

## **USSA BOARD OF DIRECTORS' MEETING MINUTES**

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The Yarrow Resort Hotel & Conference Center, Park City, UT  
Sunday, May 18, 2003, 8:00 a.m. - 10:30 a.m.

### **USSA BOARD OF DIRECTORS' ATTENDANCE**

Chuck Ferries – Chair

#### **FIS/USOC**

FIS Ranking Representative: Bill Marolt

USOC Ranking Representative: Jim McCarthy

#### **USSTF**

Bill Bindley – absent

William T. Esrey - absent

Dexter Paine - Secretary-Treasurer

David Pottruck - absent

Hank Tauber

Thom Weisel - absent

#### **SPORT REPRESENTATIVES**

Alpine Representative: Bob Dart

Snowboard Representative: Gary Taylor

Freestyle Representative: Andy Wise

Cross Country Representative: Lee Todd

Jumping/Nordic Combined Representative: Alan Johnson

Disabled Representative: Jack Benedick - absent

#### **ATHLETES**

Alpine Athlete: Chris Puckett

Snowboard Athlete: Rick Bower

Freestyle Athlete: Craig Rodman

Cross Country Athlete: Jon Engen

Jumping/Nordic Combined Athlete: Greg Boester - teleconference

Disabled Athlete: Willie Stewart - absent

#### **EX-OFFICIO/NON VOTING**

USOC Athletes' Advisory Council Representative: Nelson Carmichael - absent

USOC Athletes' Advisory Council Alternate Representative: Nikki Stone

NSAA President/Chair: Michael Berry - absent

SIA President/Chair: David Ingemie - absent

#### **HONORARY**

Dr. Bud Little - absent

Dr. Leland Sosman

### **1. Chairman's Welcome: Chuck Ferries**

Ferries welcomed everyone to the annual meeting of the USSA board of directors. He asked Alex Natt to verify if a quorum had been established. At the opening of the meeting a quorum was available for conducting the meeting but not to vote on the bylaw amendments.

### **2. USSA Agenda Approval: Chuck Ferries**

Ferries asked for a motion to approve the agenda as submitted.

**Motion #1: To approve the USSA Board of Directors' meeting agenda.**

M/S/C Jim McCarthy/Dexter Paine – approved by acclamation

3. **USSA Meeting Minutes' Approval: Chuck Ferries**

Chuck Ferries then asked for a motion to approve the USSA meeting minutes.

**Motion #2: To approve the USSA Board of Directors' meeting minutes from December 2002.**

M/S/C Jim McCarthy/ Dexter Paine – approved by acclamation

4. **USSA Bylaw Amendments: Alex Natt**

Boester joined the board meeting via teleconference. Natt confirmed full quorum for voting of bylaw amendments with 15 voting member present.

Natt stated that the first bylaw amendment proposal dealt with the chair elect position. As currently drafted, the chair-elect position by its title seemed to indicate some right of succession to the chairmanship when, in fact, the chair elect "may succeed to the office of chairman"- but there was no guarantee. This did not preclude any other member of the board from being nominated for that position. Therefore there was no right of succession through the chair-elect position. The thought was to amend the title from chair elect to vice chair to eliminate any presumption of a guaranteed succession, which did not exist in the bylaws. He then listed all the bylaw references where these changes in language would occur.

**Motion #3: To approve the bylaw amendment suggested to replace the chair elect language to vice chair as proposed.**

M/S/C Gary Taylor/Hank Tauber – approved by acclamation

Natt then stated that the other proposed bylaw amendment concerned the voting of the staff members on the sport committees and referenced where this was to be found in the bylaws. Natt stated that the bylaws allowed the discipline committees to organize themselves as they saw fit as long as the operational procedures did not conflict with the bylaws. In this instance the conflict was that the procedures presented to Bill Marolt originally had staff members in an ex-officio non-voting capacity but what had happened over the past five years was that the staff had shared the responsibilities with the volunteers and those responsibilities included voting of both volunteers and staff. The staff felt that it was important to keep the partnership that had been developed and the change was proposed to keep the operating procedures in compliance with the bylaws and to conform to the expressed will of the discipline committees.

