

**UNITED STATES SKI AND SNOWBOARD ASSOCIATION
BOARD OF DIRECTORS' MEETING**

**Park City Marriott -- Grand Ballroom I-II
Park City, UT**

**Saturday, September 18, 1999
1:00 p.m. - 5:20 p.m.**

MEETING MINUTES

ATTENDANCE

USSA BOARD OF DIRECTORS

OFFICERS

Chair: Jim McCarthy

Vice-Chair: Stew Turley

Secretary-Treasurer: Bill Bindley, absent

FIS/USOC

FIS Ranking Representative: Hank Tauber

USOC Ranking Representative: Serge Lussi, absent

USSTF

Nick Badami

William T. Esrey, absent

Vinton Sommerville

Thom Weisel, absent

SPORTS REPRESENTATIVES

Alpine Discipline Representative: Bill Slattery

Snowboard Discipline Representative: Gary Taylor

Freestyle Discipline Representative: Jeff Lange, absent

Cross Country Discipline Representative: Lee Todd, participating by speaker phone

Jumping/Nordic Combined Discipline Representative: Alan Johnson

Disabled Discipline Representative: Jack Benedick, absent

ATHLETES

Alpine Athlete: Edith Thys, absent

Snowboard Athlete: Rick Bower, absent

Freestyle Athlete: Craig Rodman

Cross Country Athlete: John Aalberg

Jumping/Nordic Combined Athlete: Greg Boester

Disabled Athlete: Muffy Davis

EX-OFFICIO/NON VOTING

USOC Athletes' Advisory Council Representative: Joe Walsh

NSAA President/Chair: Michael Berry

SIA President/Chair: David Ingemie

HONORARY

Dr. Bud Little, absent

Dr. Leland Sosman

Staff

President & CEO: Bill Marolt

Executive Vice President & COO: Bill Gorton

CFO: Mark Lampe

Vice President Athletics: Alan Ashley

Vice President PR & Member Services: Tom Kelly

Legal Counsel

Todd Wakefield

1.0 Chairman's Welcome: Jim McCarthy

The chairman welcomed everyone and thanked them for attending. LeeTodd participated via speaker phone. Since the USSA board voting members were short the 2/3rds quorum, it was decided that the meeting would go forward as if a quorum were present, votes would be taken of those present, and items requiring the vote of the board would be sent a mail ballot.

McCarthy requested reports from Michael Berry (NSAA) and from David Ingemie (SIA) on the state of the industry for the ski/snowboard areas and for manufacturers.

Ingemie began with an overview of statistics - a ten year comparison from 1988 to 1999. The number of alpine skiers are down, cross country, down; snowboarders, increased. The number of ski areas are down, e.g. 611 in '88 and in '98 507; skier visits are down; snowboarder visits increased 500%; number of skis sold decreased.

The numbers indicate that boomers are moving out of skiing; cross country skier numbers would increase if snow increased in the midwest and New England; snowboard represented the youth market. Resort visits are down and have been flat for ten years. Bright spots: Ten years ago rentals were 10%; now they are 25%. Junior ski sales are up. There are a lot of consolidations but sales are \$ 2 billion at retail with 18 fewer locations than ten years ago. 40% increase in women's ski sales in the last two years. Golf has grown 264% in ten years; tennis has grown 27%; snow sports have grown 39%.

Berry reported that the resorts in total do about \$2.6 or \$2.7 billion in business, which puts in perspective the role played in the financial world, but continue to be a highly visible industry with a lot of history and dominant advertising images in the fall. Among area operators there remains tremendous enthusiasm and optimism. The midwest and a couple of other areas have had two very difficult years in a row and they still continue to invest in facilities and keep their optimism.

2.0 USSA Agenda Approval: Jim McCarthy

A revised agenda was distributed and approved as submitted.

Motion #1: To approve the agenda as submitted.

M/S/C Bill Slattery, Nick Badami, Carried

3.0 USSA Meeting Minutes Approval March, 1999: Jim McCarthy

McCarthy requested a motion to approve the USSA board meeting minutes from March 20, 1999, which were in the Congress book.

Motion #2: To approve the minutes from March 20, 1999 as submitted.

M/S/C Slim Sommerville, Bill Slattery, Carried

4.0 Chairman's Report: Jim McCarthy

McCarthy was pleased to report that this is an exciting time to be involved with skiing. There has been significant and discernible progress made as an organization within the last three years, exemplified best by the results of USSA athletes in the last year. It is a very positive time to be involved. The organization is moving in a deliberate and planned way.

5.0 Ratification of the Actions of the USSA Executive Committee: Jim McCarthy

McCarthy indicated that there were two meetings of the executive committee, which took place since the last board meeting. One was on June 1st where the action taken was to approve an increase in the alpine dues from \$70 to \$85 per year. McCarthy requested a motion approving this action.

Motion #3: To approve the action of the USSA Executive Committee, approving the alpine dues increase.

M/S/C Stew Turley, Greg Boester, Carried

The second meeting was the August 24th conference call regarding the disabled action plan. Since this issue appears further on the agenda, approval was deferred until the item was reached on the agenda.

6.0 Chief Executive Officer's Report: Bill Marolt

In his keynote, Bill Marolt indicated that the organization had never been in better shape in any sense of the word, with terrific boards for the NGB and the Foundation. There are highly motivated staff and volunteers, and the level and quality of work undertaken has been significant and will continue to get better.

Marolt reviewed the vision, mission and goals of the USSA and reviewed department by department the state of the company, and that the focus continued to be on the vision, which is to make the USA the best in the world in skiing and snowboarding. The best in the world is the theme as the organization moves forward, with the aggressive goal of being the best in the world by 2006. The organizational goals of the company remain the same with athletic excellence remaining the primary focus.

From an athletic standpoint, the athletes had an outstanding year in every sport. The organization is encouraged by Junior World Championships results. Athletically, the organization is on target. The sport science program will be paying dividends in the near future. The USOC has increased support via their Podium 2002 program.

Financially, the organization has worked to put together a good planning process. All the vice presidents have done a tremendous job in putting together good budgets, which resulted in a surplus for the organization over the last four years. Growth in the athletic budget is 22% for this year. USSA continues to invest in all of its programs, bringing positive results.

