to excellence. That is what you expect out of every athlete every time we compete and represent our nation.

So, to sum things up, I ask you all to remember the athlete in your work with the USOC. We do not need to tear down the Olympic Committee to the point that the athletes are hurt. There is nothing wrong with positive changes, if they make the USOC better able to support its athletes.

Thank you for caring about the Olympics, and for allowing an athlete to give his opinion.

Mr. STEARNS. Well, Mr. Gardner, I would say also that we are also honored to have you here, too. And your humility is a tribute to your success. So I think it has been favorable to both of us.

Let me start. Mr. Martin, I come to these questions with a sense, a pre-experience of the Olympics back when it was started.

And I guess, is there any reason today that we should go back and return to the distinction between an amateur and a professional?

I mean, as I recollect when it started, it was all amateur. And now you have these professional athletes. I mean, I will ask, this is something I can ask all of you, so maybe just a short answer.

The first, is there any reason to consider returning to a distinction between amateur and professional in the Olympics?

Mr. MARTIN. From my perspective here in the country, I would love to see nothing but what we traditionally consider amateur athletes—

Mr. STEARNS. So returning to the original idea of just seeing amateurs.

Mr. MARTIN. Exactly. But that decision is made by each sport's international federation. And some sports adopt, anybody can come participate. And others have put limits on it.

I believe, and probably Dr. Schiller could speak more appropriately on this subject than I can, but the International Olympic Committee has taken the position, we want the best athletes, regardless if they are amateurs or professionals, to participate in the Olympic Games.

That is one reason why they are trying to get golf in, so you can get Tiger Woods involved in the Olympics.

Mr. STEARNS. I mean, it looks like it is moving toward, I mean just a gut feeling, if we are moving toward money here.

Mr. MARTIN. Yes.

Mr. STEARNS. And we are not moving toward, the idea to allow amateurs to compete.

Mr. MARTIN. Exactly.

Mr. STEARNS. And then at that point these amateurs can become professionals. I will just go right down. Rachel.

Ms. GODINO. It is an interesting and complicated problem. In my sport of figure skating, there is no amateur or professional any longer. They are eligible and ineligible to compete in certain events.

And everyone makes money. And so it is a very complicated—

Mr. STEARNS. So professionals come back in and participate and then they go out?

Ms. GODINO. There is no distinction.

Mr. STEARNS. And so they make their money and they come back, and the amateurs who are competing don't make any money, but they are competing with the professionals.

Ms. GODINO. The World Figure Skating Championships, which is here in Washington, DC next week and you should all go, is, there are people, many of the competitors there make six figures from skating.

And so, and there is no distinction between them—it is not true in every country. And it is not true for every single competitor.

But some of them make a lot of money and some of them don't make any money. Very complicated problem.

Mr. STEARNS. You can't give a yes or no? The question is would, should we return to the amateur status for the Olympics, yes or no?

Ms. GODINO. I think you can have noble pursuit of sport even if you are making money doing it. And I think that is what you are really getting after with the amateurs.

That there is something very noble about the pursuit of sport that is not complicated by dollars. But I don't think it necessarily has to be complicated by dollars.

I think the Olympic ideals can be embodied by—

Mr. STEARNS. Do you think there is a compromise, a compromise can be implemented?

Ms. GODINO. I hope so.

Mr. STEARNS. You stay with the status quo?

Ms. GODINO. It is very different in different sports. There are 45 sports and most of them make no money. I mean most of the sports, as Senator Campbell said earlier, he looked at the list of sports and hadn't heard of a lot of them.

There are a lot of sports, very unknown athletes that scrape by below the poverty line, even with the support that they get from NGBs and from the USOC.

To train full-time they live under the poverty line. And so there is a huge disparity, and I am not sure it is an easy problem to solve.

Mr. STEARNS. Thank you. Dr. Schiller.

Mr. SCHILLER. I think in addition to having the best athletes participate, that has always been the goal of the games themselves, that a lot of the changes were made to avoid a lot of the hypocrisy that had existed before.

For example, in basketball, it had always been said it wasn't that professional were left out, it was the NBA players were left out.

Because we know that the Eastern Bloc countries handled their sports very differently than others. And the eligibility rules were very, very conflicted, as they are in many, many sports today.

I will say that it is still unclear. Sometimes there are age restrictions. Sometimes there are financial restrictions. And in fact, if you go back to the earliest days, from the DeCoubertin days, really that was more of an exclusive group of people that participated rather than an inclusive.