McCarthy stated that he hoped in future that as a matter of process bylaw amendments would come from an initiative to change the bylaws and not because the practice differed from the bylaws.

**Motion #4: To approve the bylaw amendment page 15, line 11, granting voting rights to staff.**

M/S/C Bob Dart/Jim McCarthy – approved by acclamation

5. **Chairman's Report: Chuck Ferries**

Ferries stated for the record that the performance of the athletes – their drive and striving for athletic excellence - represented what this organization was all about. He stated that the teams had made quantum steps over the past year and he congratulated everyone involved in the outstanding job helping the athletes reach their potential to become the best in the world.

Ferries then stated that the organization that was currently in place, including the board, the professional staff, athletes, the foundation, and the volunteers all working together for the same purpose. He stated he was very pleased with all that was going on and the progress being made at all levels of the organization.

Ferries then addressed the financial condition of the corporation, which he said was in a strong position especially given the external economic conditions. The budget had decreased from \$24 million to \$19 million over the last two years but during that time the organization still managed to come out with a surplus for both years. Ferries stated that the response and the resolve that he had seen from all of the constituents would allow the company to increase its fundraising and grow the programs to meet the goals. He said that there were very few things that the executive committee had had to deal with during the year and restated that USSA was very fortunate to be in the position it was in and thanked everyone again.

6. **Nomination Screening Committee Report: Chuck Ferries**

Ferries stated that there were only two items coming from the nomination screening committee. One was that the committee wished to present Bill Bindley for the position of vice chair. The reason was that it would allow the organization to have someone in that position for a period of two years who really understood the organization and could serve in that capacity but had no desire to be the chair in four years. This would leave that position available for someone a few years out to come in and work with the chair for a few years prior to the leadership change.

Natt clarified that Bindley was currently a board member through his affiliation with the Foundation, having served as past-president of the Foundation, and that naming Bindley to the vice chair position would not add an additional board member. He would be added to the executive committee as a voting member of that body.

**Motion #5: To approve the nomination of Bill Bindley as vice chair of the USSA board of directors.**

M/S/C Jim McCarthy/Bob Dart – approved by acclamation

Ferries also asked for a motion to have Lee Todd, John Bucksbaum, and Jim Swartz added to the U. S. Skiing Foundation board of trustees for a three-year term.

**Motion #6: To approve the re-nomination of Lee Todd, and the nominations of John Bucksbaum and Jim Swartz to the U. S. Skiing Foundation board of trustees.**

M/S/C Gary Taylor/Andy Wise – approved by acclamation

## 7. **CEO Report: Bill Marolt**

Marolt said that it would come as no surprise that he would talk about themes. 2002/03 he said was a great year and that it started as the Olympic season concluded. Going into the Olympic year the focus was totally on the Games but also the organization did not want a falloff after the Games in terms of focus and goal setting and moving the organization forward.

The theme in FY 02/03 was that '2002 is not the end, it is the beginning'. He said that as this season had unfolded it was clear that the organization had built on the success of 2002. Post-Olympics, it was a time to create a sense of urgency and a time to move forward. The results were incredible for the year. As the organization now moved into 2003/04 the new theme was 'Best in the world – What does it mean to you?' He said that he asked everyone to think about how to become best in the world individually and as a group from the elite down to the grass roots levels. He said that he saw the organization maturing and taking huge steps forward.

The success of USSA's athletes who were developing into stars created an energy and momentum moving forward. He stated that the results in the Nations' Cup, the World Championships and the World Cup – all added to the momentum and focus on what would be done next year.

In other accomplishments, he stated that the Freestyle World Championships hosted by Deer Valley reflected the relationship developed among USSA, Deer Valley and the community of Park City. The Freestyle World Championships set a new standard for Freestyle. He said that there was a new energy in Freestyle for growth which was manifested in the championships.

Marolt said that there had been an hour of primetime negotiated with NBC and it was decided to take that hour and meld that with the Snowboard Grand Prix. The event included a concert with the Red Hot Chili Peppers and it was a phenomenal success. The concert ended and everyone went and stood on the edge of the superpipe.