Marketing and Sales have aggressive goals for growth. Network television will increase this year, primarily with the addition of the Goodwill Games. Events have increased and are a major part of what is done financially and athletically. This year's calendar includes 30 major events. The goal of finding 42 elite venues by 2002 has been exceeded, with 44 identified to date. The Alpine Super Series, the Snowboard Grand Prix, etc. are a tribute to the events department.

Member Services & PR have added membership data base accessibility on the Internet; memberships are renewing on the Internet; comp guides were published on time and have been added to the Internet. A new PR manager has been hired.

The Foundation is targeted to raise over \$4 million this year for athletic programs. Phenomenal work has been done in programs such as the Champions' Club, which is a prime reason that USSA has been able to drive the athletic program. Gold pass sales are ahead of last year. Direct mail has been refocused and is performing above target.

7.0 Chief Financial Officer's Report: Mark Lampe

The CFO distributed financial packets. Lyle Ellis who devoted ten years to the organization has moved on. Chris Sampson was introduced as the new Controller, recruited from Peat Marwick. Quarterly reporting of financial information on performance was added to the packet. The annual audit was also inserted. The organization has made huge strides in the operational goal of financial stability, which has been achieved and the focus now is on financial strength.

Lampe reviewed the balance sheet of USSA. Most of the cash and investments remain in the two foundations. If the revenue stream doesn't remain consistent, it has a negative impact to the program or requires using the funds. In the strategic planning progress, the focus is 2003 and 2004 for drops in the revenue stream and new opportunities to replace those drops. The income statement indicates that USSA's financial health continues to strengthen. The annual surplus is being maintained. Lampe reviewed gross revenue growth, attributable to the way the company has built out its packages for sponsors; i.e., events, media, print, etc. and to the doubling of the effort of the trustees in their annual fundraising, which sparked the revenue generation that allowed record athletic funding. The growth of the company has been devoted to athletics, and maintaining a small surplus. In FY 99/00, athletics will hit a new record of \$10 million, which is what USSA hopes to maintain as a core level of funding for the athletic programs.

McCarthy noted that USSA will incorporate distribution of quarterly financial statements to members of the NGB and foundation boards and a working group will be appointed to work with Mark as an audit committee to work on the presentation and accuracy of financial reports. That group will consist of Bill Bindley, Nick Badami and Greg Boester.

8.0 Vice President of Athletics Report: Alan Ashley

Ashley addressed that the fall Congress is the opportunity to lay out the preliminary plan for FY 00/01 to the constituency. The athletic goals are related to athletic excellence, ten medals in 2002, and the best in the world in 2006. Beyond that, to strive to maintain world dominance by having great elite athlete programs, athletes, staff, and great partnerships with the volunteers and the community so as athletes

proceed through the pipeline they have a clear message, and USSA delivers consistent, excellent programs. Alan reviewed the perspective of what ten medals in 2002 looks like and reviewed what USSA has begun to lay out to reach the goal of being the best in the world in 2006, the benchmark being Olympic medals since that is what Americans understand about the sports of the Olympic Winter Games. USSA should be chasing 20 medals in 2006 and needs to identify a sport structure to help athletes achieve those medals, which would exceed the current total of being the best in the world.

In alpine the priority is winning alpine medals. If alpine medals are not won, it would be difficult to say the USSA is the best in the world. USSA needs to sustain dominance in freestyle skiing, sustain efforts in snowboard and follow through with nordic combined and develop new opportunities for cross country and ski jumping. USSA needs to properly allocate resources and to make this an achievable goal for the organization. The key to this is the planning process and having consistent staff, proper equipment for the athletes, good on-snow training and good conditioning, creating specialized training opportunities, which exceed what competitors internationally are doing.

The commitment to sport science is paying off. USSA implemented good conditioning programs with specific conditioning leadership in almost every program. A better job is being done of monitoring, testing and evaluating athletes. USSA is looking at periodization and individualized training, nutrition, and psychology, and building out the medical program.

Another key component is getting national development systems organized within each sport, unified in approach and consistent in message, in partnership with the community and athletics, assisting each other to win medals.

Each sport has been following the program as laid out. There are aggressive goals and specialized training is taking place in each sport to meet the goals. The athletes and staff are working on individual and program goals to move into the winter well prepared to achieve the performance goals.

The future relies on keeping very focused goals, training smarter, and evaluating the competition. The partnerships of the organization are also critical to common goal achievement. Key are industry and resort relationships for equipment and training support, and the incredible contributions from the foundation and USSA's corporate partners. The focus is being better than everyone in every sport. Resource allocation is devoted to looking at every program and making sure that it is better than the level of the competition that USSA is attempting to beat. USSA has to create an outstanding environment of cooperation and partnership for its athletes and club programs to achieve the goals.

9.0 Sport Committee Action Items

Alpine Bill Slattery reported that the alpine sports committee is working very well due to the restructuring in '97 and has given the volunteers more ownership in the decision-making process. The partnership between the outstanding alpine staff and volunteers has contributed to success. No action items; however, two items were sent back to staff, including the World Championships selection criteria. Spring meetings will be primarily rules and fall meetings will be partnership coordination and education formats. The committee will continue the work of finalizing the alpine procedural manual by the spring meetings. In development, the committee is

working on the system that will incorporate clubs, academies, states, divisions and regions on a competency or skill basis.

Cross Country John Aalberg began by thanking Luke for the event of the previous night, which is in concert with the goal of partnership with the county and state for the future of the sport. The meetings have been very productive the last two years. The structure is in place to now allow tackling regional issues such as development. The Cross Committee would like to raise the profile of elite competition for cross country, adding World Cup events. The CCSC reviewed the FY 00/01 plans and priorities and the committee has agreed on top priorities and will make some readjustments to the lower priority issues with regional and development. The selection criteria were reviewed and endorsed in general. The bylaws were discussed and will be revisited.

Doping was discussed. Other items included rule changes to clarify existing rules. The committee would like to see a line item in the budget to reimburse sport committee members, especially those traveling from the east coast, to attend the meetings.