And the role of amateur before really kept more people out than it kept in. I think it is too late, I think the horse is out of the barn.

I think we are going to see more and more professionalism move its way in. And I don't think we can change it.

Mr. STEARNS. So we should, we cannot return to the idea in 1978, where it is just amateur athletes?

Mr. SCHILLER. I don't think we can, but at the same time it is clear that in this country the main source of athletes in the Olympic movement, as well as world competition, has been the school and college community.

And we have to be very, very careful that those people do not get excluded because of the rules that have changed.

Mr. STEARNS. Mr. Marbut?

Mr. MARBUT. The old ideals of Avery Brundage and Pierre de Coubertin I think would be great to strive for. But I don't know how you put the toothpaste back in the tube.

And it really becomes an IOC and International Federation, as mentioned. I come from a small summer sport. We produce the smallest amount of Olympians.

My Olympians get about \$20,000 to \$30,000 to support themselves. But they are having to work out 50 to 60 hours a week. I have a five sport, sport, if you will. And so they are going 50, 60 hours a week, so there is no way to have a full-time job.

If you couldn't financially give them support, they are not making money they are just using that money to pay their bills and barely make it.

Sort of living on the poverty line, as Rachel says. So to get money is not always to say you are making money. Maybe you are using the money just to get by.

Mr. STEARNS. Okay. McCarthy?

Mr. MCCARTHY. Well, I think we all might long for the days of Avery Brundage and a simpler life. I think, in fact, we have got to deal with the situation as it is.

And I think most Olympic athletes lined up really as poorly paid professionals. But in the traditional use of the word amateur, not amateurs, I don't see that as a particular problem, other than perhaps on the poorly paid side.

Athletes now are continuing their careers long after college. We have people in their thirties who are still competing.

In order to enable them to do that at a world class level, they have to train virtually full-time. It almost precludes making a living through any other source.

Mr. STEARNS. When the "Dream Team" comes and plays we have our NBA athletes compete, other countries have their amateur athletes or they have their professional athletes too?

Mr. MCCARTHY. No, they have professionals also. It is all professional.

Mr. STEARNS. Well, one sport I know it is true in hockey and certainly I believe it's true in basketball. And, Mr. Gardner?

Mr. GARDNER. Well, back to the amateur aspect of it, do I think or would I like to see it? Yes, I would.

Mr. STEARNS. Just like to see amateur as opposed to professional coming in?

Mr. GARDNER. Correct. I would like to see amateur. Because you look at about 95 percent of the athletes, 95 percent of the athletes will never make a dime, probably, off of Olympic or the Olympic movement because about 95 percent of the athletes are out there every day committing 100 percent to training, they don't have the opportunity.

Me, personally, I got a degree in teaching and wouldn't start teaching until I would be in my mid-thirties, compared to somebody who started teaching in their late or early twenties, and the pay scale would be completely messed up if I went in and tried to jump in there then.

But I think one of the things that makes the Olympic movement so special, is I had an opportunity to meet Randy Johnson, professional baseball player.

And I talked to him, and I said, Randy, you are such a hero of mine. And he says, no, you Olympic athletes are my heroes because you dedicate your whole life, without very little financial opportunity to make any type of money.

He says you are what I look up to as a person. And hearing that from an athlete of Randy Johnson, it really meant a lot to me.

But then also, in the National Governing Body of Wrestling, we receive about \$900 a month and that is our monthly income from USA Wrestling.

And there are so many athletes out there who are basically below the poverty line who are out there every day trying to make nickels and dimes trying to financially support themselves just to try to fulfill their dream.

And very, very few athletes get the opportunity to fulfill their dream.

Mr. STEARNS. I think what Randy Johnson says hits to sort of what I sense the idea, the idealized thought of a man or woman dedicating, in an amateur way, to become an Olympic winner.

And all the sacrifice, emotional and financial and family and everything, is sort of an idealized dream. Yet, when you throw in all the professional athletes who are jumping in, who are making a million—I mean the NBA guys are making \$5, \$10, \$20 million.

And you throw all that together in the mix, it seems, as an outsider, that you are throwing money into this and you are losing some of the idealized thought process for this whole thing and why it started.

And I am hearing from many, Mr. Martin, these people are not willing to put the toothpaste back—it is already out. And they are saying, basically, there is too much politics, there is too much money and we can't do it.