Marolt then stated that one of the organizational goals was growth. He said that there was a period of time where the membership had stabilized at a certain level. He said that over the last two years, there had been an increase in the membership and that that meant good work was being done in Park City and around the country. He said that the tremendous results of the athletes were also helping as they competed at every level.

Marolt said that the Foundation staff did a good job in the past year, which was a tough economic challenge. The highlight every year was the New York Ski Ball, which did a phenomenal job. In a tough economic year the New York Ski Ball brought in \$700,000 net, which made a huge difference in the organization's income.

Marolt then said that the following were not highlighted much but he mentioned that athletics was based on four cornerstones:

- (1) *Elite teams* – with great training and competition opportunities.
- (2) *Development teams and projects* - He said that the development pipeline was now coming into focus with good communication, oversight and management of the athletes in the pipeline.
- (3) *Sport science* had helped in innumerable ways and was a world-class program. He said that the staff would be headed to Colorado Springs the next day to make a presentation to the USOC to the sports partnership team and he stated that USSA received high marks when it discussed its sport science programs.

(4) *Coaches Education* was an initiative from three years ago, which had been reorganized and re-staffed and refocused. The efforts there would lead to a world-class coaches education program, he said. Marolt stated that the number of people involved in the grass roots levels to national and international would be the glue that held the entire organization together. When the development level coaches were working with the elite team coaches that would be when the pipeline would be fully fleshed out. He said that this would happen within the next two to three years.

From a financial standpoint, Marolt stated that the organization knew it would be challenging. The budgets had been reduced. FY 02/03 was the start of the reductions, which included a mid-year correction. At the same time, the organization maintained its programs and successes. He said that this was a credit to the staff that worked daily with the athletes to stay positive and to make things happen. He stated that this was the eighth straight year of a surplus. He said that a lot of the organization's ability to achieve was due to the generosity of the trustees buying into the Olympic hospitality programs. Their support provided the flexibility to recognize revenues at the right times and allowed for the surplus.

FY 03/ 04 presented additional challenges with the tough economy. Corporate America did not currently have many extra promotional advertising dollars. He said that USSA was able to re-sign sponsors but, in most instances, unable to sign them at an increase and, in many instances, having to accept fewer dollars. The results, he said, were cuts of \$2 million for this year, shared equally between athletics and administration. As those cuts were made the organization worked hard to maintain its support to the elite athletes. If USSA is to be the best in the world, he said, the athletes at the top had to have the support for full preparation so when entering competition they had full confidence that they were ready to compete.

He said that as he looked forward there were revenue challenges ahead. To maintain current funding and reinvest and build back to current levels, \$2.7 million additional revenue was required for FY 04/05 and for the Olympic year, an additional \$3.4 million was needed, FY 06/07 an additional \$2.2 million was required and it presented a huge challenge given the state of the economy. Going forward, he said, the priority for every incremental dollar would be investment in athletics. He said the organization needed to get back to that point.

Another priority was to build out a full communications plan. He said that everyone talks about improving communication but that was only part of what needed to be done. He said that USSA needed to do a better job of telling its story to the public and those who did not know anything about the organization. He said the organization had a strong brand but needed to do a better job of telling that story. He said that by mid-summer there would be a clear plan of what that plan would be going forward. Tom Kelly had been charged to work on this with the individuals in the company and create a fully integrated plan.

Another focus would be the major gifts program. USSA's opportunities to grow financially would be through major gifts, getting into the private sector and networking and focusing on the \$10,000 donor. The foundation, he said, was the one place where no staff reductions were made. One staff member was added. He said that he wanted two people working fulltime in major gifts in addition to Trisha and himself. He said that this was where the organization would find the dollars to replenish what had been taken from athletics.

In addition, he said, USSA would stay focused on its marketing efforts and that the marketing staff was doing a good job and would work to hit the numbers budgeted for the year and be in a position to take advantage of any recovery in the economy.

Marolt then said that everyone knew that staff had worked long and hard to build a training center in Park City. He said that the organization had come close to coming to the board for approval to build the facility but with the economy and September 11, the resources were not found. He said that approval would not be requested from the board until funding was in place to build and maintain the facility. He said that if the organization were able to build such a facility it would be the centerpiece of USSA. It would tie the Olympic venues with elite teams through to the grass roots level programs and have a huge impact on coaches' education. This facility would take the organization's programs the next step up.

