

TO: NGB Executive Directors and Presidents

FROM: Jim Scherr, Chief Executive Officer

DATE: November 8, 2005

RE: Clarification of Commercial Policies for NGBs

Attached you will find a document that clarifies the USOC's position on various matters involving National Governing Bodies and their athletes on commercial issues and participation in protected competitions. This document summarizes the existing rules in this area and the USOC's longstanding position on these matters. The USOC's management will rely on this document in evaluating National Governing Body and athlete disputes in this area.

If you have any questions about this document, please direct them to Steve Roush or the USOC sport partner assigned to your sport.

Very truly yours,

J.E.S.

Enclosure

UNITED STATES OLYMPIC COMMITTEE

Clarification of Commercial Policies for NGBs

November 7, 2005

Athlete Participation in Protected Competition

A. Governing Rules

1. The entry or participation of an Athlete in the Olympic Games shall not be conditional on any financial consideration. (*Olympic Charter*, Bye-Law 4 to Rule 41).
2. The USOC and the IOC oppose any political or commercial abuse of sport and Athletes. (*Olympic Charter*, Rule 2, Paragraph 10).
3. No member organization of the USOC may deny or threaten to deny any Athlete the opportunity to compete in the Olympic, Paralympic or Pan American Games or other Protected Competition. (*USOC Bylaws*, Section 9.1).

4. NGBs shall "not have eligibility criteria related to amateur status or to participation in the Olympic Games, the Paralympic Games or the Pan American Games that are more restrictive than those of the appropriate international sports federation." (*Act*, 36 U.S.C. §220522(a)(14)).

5. "Athletes must be given the opportunity to decide what is best for their athletic careers . . . The decision should not be dictated by an arbitrary rule which, in its application, restricts, for no real purpose, an Athlete's opportunity to compete." (*1978 Senate Report on the Act*).

B. Athlete Obligations / Media Release

The NGB may ask an athlete to sign a general release, permitting his or her person to be photographed for purposes of memorializing and/or promoting his or her event, or the NGB in a non-commercial manner.

C. NGB Obligations/Restrictions

1. NGB may not use or authorize the use of an Athlete's individual image, picture, likeness, voice, name or biographical information for the purpose of trade, including any use in a manner that would imply an endorsement of any company, product, or service, without the Athlete's express written permission.

2. NGB may not condition participation in any Protected Competition upon an Athlete's signing of an agreement containing "Commercial Terms".

3. NGB may not condition Athlete's receipt of any Basic Services (such services to be determined by the USOC on a sport-by-sport basis after consultation with the NGB, AAC representative for the sport, and Athlete Ombudsman), upon an Athlete's signing of an agreement containing "Commercial Terms".

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4. "Commercial Terms" means any provision, whether oral or written:

a. requiring an Athlete to grant the use of his or her image, picture, likeness, voice, name or biographical information for the purpose of trade.

b. requiring an Athlete to attend functions other than official team practice or team meetings related to competition events.

c. requiring an Athlete to give any right of first refusal to an NGB sponsor.

d. requiring an Athlete to reveal the terms of a personal sponsor contract.

e. requiring an Athlete to cover up a manufacturer logo on Specialized Equipment, as long as it complies with the relevant IOC, IPC or PASO rules regarding size and placement.

f. requiring an Athlete to put a sponsor name, logo or ad on Specialized Equipment.

g. denying the Athlete the right to choose Specialized Equipment.

h. requiring an Athlete to relinquish legal rights (excepting arbitration clauses, tort releases, and medical or insurance-related releases or assignments).

5. NGB's remedies for an Athlete's violation of any Commercial Terms are strictly limited to commercial remedies, and cannot include denying the Athlete access to Protected Competitions, USOC-provided benefits (including but not limited to funding), access to Olympic Training Centers or Olympic Training Sites, membership on national teams, or Basic Services.

D. Athletes' Right to Use Specialized Equipment

1. The USOC shall have the sole authority, after consultation with the NGB, the AAC representative for the sport, and the Athlete Ombudsman to determine the equipment that constitutes Specialized Equipment (also referred to as Personal Competitive Gear) for each sport.

2. An Athlete shall have the exclusive right to select his or her Specialized Equipment for use in all Protected Competitions.