So I think what you have to tell us, as Members of Congress, we have the ability to try and do it anyway. There might be too much politics for us. There might be too much money, I don't know.

But it certainly, when we start this process, and this five-member task force comes back with their recommendations, the thought process should be what is best for America and what is the original intent of the Olympics.

And is it now become a hodge podge of all these folks making \$5 or \$6 million coming back. So I am going to allow each of us to have 10 minutes and the gentleman from Michigan.

Mr. STUPAK. Thank you, Mr. Chairman. As I indicated earlier, in my opening statement, Northern Michigan University is the only Olympic education center. And we try to allow the athletes to get an education while they train.

And you mentioned 50 or 60 hours of training or whatever it is for an Olympic athlete or one who is planning to be an Olympic athlete. They put in all their time and we don't do enough to help them with an education so they can get a job, because most of the sports don't pay any money.

Up at Northern, our sports up there are like speed skating, short track, luge, boxing, greco-roman wrestling, biathlon. These aren't sports that you would get, if you are a promising athlete, come out of high school and get some scholarship to do it, so that is why the Olympic education center is so important to us.

And I was frustrated when I said in my opening statement that Congress has a responsibility. Because when I came to Congress in 1993, we had authorized Olympic education scholarships, but we never funded them.

So we fell down on the job. The last 4 years now we have been able to get some funding, thanks to a number of members who have helped us with that cause.

But the other frustration I see at Northern Michigan University, you talk about the NGBs, yeah, NGBs you call them. Northern Michigan gets approximately \$125,000 to run basically six sports.

They also get money for operating costs. So they receive about \$85,000 for athletic trainers. They get medical supplies and they get four 15-passenger vans. So the total they get from USOC, for support, is \$210,000.

You can't run a program like that. The Olympic scholarships are not for operating costs, they are for the athletes. At Northern we even have athletes who are high school students.

We bring them into our communities, we put them into our high schools. These are the promising young. This is a farm team, if you will, for America's athletes at Northern Michigan and some of the other training centers we have around the country.

And my frustration is we sit here, and I have been on this committee for some time. We had the Salt Lake scandal, we had the Atlanta scandal, and now we have these scandals.

To see all this money involved, and then here is a center that is trying to provide education for our athletes to do things, and the money just seems to go elsewhere, and that is a little frustrating for us.

And the only reason why Northern got probably \$125,000 this year for operating costs, is probably because of you, Mr. Gardner, because you won a gold medal there and we have greco-roman wrestling, one of the few places that have it.

If you had not have won that medal, we probably would have gotten zip from USOC, and Northern would have to get the money out of the regular operating costs for the other educational programs.

So my frustration, I guess the question I would have it what is the one thing each of you would recommend, what is the one or most important thing we need to do to fix the USOC?

So if we just went down the line. Starting with you, Mr. Martin, what is the one thing you would recommend that we should do in Congress?

Mr. MARTIN. Congressman Stupak, you should know I am a little biased. I am from the Upper Peninsula, to begin with. But the magic wand question you have just asked.

If you had a magic wand, what would be the one thing you would fix? I would clearly focus and delineate the mission.

Mr. STUPAK. Ms. Godino?

Ms. GODINO. I wholeheartedly agree. That clarity of mission would go a long way toward helping us allocate resources efficiently and effectively.

Mr. STUPAK. Dr. Schiller?

Mr. SCHILLER. Adding to Mr. Martin, I have an honorary degree from Northern Michigan and it is a wonderful opportunity for so many people.

I would have to add it is really fully defining the role of what the committee should be doing and not be doing.

Mr. MARBUT. Stop the mission creep.

Mr. MCCARTHY. Clearly defining the mission.

Mr. GARDNER. As an athlete, I appreciate first Northern Michigan and Ivan Ivanoff, the coach up there for the wrestling.

But personally from an athlete's point of view, I wish that people would go down and walk through the Olympic training center and look at the wrestling and all the different sports and everything and realize what the Olympic committee is about.

Who represent the athletes and to help each and every athlete reach their full potential and reach their dream to win a medal.

And if we could bring it back on the athletes, that is what I wish we could do.

Mr. STUPAK. I agree and we just changed, up at Northern, we just moved our Olympic education center into the Superior Dome, as we call it up there, just to get it out of the, well it was old classrooms where they actually wrestled.