Motion # 4: To adopt the rule changes recommended by the Cross Country Sport Committee, specifically the junior national championship rules.

M/S/C John Aalberg/Nick Badami, Carried unanimously

Motion #5: To allocate a small dollar budget for the sport committee, administered by the sport committee, to use for sport committee member travel reimbursement.

M/S/W John Aalberg/Gary Taylor, Motion withdrawn

In discussion, McCarthy mentioned that it is a financial burden for people to come to the meetings, that the USOC pays for everyone to attend their meetings, the committees are huge, and virtually nothing gets done. Last year USSA approved payment for athletes to come to two meetings of the board. A budget for discipline committees would not be appropriate nor would it be easily managed. Upon additional discussion, the motion was withdrawn.

Disabled Muffy Davis reported that most of the time was spent on the actions of the executive committee and discussion would be deferred to later in the agenda. The DSC felt that the decision of the executive committee is being passed forward with a proposal for action without looking at other possible objectives and options. Only one outcome has been proposed without the feasibility of how that outcome would be achieved. It is the feeling of the committee that more time needs to be spent on research of this and other possible viable options.

Freestyle Andy Wise replaced Jeff Lange as the chairman of the sport committee. The sport committee report prepared by Jeff Lange was distributed to the board as well as the action items. (See Addendum A). Wise reported that the state of the sport in the U. S. is very good, but not so internationally. It is good in Australia, Canada and the Far East, not so on the continent due to a lack of support for the sport, resulting in a number of World Cup cancellations. There are also leadership problems in the FIS Freestyle Committee. One positive note from this is the committee chair has resigned and a new committee chair will be appointed in Milan, allowing USSA to elect either the chair or the vice chair. The action items are two. One related to the final deadline for the appeal process for entry into the U. S. Freestyle Selection events (October 1) and appeals would be decided by October 20.

Motion # 6 To change the deadline for the appeals process to the U. S. Freestyle Selection events to October 1.

M/S/C Gary Taylor/Bill Slattery, Carried

The other action item related to the Freestyle Sport Committee's attempt to get a nationwide rule on helmets for mogul skiers. The committee passed the following motion: "The Freestyle Sport Committee recommends that parents consider the use of helmets by all junior mogul competitors as this provides an additional level of safety in mogul competitions and training." Two regions, East and Rocky Mountain, have passed helmet rules for all competitors. The committee was unable to pass in consensus a uniform rule and elected to go with the motion read.

Motion # 7 To adopt the Freestyle Sport Committee's motion as read.

M/ Craig Rodman/

Michael Berry, NSAA, discussed the safety issue perception regarding the combination of high speed lifts, increased grooming, and shaped skis rendering snow sport more dangerous than before, although there is no statistical basis for this perception. The ski area industry is seeing mandatory helmet legislation for use of athletes in NJ, for athletes under the age of 14. In New York, there is a mandatory helmet law for commercial equestrian operations. The Consumer Product Safety Commission has recommended the use of helmets by children while skiing. There is no safety standard for helmets that has yet to be accepted by the ASTM. He recommended that the language that is used should be drafted with counsel. What constitutes an acceptable helmet for different levels of competition is under debate, which further complicates the discussion. Adding to the debate is at what point does a helmet create a sense of security that the helmet is not designed to satisfy.

McCarthy stated that, while there is a great deal of appeal to the recommendation from the Freestyle Sport Committee, it is based on anecdotal evidence, lack of any real evidence regarding incidents of injury, the effectiveness of helmets, and the standards that USSA should be recommending.

McCarthy also stated that Eastern and Rocky's regulations muddy the waters regarding sanctioning of events, where USSA rules apply and not the division's. The litigation problem could be exacerbated by having a defective helmet standard or encouraging people to do something that has not been well researched.

Wakefield stated that if the motion is that the board make that recommendation, he advised against that course of action for the reasons already stated. USSA is not in the business of promulgating safety standards in any form other than competition rules. Recommendations of this type do not pertain to the governance of the sport.

Andy Wise questioned whether this was not already the case for alpine and snowboard athletes, who must wear helmets. The two rules currently passed by Rocky and Eastern are competition and training rules.

Wakefield pointed out that it raised sanctioning problems if an athlete were denied entrance to a competition based on those rules. As a competition that USSA had sanctioned, the validity of that denial would be suspect. Because two independent entities have taken that action, does not require USSA to take a similar action or attempt to repudiate that action.

McCarthy stated that the motion presented to the board is without any binding significance for the corporation unless the board adopts a motion ratifying or accepting it. The discussion would indicate that USSA should work with the ski industry and area operators to determine if there is a need for a standard and can a standard be determined that makes sense for the athletes.

Motion #8 That the USSA board take a neutral stance on helmets, leaving the decision up to the individual.

M/ Craig Rodman

Dr. Sosman added that, at the time of the competition rule for alpine, there were helmet standards. The FIS has taken a step back and put the onus on the manufacturers of helmets and the FIS refers to the helmet 'manufactured and produced' for skiing.

Comment that none of the standards speak to the issue of competition.

McCarthy summed up the discussion by indicating that the USSA would not accept as a policy or the statement of the board the Freestyle Sport Committee language. It would be inappropriate to take any formal action, and leave this to the discretion of the athlete or the parent.

Wise closed on the future plans for the FSC. The FSC has incorporated a new training process where the sport committee chair will sit for two two-year terms and then move to the USSA board as the freestyle representative.

Jumping/Nordic Combined Alan Johnson reported that the sport committee is functioning effectively. Fewer people with more responsibility adds to getting more work done. Ski Jumping and Nordic Combined in Europe and Asia continue to be very strong and growing. In the U. S. there is stability with modest pockets of growth and resurgence in areas of venue development. Intermountain has grown tremendously with the Utah Winter Sports Park. Rocky is strong and stable. The Midwest has not been producing the talent, but a K 70 in Coleraine with plastic and fulltime coach will make a difference. Minneapolis will open a K 75 and that will help growth. The east has been declining to some extent. Internationally, FIS events in the U. S. are expanding. The committee was fine with the doping policy as proposed, the governance changes, the World Championship criteria, FY 00/01 plans were helpful in preparing to develop the plans below the ski team in the spring. No action items; however, the issue of FIS events being held on homologated hills in which the new standard requires a safety rail down the landing of the hill was brought to the board's attention. USSA uses FIS rules for USSA rules, and unless USSA makes a rule change, it wouldn't be in USSA's best interest to follow the revised standards rule. The cost of the installation is \$60-80,000. USSA will need a resolution on how to deal with this without having a negative impact. It's an issue with Steamboat's World Cup and will have to be dealt with in the future.