Marolt concluded saying that 'Best in the world – what does it mean to you' meant that all have to make an emotional investment in the athletes and programs and at all levels. He said this had to be done to encourage athletes to go where they did not think that they were capable of going. He said that if everyone committed to this that it would manifest itself in results at the top. He said that he believed that USSA was on the road to being best in the world and that the next three years would be the most successful and enjoyable with this company.

He closed by thanking everyone and stated that it had been a great couple of days and he looked forward to getting on with the summer.

#### **8. Financial Report: Mark Lampe**

Lampe stated that Bill had covered a lot of his presentation and that he would highlight a few items: the year-end forecast, FY 03/ 04 budget and its challenges and the challenges going out to five years. He said that the third quarter condensed financial was passed out as of January 31<sup>st</sup> with the year-end forecast of operating surplus of \$76,000. He said that very few, if any NGBs, could match eight straight years of surplus. He said that this was not accomplished without significant challenge. The year was begun with a planned reduction. The target was \$22 million. The year he said started strong with an Olympic afterglow. As the summer months passed with a lot of inventory to sell, the economic impact was felt. In September all areas of the company were reviewed for cost savings to compensate for potential shortfalls in revenue. Much of that, he said, ended up as a prelude for preparation for the FY 03/ 04 season, including as positions were lost through attrition they were not replaced and in 03/ 04 further cuts had been required.

Lampe then discussed the FY 03/ 04. He indicated that the revenue number was achieved after looking at revenue, the amount of renewals and the numbers at which renewals were contracted but, he emphasized, it was still a very challenging number to achieve. It had a larger to be sold portion than any year faced. He said it was a large challenge to the marketing staff to make that number. That impact of lower revenue carried through to all expense programs. The impact was to take the organization back to the revenue/expense levels of FY 99/00. He indicated where the cuts were taken. He said the current head count in administration equaled that of FY 99/00 with the athletic head count remaining higher since athletics grew more than administration in that timeframe. There were many key programs in athletics that needed staffing and the staff did an excellent job throughout the athletic summit to find ways to accomplish as much as possible with less money. He then stated that a wage and salary freeze was in place. Event costs were reviewed in detail and cut to the minimum. If inventory was not sold, the events were reduced to serve the athletic purpose only and as sponsor interest increased more could be added.

Lampe then indicated that the budget challenges for FY 04/05 would be very similar as this year. He also indicated that there had been no European interest in inventory for the

last two year. Historically, European interest in alpine inventory had been high. As Europe's economy also went soft, the revenue for the alpine events also dissipated. He said that the USSA had been working with the FIS and others to get that revenue stream back on line.

Lampe also emphasized that fundraising had been holding even. Most non-profits' fundraising efforts had dropped off so credit was due to the foundation staff and trustees for keeping those activities at the same levels or higher than the past.

Lampe then stated that the USOC also was facing uncertainty that was putting added pressure on that revenue, which could result in decreased support for NGBs.

Lampe discussed the next three years and that there were still deficits projected if the current revenue streams remained where they were. The athletic programs rolled forward for flat activity and some events came back on line, but if nothing changed, he said, the next year would result in an \$800,000 deficit. Lampe said that finding an additional \$2.7 million would provide the athletic budget the additional \$2 million of funding needed and take care of the deficit. He said that that would provide the critical support for elite and development teams prior to the last two seasons.

To conclude, Lampe stated that where the organization would focus to find the solutions would be the major gift program. The trustees had bought into that enthusiastically in helping provide leads to the major gifts managers and to Trisha. He stated that that could put an additional \$1 million annual revenue into the fund over time. This would be pursued by the Foundation very aggressively. On the marketing side, many trustees had significant contacts with global companies, including those with a target market of Europe. Domestic TV units, he said, would still be a challenge. He said that this was the largest number of units to be sold that the company had had in a number of years. The organization was committed to 14 ESPN TV and 9 network TV hours with between 18 and 20 units per hour to be sold. Selling these basically paid for the TV production and the time buys and provided the sponsors the exposure that they desired. Selling the last several units of each hour were historically challenging. The marketing staff was focused on these sales as the more units we sold, the greater the returns to the organization.