And now we have got it actually into the Dome, so it is a little bit better now. But, Mr. Martin, you mentioned the USOC Board of Directors is well over 122, 123 people or whatever it is, and comprised or composed mostly of insiders.

I mean who are the insiders and how do they ultimately become a board member.

Mr. MARTIN. Congressman, by insiders we are referring to people who are a member of the broader Olympic family. They either represent a specific sport, such as myself, I was on the board for a term and a half as the board member representing the sport of sailing.

But there are other board members representing the Boy Scouts and the Girl Scouts. All votes are not even. We have proportional voting.

And the majority of the votes go to the Olympic sports. We have athletes on the board. They get on the board because they are an athlete, because they represent one of the 45 sports or they might represent education-based organizations.

The NCAA has representation. The High School National Association has representation. The CYO, the Police Athletic League, et cetera, et cetera.

So all the different constituencies in the country who are involved one way or another in amateur sports want a seat at the table and have been given at seat at the table.

Mr. STUPAK. Well, you asked Congress, and I think there was much agreement on the board, I am sorry, the panel here, and asked us to assist in refining and focusing the mission, your mission.

And perhaps eliminating some of its diverse and unrelated responsibilities. What responsibilities would you like to see us eliminate so you can help it. I heard mission creep and it seems like we keep expanding it.

So how do you, what would, to be efficient, to be effective, to keep control so we don't have these scandals, what should we start eliminating? We have got to start eliminating something here?

Mr. MARTIN. Well, I think if you go back and look at the amendments to the Act in 1998, and some of the requirements in there that we directly would be involved in grass roots development, at the base level with kids.

I think we should take a hard look at that area. I am certain fellow panelists can come up with other specific areas.

But you can't be all things to all people. We have to focus our mission, preferably, I believe the American public wants us to, on winning medals in the Olympic and Pan Am Games. I think that is our fundamental mission.

And you have to put everything else on the table for discussion.

Mr. STUPAK. Anyone else care to get on the wrong side here and say some things you would like to eliminate? I mean, seriously.

Mr. SCHILLER. I think, focusing down a little bit, the members that Bill had mentioned that ranged from Jewish Community Centers, Church of Latter Day Saints to the armed forces. My hope would be that they would continue to work through the other member organizations, the National Governing Bodies.

Because they become more of a feeder to them. And what really conflicted is we tried to serve too large a community at the USOC level.

When really the sports bodies are the ones—in fact, in most of these cases there is dual representation. In a sport like boxing, for example, boxing has representatives from the armed services that compete in their national competitions, but yet you still have the armed services represented on the board in another role.

So I think tuning that down, at the same time I think we have to recognize that in this country we do not have equal sport opportunities for every American.

And there has to be some level of responsibility for that. That is where we are conflicted at the national level. We just don't have any focus on that.

And I think that is something that Congress ought to be thinking about.

Mr. STUPAK. Yes, Mr. McCarthy?

Mr. MCCARTHY. I think when you look at the produce clauses, the variety is incredible. From fitness standards to setting goals for amateur athletics in the United States.

It is so broad that any organization that is loosely related to it can petition for membership in the USOC. And I think that is in part what has contributed to the growth of the board.

But it also dilutes the mission of, in my judgment, supporting Olympic athletes at the very highest level. And the grass roots programs having to be taken care of by other entities.

Mr. STUPAK. Yes, sir.

Mr. MARBUT. If you look through the 13, it seems to me we need to get through seven, eight of those out, you know, quickly.

I think the harder ones get into, you know, you want the red meat. The question is, what about Paralympians. That comes out of the IOC. That was added in 1998. Is that a role you want us to take?

If so, I would argue, as we get the addition mission creep, we need to get additional revenue. I think there are two issues.

One is of focus and one is of revenue. And if we can cut the 13 down to 3 or 4 or 1 or 2, would be ideal, and anything beyond the core, please give us some resources to help us do that.

That would be, that is a personal argument on that because as we get additional items, that takes the revenues away from the core mission.

Mr. MARTIN. Congressman, just a follow-on comment to Robert Marbut's comment about Paralympians. They are truly an integrated part of the Olympic movement.

And in no way do we want to divulge them from it. And I didn't want his comments to reflect—they are a part of us. We are happy to have them.

Obviously that creates resource challenges to fund them, but they are every bit as an Olympian as Rulon is.

Mr. STUPAK. Well, Congress really doesn't give any money to USOC, whether it is Paralympics or anything. We really don't, other than maybe a little bit of money we give on the scholarships, now.