Snowboard Gary Taylor introduced Margie Peterson, the snowboard program manager. The state of the sport is that snowboarding in the U. S. is setting a leading role with its events and athletes, numerous podiums in FIS, ISF and X-Games. The U. S. is setting the standards. A development program has just been implemented and specific snowboard coaches' education and officials exams exist. Margie has been on the road to get areas interested in hosting divisional events. No action items. The future looks for continued committee involvement from the industry. USSA has overcome the rap of being a ski association running snowboarding, and that has to do with industry involvement in the planning process.

10.0 Legal Report: Todd Wakefield

Wakefield had nothing to report on the competition side or personal injury litigation other than to indicate that all matters have been tendered to and accepted by USSA's insurer for defense. None of those present a significant risk of exceeding policy limits or limit USSA's ability to continue to obtain coverage in the future. On the administrative side, USSA is not involved as a party in any litigation or arbitration and is unaware of any disputes likely to end up in litigation or arbitration.

11.0 Judicial Committee Report: Jim McCarthy for Faris Taylor

McCarthy reported that the Judicial Committee met the previous day. The Judicial system within the organization is subject to bylaw revisions due to two experiences dealing with sanction situations. The Judicial Committee discussed the bylaw revisions and approved the proposed revisions to the bylaws as submitted. They raised a question that will require further definition over what constituted 'protected competition' and where that concept began in each discipline, which defines the jurisdiction of this organization and will be worked through with Dale Schoon and Faris Taylor and her committee. That definition makes a difference at the club and division level, whether or not a competition is 'protected' and USSA's dispute resolution system deals with it, or 'unprotected' and another entity will find a way to resolve the dispute. Also discussed was providing examples of dispute resolution techniques for clubs and divisions for use below the protected competition level.

The bylaw revisions were distributed to the board. McCarthy requested a motion to approve the bylaw revisions, with a follow up mail ballot for 2/3rds approval.

Motion #9 To approve the bylaw amendments as submitted (See USSA Congress book)

M/S/C Stew Turley/Slim Sommerville

Joe Walsh spoke in support of the bylaw revision by the Athletes Council. He indicated that the athletes would like to see a change in the opening language reference the prosecuting attorney. For clarification, the Judicial Committee should be included with the hired attorney to insure proper oversight, participating in the investigation phase.

McCarthy indicated that if intended as an informational part of the process, it can be treated as a technical amendment to the bylaw, but if oversight process, then it is a substantive issue. The athletes indicated the former and McCarthy suggested that, with this and the doping policy, a small working group be established to deal with the technical amendments to either of these items. The working group appointed by McCarthy: Joe Walsh, Todd Wakefield and Dale Schoon to work through the language and make sure that it includes the existing Judicial Committee on an information basis at the decision points in the dispute resolution system. McCarthy asked of the board how many were in favor. Unanimous approval and a mail vote would be undertaken after the meeting.

12.0 Ethics Committee Report: Jim McCarthy/Whitey Willauer

McCarthy reported that no progress had been made and that USSA needed to impose a standard and provide guidelines. McCarthy asked for indications of interest from the board or elsewhere to move the Ethics Committee forward.

13.0 FIS Report: Hank Tauber

Tauber reported that the FIS is not well understood by many, and is USSA's most important partner in the world of sport as far as athletes are concerned. Tauber gave a brief overview of the composition of the FIS and its founding. More than 50% of the medals of the winter sports are controlled by the FIS. He reviewed the disciplines covered and its structure. In relation to the IOC, the FIS is USSA's representative. The USOC only has a voice in the Olympic Teams, which are named by the USSA. The FIS Congress takes place biennially. The decisions are made by the board, known as the Council, composed of the president, 12 members, 4 vice presidents, including Tauber. Below the Council are the sport and technical committees and special committees. FIS sanctions all international events, and conducts Olympic competition and maintains international athlete rankings and sets the rules for the sport. FIS events are Olympic Winter Games, World Championships, World Cup, Continental Cups - all disciplines. USSA spends \$100,000 a year for attendance and an additional amount is spent by the representatives attending the meetings so that is a major commitment. USSA has a very good relationship with the FIS and, along with the Austrians, is one of the most influential voices in this organization.

14.0 USOC Report: Jim McCarthy for Serge Lussi

McCarthy reported that, while the USOC representation is not as large as the FIS representation, it is an effective presence. McCarthy sits on the fund distribution committee, Member Services. Serge Lussi chairs the training center committee. Bill Slattery is a member of Games Preparation. USSA attends the meetings and attempts to take leadership positions. Lee Todd is a member of the Board of Directors from the disabled community and Walsh is the athlete representative to the Athletes' Advisory Council. Relationships are good at this time. The USOC is going through governance changes; e.g. the volunteer president should not be the CEO, and a fulltime staff person should serve as CEO. The USOC is challenged to raise the dollars for the Games in 2002. Due to staff efforts, the Podium award for FY 99/00 is among the largest ever given by the Podium/Venture Committee and reflects the excellent work done by staff, volunteers and board over the past few years.

Walsh commented that the AAC recently voted to seat two Paralympic Athlete representatives. A process was undertaken to elect one representative from each sport that has Paralympic participation and then elected the two representatives from that group. Sarah Billmeier, a member of USSA's disabled alpine team, is one of those representatives.

15.0 Athletes' Council Report: Greg Boester

Boester welcomed Muffy Davis who joined the board, replacing Cathy Gentile-Patti. From the athletes' perspective, USSA has come a long way. The athletes appreciate the strategic and financial direction of the organization. The athletes discussed the bylaw amendments, the doping issues and the disabled issue. All three will be discussed in the individual discussions. Nothing to bring to the board except term

limits and substitute athlete representatives, which will be dealt with in further detail and brought to the board.