Lampe in response to a question from Chris Puckett explained that the jump in budget for 05/06 related to Olympic housing and food provided to the athletic program during that year, which did not occur in the following year. The event level stayed the same, he indicated, because those are what the organization had to sell. He explained that if sales fell off, events would likely decrease, but if inventory was starting to sell more events could be added. The lion's share of the administrative costs, he explained, related to events.

Ferries reiterated that it was important to remember that of the \$10.6 million in 05/06 only \$3 million of that was really administration. The remainder was events. One of the things that the organization had done a tremendous job with was keeping administrative costs to about 15 –16% which he said was very competitive for this type of organization; 85% of the dollars were going to athletics or to events which support athletics and the sport.

Lampe also added that one cost, insurance, was an area in which the organization had been burned over the last few years, and as a result, he said, he had taken the line item up by 15% for each year. He stated that that was a large number and he hoped that that would stop and, if it did, the administration number would also lower. Those savings would immediately move into athletics.

Marolt also emphasized that events were also part of the athletic program. The events were done for two reasons: to give the athletes home court advantage and to deliver

value to the corporate sponsors through the televising of the events. He emphasized that the organization was in the TV business – time buys and production. For a company of this size, he stated, that was a huge piece of business and risk for the organization but the only way to make it work on the sponsorship side.

McCarthy asked whether USSA had factored in the change in currency value with the decrease in the value. Lampe responded that that had been another challenge. He said that as the teams did their planning this year, they knew what they had been through so they accommodated it in planning for their lodging, food and rentals and factored that into each European project. Ferries reiterated that this would be watched closely.

Marolt said that the reason there were eight years of surpluses was that the organization had been extremely conservative in its budgeting. He said that there was a reserve against potential revenue shortfall but, he added, at some point you had to make a call on the number on the budget. The currency issue was one that was budgeted and the organization would have to live with the results.

## **9. FIS Report: Bill Marolt**

Marolt said that he had been to three FIS Council meetings and as in any new position it took a few meetings to get a feel for the personalities and the leadership. He said that he had been excited about this opportunity and that it was a good position for the president and CEO to be in to sit on that Council and have input and try to shape the direction of the FIS and the sports.

He stated that the USSA staff had a terrific relationship with the FIS professionals and the volunteers. Many people worked together to develop the initiatives and the agenda for when the US representatives went to the meetings and the Congress. The work from technical committees was through planning and development of personal relationships with the FIS and had made significant progress to moving the agendas forward. Almost in every instance where something needed to be accomplished that had occurred.

Marolt stated that one area in which the FIS had done a tremendous amount of work was in the area of anti-doping. Franco and the Council decided that they would have a strong anti-doping program and they spent considerable resources (this year in the neighborhood of 1 million Swiss francs). They had dedicated staff and were doing a good job with in and out of competition testing. A good deal of work on the part of the company was done by Alan Ashley and Melinda Roalstad, they have done a really good job in raising the level and professionalism and focused the detail on what it took to have a really good anti-doping program. Melinda was the chair of the medical committee at the Nordic World Championships and did a really good job. At the Council meeting, statistics were presented on cross country skiing that clearly showed the doping efforts were effective. The mean hemoglobin levels for men and women had decreased, which were a clear indication that the testing was having an impact. Seeing more and different people on the podium was also indicative of what was happening.

Ashley stated that he wanted to add that next spring the FIS would be adopting the WADA code by which all nations would conduct their business and work toward more consistency in the testing process and consistency with out of competition testing and form a platform to ensure that all nations were rigorous in enforcing anti-doping measures. He stated there was still work to be done especially in the area of blood doping because the system in use now did not use blood to disqualify athletes - only urine samples. The aberrations showed up in the blood and could then target someone for more frequent testing but, ultimately, the methodology needed to be addressed;



however having one code would help with knowing what was going on with all ski and snowboard sports.

Marolt stated that cost containment was another major focus at the FIS. Marolt said that the business model needed evaluation and to create events, calendars and schedules that were cost effective and create formats, etc. so that the national federations could get their business done in a more economical way. He said that costs kept escalating and it was difficult to keep finding revenue to keep up with those costs. From an international point of view he felt that this was a huge initiative. He said not much progress had been made to date but he hoped that would be the area in which progress would be seen in the next several years.