I tell you other countries give their sports, Sports Minister, I think you called what other countries have? Do they all, they all subsidize their athletics, do they not?

Mr. MARTIN. That is exactly right. I can give you a very concrete example, going back probably 12 years ago. The U.S. Sailing Center for training our Olympic Sailors is down in the Miami area.

And I would be down there training myself and I would see the Canadians role in, in brand new vans that said Canadian Sailing Team on the side with the sponsors and sponsored by the government.

And our guys were living in the back of VW buses. These guys had hotel rooms, et cetera. I mean there is tremendous dichotomies across the world.

Amateur sports and the Olympics, global, I think is far more important to other countries than, frankly, it is here in this country.

Mr. STUPAK. So the frustrations we see with operating costs at Northern Michigan, most other countries would just subsidize it right out?

Mr. MARTIN. That is right.

Mr. STUPAK. Mr. Chairman, you know, we have asked a lot of questions on things that should be eliminated and things we can do to improve upon it.

You know, the Senator testified earlier, Senator Campbell, that they have actually gone out to Colorado Springs, and maybe it is a trip that we should all take, especially those of us who have been around for the last 3 or 4 years on this issue, and try to look at the mission and define it and try to nail its focus.

And maybe going out there would be somewhat of some help. Especially then we would get the chance to pick the minds of the staff and the athletes that are out there.

And I will invite you to Northern Michigan, too.

Mr. STEARNS. I think, I say to my colleague that is a good suggestion, particularly, and then you have a little bit more time.

You have the opportunity to see it and sometimes being in the environment gives you a lot of better feel than perhaps many of us going in and out of hearings.

You can see we have a hearing on homeland security with Governor Ridge and Secretary Rumsfeld, as we speak, from 11 to 12. A lot of members aren't here.

Then the members are all there and everybody is focused on it. In Congress sometimes we have a problem with multi-tasking, which is a problem.

I think what I am going to do is I am going to ask one general question, and then perhaps you would and we are going to close shop here.

The general question I have is touching on what Mr. Stupak mentioned, is how do we downsize? That seems to me—I sense, among all of you that some way, through your written testimony, you want to protect the tenet of athlete representation on the USOC and the National Governing Board committees.

Can the athlete's interests be protected with less than 20 percent membership if the structure is downsized? What is the best way for adequate representation?

I think, by asking you to think in terms of getting this toothpaste back in the tube. You know, so maybe I will just start left to right, if give me a quick answer here and then I will let my colleague speak.

Mr. MARTIN. Anytime you deal with the turf challenge it is a very difficult issue. I think you focused on one of the key constituents that we have to make certain have adequate representation, the athletes themselves.

I don't know what the magic number is myself, but I have found, in my tenure at the Olympics, that the athletes are young, they are exciting.

If you heard earlier, there is a provision that any athlete who is involved on the board is held to participate in either the Olympic, Pan Am or International Games within the last 10 years.

So perhaps Rachel is getting too old to even participate anymore. I mean it is a shame, but you look at it, that is the requirement.

That is one group that we clearly have to protect. But with age does come some experience. And whether it is 10 percent or 20 percent, I think we can work that out internally.

Certainly with Dr. Schiller and his independent commission, I think they can provide us the guidance. I don't think there is one magic number.

Mr. STEARNS. Okay, I don't necessarily need for each of you to answer, but, I mean, if you have a real strong feeling about this and can be more specific, that would be helpful, instead of general. Yes.

Mr. MARBUT. It seems to me if you get down to the size of 15ish to 21, as a real operating board, I think it is important.

I think you need to have the 20 percent rule, which is now becoming an international standard for the athletes, I think is very appropriate.

I think the next group you add in is the NGBs, because the performance. But I don't think you need, we need to move to representative democracy rather than the direct democracy.

You know, we need to have reps representing, rather than all 45 in such like that. And then I think you balance it off with the public sector members is the balance of the committee.

And I think you would have the athletes protected. You would have the people who know how to create the performance protected, and then you have the outside that Harvey was talking about.

Mr. STEARNS. Okay, anyone else, just quickly. Yes, sir, Mr. McCarthy? Go ahead, we will take you first and then I will take Godino.

Mr. MCCARTHY. Inherent in creating a 20 percent number is creating a constituency and then every other constituency looks at what is our number.