16.0 Foundation (USSTF) Report: Stew Turley

Turley commented that progress had been made in the development of the foundation. The number of trustees allowed in the organization increased and all but four spots have been filled. A new trustee now comes on board signing an agreement understanding the commitment to the organization in both financial terms and individual efforts required. The gold pass program is ahead of schedule. The Champions Club has very few spots remaining. The leadership from the foundation staff is the best it has been in years. Sommerville commented that the trustee group of emeritus has made a healthier, more aggressive group. McCarthy reiterated that one of the major strengths of USSA is the ability to bring together the foundation, committee members, and athletes and that other NGBs are envious of the caliber of the USSA boards.

17.0 U. S. Skiing Foundation Report: Bill Slattery

Slattery reported that the annual meeting was conducted on Friday and highlights included review of the articles of incorporation and bylaws and some adjustments were made to the documents to bring them in line with the way USSA is now structured. The documents have been reviewed by counsel and have been sent to USSA's executive committee for comment. Two accounts are being set up with Schwab to reinvest funds. The financial status was listed in the materials presented by Mark Lampe. Three terms were discussed (Slattery, Terzian, Bindley) and referred to the USSA Nomination Screening Committee.

McCarthy requested two motions.

Motion #10 To approve the bylaw changes that are in five areas (See Addendum B – USSF Meeting Minutes): one is a clerical update of the state of the corporation; secondly, to reduce the votes required for amendments to the foundation's articles and bylaws from the current requirement of two consecutive votes at two meetings of USSA to one; also a clarification of the roles of the chairman, president & CEO (which refers to the current status where the chairman of the board is the CEO, similar to where USOC is currently, which would allow the foundation to be structured the same general way that USSA is; i.e., a volunteer chairman and volunteer oversight board, the day-to-day operators of the corporation would be Bill Marolt and members of this staff); a provision to provide for the acceptance of endowment gifts for the purpose of supporting the general athletic program; and providing 100% granting of annual earnings to USSA, if so requested.

M/S/C Bill Slattery/Nick Badami, Carried

Motion #11 To approve the additional three-year terms on the USSF board of trustees for Bill Slattery, Bill Bindley and Kristi Terzian Cumming.

M/S/C Bill Slattery/Nick Badami, Carried unanimously

18.0 Old Business: Jim McCarthy

McCarthy indicated that future meeting dates were listed under this item. He then returned to the outstanding USSA Executive Committee action regarding sanctioning an athlete for the mandatory 24 month suspension for failure to take a doping test. The athlete executed a statement waiving the right to any hearing and did not contest the sanction since the athlete intended to retire.

Motion #12 To approve the action of the USSA Executive Committee sanctioning the athlete for failure to take the doping test.

M/S/C Bill Slattery/Gary Taylor, Carried

19.0 New Business: Jim McCarthy

Acro McCarthy discussed the background of this discipline as to its being on the program for the 2002 Olympic Winter Games. At the meeting in Seoul, the IOC did not consider additional events for 2002. The decision with regard to additional events for the 2002 Games is anticipated to occur in December at the IOC meeting then scheduled. McCarthy recommended postponing any action until there is definitive action by the IOC at the December meeting. (Editorial Note: If Acro is not added to the 2002 Games at the December meeting, USSA will drop support for Acro at the end of the 99/00 season.)

Doping McCarthy noted that the policy had been distributed. The policy indicates the position of USSA, which is opposition to doping – not only in performance-enhancing situations but also in lifestyle or recreational drugs. The goal of the policy was to be clear, concise and able to withstand legal scrutiny. USSA tried to provide guidance for the athlete. The responsibility for knowledge of the policy, knowledge of restricted and prohibited substances and methods, rests on the athletes. The athletes bear the responsibility for knowledge and compliance. The policy includes a safe haven policy, which allows an athlete with a problem to acknowledge that and avoid some of the sanctions that would otherwise be imposed so long as the athlete complies with the terms of a rehabilitation program. The intent of the safe haven policy is that the athlete would not compete at that time. The document was needed to clarify for the athletes what happens in a doping situation - what procedures are followed. USSA incorporated the lists of the IOC, FIS and USOC.

Motion #13 To accept the doping policy as presented.

M/S/C Bill Slattery/Gary Taylor, Carried

Boester spoke on behalf of the athletes, stating that the line in the sand between any performance-enhancing or lifestyle substances used in the context of training or competition is the right way to go for this organization. It is extremely important to make this clear and unambiguous for the athlete. It is a frustrating process for the athlete, who intends to do the right thing, but then gets caught in a situation where the athlete didn't know something so the organization needs to exert a strong effort to work with the volunteers to get the word out to athletes of the youngest age that USSA's policy is non-acceptance of any performance-enhancing drugs and non-acceptance of any use of lifestyle-type drugs or alcohol in the context of ski sport competition and training. The AAC fully supports the actions of the IOC, FIS, and USSA to get ahead of the curve with respect to the doping policy.

Walsh indicated that this is also one of the USOC's highest priorities. Walsh disagreed with Boester on how far ahead USSA is vis à vis doping in amateur sports. This policy would be a leadership policy for an NGB to take and the AAC of the

USOC has endorsed strict policy in general for the handling of doping offences.

McCarthy indicated that USSA's policy does not disadvantage USSA's athletes. Tauber commented on the more restrictive policy of the FIS in a couple of areas. McCarthy indicated that there would be an insert on page 12 above the offense outline that would read, "The IOC, FIS and/or the USOC may include sanctions related to those substances listed in this paragraph or elsewhere in this policy different in term or severity from those imposed by USSA." The intent is to advise the athlete that the FIS sanction, for instance in dealing with marijuana for a first offense, is a 24-month suspension, not a 90-day suspension. USSA also did not go through every detail of the IOC, FIS and USOC to identify that sanctions were exactly the same.

Ashley indicated that alcohol and marijuana were the only substances that did not line up because sanctions were not totally clarified by either the IOC or the FIS. He indicated that USSA's intent is to use the document for the education of athletes.

Dr. Sosman stated that there is language that should be added to the rehabilitation section of the document.