Marolt said the next challenge was presentation of the sport to the public, which referenced TV. The way in which international TV was managed he said was very confused with a lot of owners of TV broadcasts around the globe and, he said, competing interests were not always working for the betterment of the sports or presenting them the right way or presenting them cost effectively. A strategy had to be developed he said to manage the broadcasts which would require figuring out what categories the FIS would need to develop a fully fleshed TV plan going forward. He said that this was a critical area going forward in terms of long-term impact. In general, with the volunteers and staff working in the technical areas agendas were moving forward and the anti-doping area had been extremely well done.

Sosman stated that he had been sitting in on the FIS Medical Committee and it was only a few years ago, he said, that they would not let anyone sit in who was not an MD. In that period Melinda became a member of the committee and was now spearheading the committee. Marolt reiterated saying, "give Melinda a task and get out of the way". He said she had done a terrific job.

#### **10. USOC Report: Jim McCarthy**

McCarthy stated that he wanted to start with some good news from the USOC. To begin he said that USSA was recognized as being one of the premier NGBs in the USOC family based on the performance of the athletes, the strength of the organization and the quality of its leadership.

McCarthy said that the USOC was one of the parties actively involved in the WADA code drafting and implementation. The WADA code while missing a few points that the USOC tried to get in represented a great step forward and had been adopted by the USOC. He then discussed the situation with Dr. Wade Exum, who had been terminated several years ago for cause and subsequently sued the USOC for employment discrimination, which was dismissed shortly before trial on a motion for summary judgement. Dr. Exum had taken with him 40 boxes of files that were in fact the property of the USOC. He had threatened to release those documents to the press which is what he did which was incredibly damaging to the athletes involved. The track and field and tennis athletes, he stated, had been indicted, tried and found guilty of doping in the press. In reality if those athletes were tested today and had the same level of prohibited substances as they had in '88 and '92 they would not be disqualified from competition. They were not disqualified then and would not be disqualified now. There was no place for those athletes to go to recover their reputations he said, which was an unwarranted and unfortunate attack on the athletes.

The USOC he said did provide a lot of funding to NGBs. He stated that a quarter of the funding spending by NGBs was provided by the USOC. Because of management turnover and some ineptitude there was a budget hole of approximately \$12 million for

this quad's budget. As a result there would likely be a budget reduction to NGBs. USOC, he said, was distributing funds based on performance of athletes and the organizations' performance. USSA would be in a good position based on the performance of its athletes, staff and coaches. USSA he said would get an appropriate amount of money based on the allocation formulas and procedures currently in place.

Nelson Carmichael (absent) had provided to the Board a summary of the sequence of what had happened at the USOC (Addendum A) and he would not go back through it. He said that it had been a trying and difficult time for the USOC. He said that this governance meltdown was inevitable and that if it had not come from the failure of the leadership, it would have come from a financial crisis or some other precipitating event. The organization's structure had lost its focus. The mission was constantly expanding, being all things to all people. The other things going on were a culture of partisan political activity where people were elected on a political basis that approximated what seemed to be ward politics in Chicago. The consequences were extreme for the organization.

McCarthy said that as painful as it had been for everyone involved, who cared about Olympic sport in this country, the reality was that it was good news because the organization would not change in any other way. He said that he had been on governance committees at the USOC for three years and it was clear that there was no political will to change. He went on to state that the board consisted of 123 people who met twice a year. All of the expenses for all of those people were paid, lodging and transportation. The governance expenses were excessive. The meltdown, he said, created the opportunity for change. An internal task force had been appointed of which he was a member and the Senate appointed an external task force. He stated its composition. The two groups were attempting to work together to bring a proposal that would be jointly supported and represent a significant change to the way in which the USOC was governed.