On the other hand I think on balance having the athletes involved is a net positive. I think there are two, depending on what the mission is, there are two core constituencies, the athletes and the NGBs.

Those are the inside constituencies. And I think as a matter of good governance, you want both of those groups involved so that the organization, at a governance level, knows what is going on internally.

But also on the board I think we want to look at people who can bring us out that experience in marketing, television, finance, legal, what have you, that enriches the governance experience for the organization.

Mr. STEARNS. Okay.

Ms. GODINO. Thank you. Three thoughts, very quickly. The 20 percent athlete and the 10-year rule, as it is known, that you have to have competed in the last 10 years, have both been tested and they have worked well.

And as Robert mentioned, they have been adopted in other international federations and at the IOC as a general rule, a good rule of thumb.

So it has been tested at, I think, it is a fair number. There needs to continue to be some forum for debate for both national governing bodies and for athletes.

The AAC and NGB Council serve as that now. Those groups don't have to be on the Board, but they serve as a forum for debate for athletes to get together and talk about issues and come to some conclusions on things for National Governing Bodies to do so, and I think that is important.

And related to that, my third point is that you can have representation for purposes of input and discussion and there is a different type of representation that might be necessary for decision-making.

And that is an important distinction that we haven't necessarily made. Anybody who has to have input, gets to be part of the decisionmaking today.

Mr. STEARNS. Okay.

Mr. GARDNER. Just something real quick. INGB represents over 200,000 wrestlers who represents the three different styles, Greco-Roman, Freestyle and Women's wrestling at the Olympics.

So we have 200,000 athletes who are represented by USA Wrestling and it comes in and has one voice at the board. And I think it, the NGBs have such a great responsibility and they handle it so well.

If we could look into NGBs and figure out how we could utilize them more to bring them into effect too, because they make such a great impact to, you know, the U.S. Olympic Committee.

Mr. SCHILLER. Mr. Chairman, may I just make—when I said something about the armed forces before, I want to make sure, that

is one of the most important groups that we have had in our history.

In fact, General Douglas MacArthur is former President of the U.S. Olympic Committee. General Patton was a participant and pentathlete, and some of the previous Executive Directors, Don Miller, and I am a 24-year veteran of the armed forces.

So I do want to say that their contributions have been absolutely significant in our history. In 1920, in the Antwerp Games, we wouldn't have, we brought our athletes over there on troop ships from World War I.

So they have been with us from the beginning.

Mr. STUPAK. Mr. Chairman, just sort of closing up here. You know, Senate has their five-person commission that is probably going to get back with the Senate.

Mr. Martin has done a couple of things to get things going to do some review. I guess, you know, in the House, we should be working either with the Senate or here, because we do have oversight responsibility to make sure that these recommendations or suggestions and focus for the USOC is done and completed.

I guess my question is or my concern is, how much time do we really have here? We don't want a shadow to be cast over future games. So how much time are we talking about doing these commissions, doing this internal work and getting it done?

What kind of timeframe would you give us, Mr. Martin or someone? What kind of timeframe should we really try and get this thing done in? And I am not trying to say a timeframe will drive what we do, but give us some sense of where we have to go?

I want to move past all these problems we have had from Salt Lake, Atlanta to USOC to move on with this whole thing. So what kind of timeframe would you look at?

Mr. MARTIN. The Senate committee set June 30, for Dr. Schiller and his colleagues to report back their recommendations.

And I think that is a very defining date. We are working toward completing our own internal work and turning it over to Dr. Schiller's committee prior to that time, so they have the benefit of our own internal review.

And then it will be here for Washington, the House and the Senate to deal with.

Mr. STEARNS. Okay. I thank my colleague and we are going to adjourn. I just would conclude by saying that this is going to require, it appears, an attempt by us, on the House and Senate, to rewrite the 1978 bill.

And Mr. Martin, if you and Dr. Schiller and others, could in anyway, initiate from your side what you would like to see in this bill, somehow, I think that would be helpful.

And I know you have just taken over as Acting President, and you don't want to create a firestorm, but I think after this commission with, I think it is important that you have to step up and take some political capital here and to tell us what we should do is right.

Because you know it better than us and we don't want to oversee something without your full participation. So regardless of what the commission says, I think you, Mr. Martin, should participate.

I want to thank all of you for coming, I know how valuable your time is. And I appreciate your participation. The committee is adjourned.

[Whereupon, at 12:08 p.m., the subcommittee was adjourned.]