McCarthy again indicated a small working group (Dr. Sosman, Dale Schoon, Jim McCarthy, and Greg Boester) would work through the technical changes and incorporate the language to make sure the language is clear and unambiguous.

Disabled Action Plan McCarthy stated that the Executive Committee met on August 24 and approved by motion a USSA Disabled Action Plan. (See Addendum C). McCarthy also provided the background for disabled alpine and cross country skiing's affiliation with USSA since the 1980's and the recent impact of the revisions on the governance structure of disabled sports organizations due to the amendment of The Ted Stevens Olympic and Amateur Sports Act. As a result, USSA needed to consider whether it would be appropriate to consider becoming a Paralympic Sports Organization. As additional background, the contract with Disabled Sports/USA had expired and USSA had no technical claim to the program under either the prior governance structure of the ASA or under the current governing structure. USSA determined to try to come up with a solution that made sense for the athletes involved and for the organization itself. The recommendation for the organization was that it would not be appropriate for USSA to become a Paralympic Sport Organization.

The reasons were focus and funding, the ability to carry out a commitment in a manner that respected the rights of the athletes in a program and to know that the program would be adequately funded and administrated. USSA did not anticipate that, in the near term future, there would be adequate resources for this program. The limitations included very limited funding coming from the USOC for Paralympic programs. Under the focus issue, given the marketing and fundraising demands for the rest of the Association, it was difficult to determine how USSA could address the specific needs for the Paralympic program. The Paralympic program under the revised structure was going to include the full range of disabilities encompassed under the Paralympic sport movement, i.e., hearing impaired, cognitively-impaired, the other six organizations already affiliated with the USOC; plus undertaking that responsibility, USSA would have, not just an elite program, but a top to bottom program, which would be a significantly increased funding responsibility.

Discussion took place in the spring sport committee meetings. The reaction of the DSC was that they did not want to leave USSA and change the existing situation and they did not want to be under one umbrella Paralympic program under the USOC.

USSA then came up with the concept of a parallel organization and that is what was proposed to the executive committee and accepted. It would be a legally separate organization with the intent of that organization qualifying as a Paralympic Sport Organization within the USOC organization, separate and apart from USSA, separate board, officers, employees, separate programs, with the programs themselves related functionally back to USSA so that competition services, event services, administrative services could be purchased from USSA at a negotiated basis by the new organization.

This would allow time for the Paralympic Sports to develop on their own with continuing technical and financial assistance over a period of two years with a guarantee of not less than current funding from USSA. Future funding will be donor based and not coming from the USOC. The USOC is pursuing federal funding for these activities. Furthermore, USSA experience and resources have not allowed pursuing sponsor-based funding for disabled programs. USSA historically had been a leader in disabled sports. Most of the other NGBs have not been as heavily involved, financially, programmatically or competitively, as USSA. The executive committee ratified the action plan. USSA notified the athletes of the intent of the action by the executive committee. A conference call was held September 13 in which leaders in the disabled community were told of the current action. The intent is to create a situation in which Paralympic sports in skiing can move forward from where they are now.

Badami commented on the false information relating to disabled sport, including the Paralympic Games. They are not FIS sports so they are not run the same as the OWG. They are staged under a separate contract. He stated that the disabled program could increase their funding base by being separate from USSA, that affiliation with USSA actually holds the disabled program back. He commented that the charge now was to make a painless, seamless transition.

Walsh stated that he competed in the 1988, 1992 Paralympic Games. He came onto what had just been licensed as the Disabled Ski Team in 1986 and for seven seasons was a member. There is misinformation on this issue. It is rampant at the USOC and in some of Jim's statements. It is difficult to separate the emotional from the practical and, in this type of situation, it is exceptionally difficult. The historical treatment of persons with disabilities and lack of opportunities adds to it. The DSC may not have done the job of connecting to the disabled team members whose reaction has been dismay. The style of moving ahead in this direction did not take into consideration the sensitivity of the people affected. A lesson we need to take away is being attuned to the sensibilities of the people whom we are affecting as well as remaining attuned to the business aspects.

Muffy Davis wanted to clear up that just this year the U. S. Alpine Disabled Team had been recognized by the FIS. There are two issues to this. Davis shared her history in which she related that she had grown up ski racing and ten years ago, as a member of the U. S. development ski team, went off course and broke her back. Her goal had always been to ski on the U. S. Ski Team and represent the U. S. as a member of the team. She learned that she could still achieve that lifelong goal and participate as a full member of the U. S. Ski Team and represent the country. Being a full-fledged member of the USST is hugely important to all the disabled athletes who are on the team. Being tied in gives the program credibility and recognition and pride. The USSA has been in the forefront of the disability movement because they had this integration with disabled sport for so long. She stated that hearing separate but parallel conjured in her mind, separate but equal. She stated that the time and effort had not been put into all the possible options. There have not been athletes involved in making these decisions. If this isn't in the best interests of the athletes,

they should be involved in the decision-making process. Action needs to be taken, there is potential for growth, but Davis stated she did not believe this was the right action.

Walsh paraphrased the language found in the Ted Stevens Olympic and Amateur Sports Act that the governance of Paralympic sport will be in the hands of the National Governing Bodies and that the Paralympic Sport Organization is a second alternative. The surprise for many in the community is that, now that it is statutory that the primary governance structure for Paralympic sport could be the National Governing Body, that USSA is separating. When you go to team athletes who don't know the business and legal issues that has been one of the key elements that has caught them off guard.

Badami pointed out that the new organization would be the NGB and that USSA wanted the organization to succeed, not to fail. For many years, board members have felt that the current structure was not the way to go for disabled sports. What changes is the emphasis and focus of going out and getting separate sponsorship deals, etc.

Additional questions and comments were exchanged. McCarthy indicated that the timeline was to work with representatives of the disabled committee and staff to flesh out the transition portion of the plan so that in May of next year, there would be in place a new organization and that process would answer many of the questions and concerns raised in the disabled community. This is a negotiated process. Ultimately, the result will be a better situation for disabled. Of the NGBs that have the potential of conducting Paralympic sports, USSA is ahead of the rest in terms of quality of program and amount invested. As a board what had to be considered is what makes sense for the entire organization, while being respectful of a good solution for the disabled portion of the program, something that will work, allow programs to continue, allow them to move forward and have athletes compete at the same level. He pointed out that USSA will be unable to answer every issue. McCarthy indicated that he was convinced that one of the alternatives at the USOC will be that type of format because of the number of participants and dollars involved. In the interim, USSA will work to address the future in a constructive, positive manner.

Turley spoke that he felt the emotional tie to the disabled ski team as a trustee and a member of the USSA board. Both have done a remarkable job of representing this country and themselves, and as a board, members have a practical responsibility to uphold and need to set aside emotions.

Aalberg commented that not working alongside the able-bodied would be a loss of efficiency and proficiency. He also thought that the optimal time for the disabled athletes to break away would be after the Paralympics, when the athletes would have had the opportunity to promote themselves. Why disrupt the training and planning the year before the Paralympics, which will be a U. S. showcase? Aalberg agreed with the decision but disagreed with the timeline of implementation in FY 01.

McCarthy answered that the board had to respond to whether it wanted to be a Disabled Paralympic Sport Organization, the decision will have to be made. Because of such a large disabled program, it was felt that the issue should be addressed early on and not wait upon a decision by the USOC, which could be an umbrella Paralympic organization or any solution that would not work effectively for the athletes and this organization.

McCarthy pointed out that it took seven years for the USOC to debate the meaning of 'elite athlete'. The USOC worked over two years for a centralized funding formula with no decision in sight. There is little motivation for the USOC to resolve the issue because they would then have to address the funding issue. USSA's judgement was to proceed with due, deliberate speed to find a resolution to the governance situation that worked for the disabled athletes. Many of the issues that cause fear would be addressed in the transition phase in a manner to bely the athletes' fears. The longer the issue remains unresolved, the greater the impact. McCarthy then stated that the plan would be devised in a combination of the sport committee, trustees and staff working at every issue, from name to affiliation, to length of time, to amount of guaranteed income, location, etc.

Davis commented that the fear of many of the athletes is one of abandonment just prior to the Paralympics.

McCarthy indicated that he did not envision that happening but emphasized that, as part of the transition plan, there is incentive for the new disabled sport organization to become financially independent.

Fraser West asked whether the staff would help create the new NGB, which was answered in the affirmative. In the transition, would they be allowed to go out and fundraise and obtain sponsorships? McCarthy answered yes to the fundraising and sponsorships would require a little more caution. The goal for the new organization is to be financially successful as soon as possible. USSA will provide, on a contractual basis, administrative and program assistance to make that happen.

Turley reaffirmed that the creation of the transition team would allow work to proceed cooperatively, with some give and take, "There are a lot of trustees who have a strong interest in disabled skiing and none of the trustees are going to be happy unless this works. There will be significant support and pressure from the trustees to make this work."

McCarthy asked for a motion to approve the executive committee action of August 24.

Motion #14 To approve the disabled action plan approved by the executive committee August 24.

M/S/ Stew Turley/John Aalberg

Aalberg asked to postpone the vote and was reminded that this would go to the board by a formal mail vote. Show of hands indicated 7 yes, 2 no, 2 abstentions.

Rodman asked that the floor go to Andy Wise who had some housekeeping issues. Wise requested approval of a couple of rule changes on the dual mogul format. (See Addendum A). Two pertained to the start order for dual moguls, another skiing out of course with both feet crossing the center line, requiring disqualification and that the dual mogul start list could have no additions after the draw.

Motion # 15 To accept the Freestyle rule changes as outlined by Andy Wise.

M/S/C Craig Rodman/Greg Boester

20.0 Comments from Membership: Jim McCarthy

McCarthy asked if there were any comments from the membership, which is a requirement in the USSA bylaws, which provide that, at the annual meeting, time is set aside for comments from the membership.

West requested the financial report for the spring and fall meetings.

Dart wanted to thank staff for the work put into the meetings and asked for the date and location of the eastern meeting. McCarthy responded that the meeting would be September 20-24, 2000 in Killington, VT. The next meeting of the board would be scheduled in Jackson in March of 2000.

Sosman asked whether there was consideration for either reducing the quorum or allowing absent board members to waive the right to have a quorum? McCarthy indicated yes.

21.0 Closing Comments & Motion to Adjourn: Jim McCarthy

McCarthy thanked the staff for their efforts in organizing the Congress and he thanked the board for their time, attention and interest and he requested a motion to adjourn.

Motion # 16: To adjourn.

M/S/C Bill Slattery/Gary Taylor/Unanimous

Meeting adjourned at 5:20 p.m.

Minutes: Suzette
October 7, 1999

Correction to page 2, million changed to billion per Somerville correction March 24, 2000 USSA board meeting.
April 13, 2000

ADDENDUM A - FREESTYLE ACTION ITEMS

MOGUL SPECIFICATIONS

Dual Moguls

Add rule 3043.7.3.1: no changes, additions or substitutions shall be permitted to the Dual Moguls Start List once drawn.

Rule 3043.7.1.1 be amended as follows. At the end of first sentence add: "except in the case of Dual Moguls, where no changes will be permitted after the draw."

Dual Mogul finals. Run order changed as follows: Women 3-4, Women 1-2, Men 3-4, Men 1-2.

Rule 3058.2.1 A skier shall be deemed to have crossed the middle line if both feet cross the line.

Mogul Course Specifications: Single Moguls; course width 16m maximum with track width being 8 m (+/- 2m) with the distance between the outside of the control gate to the fence being 2m. Dual Moguls; course width 22m maximum with a track width being 6.5m (+/- 0.5m) with the distance between the outside of the control gates and the fence being 2m. The finish area for both Single and Duals shall be 35m (+/- 5m)

FREESTYLE SPORT COMMITTEE MOTION

The Freestyle Sport Committee recommends that parents consider the use of helmets by all junior mogul competitors as this provides an additional level of safety in mogul competitions and training.

8 in favor/2 opposed/2 abstentions

For reference below are helmet rules passed by divisions.

Motion passed by Rocky Mountain Division - spring 1999 (Prior to Spring FSC meeting)

Helmet Rule

Appropriate Headgear Protection manufactured for skiing is required for all competitors in Rocky Mountain Division Mogul, Aerial and Slopestyle competitions and official practice training days, for all age categories. RMD neither specifies nor recommends any particular helmet design or brand name and undertakes no responsibility or liability in connection with the requirement that helmets be utilized. It is the sole responsibility of the competitor to select an appropriate helmet for accident protection.

Caution: The protective qualities of all safety helmets are affected by age and use. Some older helmets and any helmets that have been damaged either in a fall or from other impact may no longer provide sufficient protection-even if there are no visible indications of damage. RMD neither specifies nor makes any warranties as to the fitness for use of any particular ski helmet nor assumes any responsibilities or duties to any competitor by requiring the use of a helmet.

Motion passed by Eastern Division- spring - (Post FSC spring meeting)

5. The use of a helmet (hard shell, light-weight) is required during aerial, mogul and dual mogul training and competition. For mogul and dual mogul events the rule shall apply to divisional level events only.

ADDENDUM B - U. S. SKIING FOUNDATION MEETING MINUTES

United States Skiing Foundation Board of Trustees' Meeting Park City Marriott – Park City, UT September 17, 1999

I. Call to Order

The meeting was called to order by the Chair, Bill Slattery and the agenda was approved.

II. Meeting Minutes Approval

A motion, seconded and passed was made approving the minutes of the September 1998 Board Meeting.

III. Financial Report

The Chair asked the CFO, Mark Lampe for the financial report. The CFO distributed the 4-30-99 and 8-31-99 summary financial statements for the corporation.

The two cd's currently tied up in the CD Services, Inc. bankruptcy were highlighted and discussed. It was noted that the settlement offer proposed by the Receiver last March had been proposed before the court on three separate occasions and the judge had deferred passing judgement each time. The judge appears concerned that this settlement may provide favorable treatment to those agreeing to settle and has asked for more information. The judge appears to be leaning towards pooling which would be a negative result to the USSF position.

As of 9-7-99, our counsel had informed us that the Receiver had withdrawn his settlement offer. However, he has proposed a new offer of a 20% reduction (as opposed to the 11% reduction offered earlier) with a maximum reduction of 15% of original principal (approx. settlement value of \$169,000). Our attorney advises that he believes this settlement is the wisest course of action at this point. (The alternative is to risk the court ruling that all assets should be pooled and litigate that USSF's assets are inappropriately included. Although, our assets are inappropriately included, the attorney believes there is a high risk that the court would still rule that all assets should be pooled).

The Board passed a motion that the periodic financial summaries distributed to the Board should include an update on the CD Services case.

The Board also passed a motion that financial summaries should be distributed to the Board members on a quarterly basis and to the Chair and the Treasurer on a monthly basis.

IV. Future Investments

All of the cd's have matured and been rolled into the First Security Cash Management account as directed by the Board in the prior year. The Board directed that the CFO coordinate with the Treasurer to open two accounts at Charles Schwab and Co., Inc. One account to hold the general assets of the Company and a second account to be an endowment account to hold any endowment gifts that USSF may receive in the future.

The Board also reviewed the information provided by KPMG to the CFO of typical investment mix held by similar non-profits and endowments. The Board directed the Treasurer and CFO to review and select a mix of no-load mutual fund products representing at least a 35-65 mix

of bond/equity funds that will provide a stronger annual return on investment than the Corporation's historical investments.

V. *Notes Receivable*

The Board reviewed the two outstanding notes with USSA. One note maturing at 10-31-99 for \$500,000 and another note of approximately \$135,000 maturing 12-31-01. If adequate resources exist within USSA, it was considered that these notes be retired as early as 9-30-99.

VI. *New Loans*

The Board passed a motion that if USSA requested, it would grant a loan of up to \$600,000 for a one-year term at 9.5%. This loan would be available to USSA subsequent to 10-31-99.

VII. *Amendments to the Articles of Incorporation and Bylaws*

The Board reviewed a number of proposed amendments prepared at Board request by counsel to the Articles and Bylaws and agreed with the revisions in principle. The amendments will be forwarded to USSA for vote at the September 1999 meeting. If approved, the amendments will be subject to a second vote at the next USSA meeting. The USSF Board will then vote to approve and adopt the amendments.

The amendments included general clerical update such as state of incorporation, a clarification of responsibilities between the Chair and the President and CEO, a provision to provide for the acceptance of endowment gifts for the purpose of supporting the general athletic program, a provision to consider earmarked endowment gifts up to 25% of the gift total, and that up to 100% of the annual earnings post 2002 would be granted to the USSA general athletic program upon request of USSA, and finally, reduce the votes required for amendment to one vote of the USSA Board rather than two votes at two consecutive meetings.

VIII. *Renomination of Board*

The Board recommended that USSA nominate and appoint the 3 Board members whose terms are currently expiring to another 3 year term on the USSF Board.

IX. *Officers*

The Board determined that the existing officers would continue to hold their respective positions.

X. *Adjournment*

Being no other business, old or new, the Chair adjourned the meeting.

ADDENDUM C – USSA DISABLED ACTION PLAN

USSA DISABLED ACTION PLAN

Resolved: That the board of the United States Ski and Snowboard Association ratify the action taken on August 24, 1999 wherein the Executive Committee of the board approved the disabled skiing action plan by unanimous vote. The objectives of the plan are as follows:

- ◆ To form the sports of disabled alpine and cross-country skiing into a distinct sports-specific organization that is separate from, and parallel to, the USSA.
- ◆ The USSA will provide funding for disabled alpine and cross-country skiing during the 1999/2000 season as specified in Addendum A of the USSA Five-Year Strategic Plan dated May 1, 1999.
- ◆ The Disabled Ski Sports Organization will be formally established on May 1, 2000.
- ◆ During the 1999/2000 season, the USSA Disabled Sports Program Manager will, in cooperation with the USSA staff and members of the Disabled Sport Committee, develop a transition plan that assists the Disabled Ski Sports Organization during the periods leading up to its formal establishment and immediately following.
- ◆ During the 2000/2001 season the Disabled Ski Sports Organization will be funded at or above the level of the 1999/2000 season.