The internal task force had already put its proposal forth and it reduced the board size to nine, four outside directors, two athletes, two NGB representatives and one IOC representative. This change in structure was created to break the back of the partisan political activity that dominated the USOC. Rather than four year terms, staggered six year terms had been proposed so that people were there long enough to understand the organization but not so long as to establish a career and remain forever. The results might vary from what the internal task force proposed but the change he said was inevitable and would come very quickly. The proposal from the Senate panel, he said, was due out by June 30<sup>th</sup>. Both groups would work to coordinate the proposals and the implementation would take place in the fall. He said the organization would get better as a result.

Dexter Paine asked if the budget shortfall came out of athletics. McCarthy responded that as part of the process there was a new interim CEO, Jim Scherr, an Olympic wrestler, MBA from Northwestern and former executive director of the wrestling federation. He said that Scherr was committed to getting every dollar first to athletics and then to everything else. The staff of the USOC had volunteered to take pay cuts. Last year when it became clear that financial difficulties were coming, bonuses weren't cut but paid in VIK.

Marolt stated that because of Scherr USSA had a good partnership with the USOC. He said that the relationship was really positive and that staff had worked really hard to be prepared to make presentations to the sports performance group and had been successful in securing a good share of available resources. He said that the good thing about the USOC revenue was that those were incremental dollars that went directly to the bottom line of athletics without fulfillment costs. He said that McCarthy's efforts at the

USOC were going to make a difference when it reduced to a nine-member board with four standing committees and selected, rather than elected, board members.

McCarthy stated that the staff at the USOC continued to function and move forward with the NGBs, athletes and coaches and they deserved a lot of credit. He said he wanted to help return pride to the USOC. He believed that it was the beginning of a new and better day at the USOC.

Lee Todd stated that he also sat on the board of the USOC and he said he would be one to vote himself off the board most willingly. He said that when a board of 123 was brought together twice a year that that budget item alone was in excess of \$2 million. Money that could have gone into athletics, he said.

Ferries closed the discussion stating that one of the organization's strategies had been to partner with the FIS and the USOC and those continued to be major strategies moving forward.

**11. Athletics Report: Alan Ashley**

Ashley said that this was an instance where he could speak for hours on the athletes, programs and coaches and the collaboration that the community had within this organization. He said that he would not spend much time since Bill had focused on the four pinnacles of athletic success, which had been the driving philosophies developed over the years. Even in the toughest of times, he said that it was critical to provide support at the top to make sure that the support and services were provided to get the job done. The heroes created through great performance were the people who brought kids into the sport, he said. He said that that acted as the recruitment program. The young athletes in this country wanted to be like USSA's superstars because they were so positive and so good. He said it was important to maintain that to attain the goal of best in the world but also as a strategy to develop athletes for the future.

The national development system was important in that it provided a collaboration between the clubs and divisions and the national team and national program. He stated that it had to be done as a team. Every coach and club had to feel part of the US ski or snowboard teams in terms of how each operated and how everyone worked together, which created that momentum and enthusiasm.

In sport science, he said, not only did the organization need to have elite team services but also to take the information down the pipeline so that essentially that information became available through the coaches education program to all coaches, parents and programs to have consistency and continuity. He said that this required partnerships and that those were the four areas in which he would not compromise.

In alpine, he said that there were outstanding results at the World Championships and World Cup and also superb performances throughout the pipeline at Whistler and Topolino, in the regional and home club programs. Athletes were all trying to be best in the world in their world. He said that bringing on Jesse Hunt in the role of alpine director was a big change, having someone drive the content and the focus of the organization so that everyone was collaborating as a team was a huge step forward and helped the organization get its development program in place and it helped in retooling the coaches education program.

In freestyle, he said, absolutely spectacular performances in moguls in every single competition. The US he said was dominant and it was a great effort on the part of the athletes. In aerials, he said, there were challenges with retirements. He stated there was

a good group coming up but it would take some time to get them to the top – not unlike where the organization was following the Nagano Games. He said that it was possible to move the program forward and be as competitive as ever in aerials.

Ashley discussed the new strategy of consolidating training in Park City and getting athletes to town to get jobs, settle in and work on improving their degrees of difficulty and execution. There was also a new recruitment strategy in aerial training being undertaken. USSA would be running advertisements in gymnastics publications to ‘come fly with us’. Recruitment camps would be taking place in Park City and Lake Placid for gymnasts who could bring the acrobatic skills to be successful. USSA would work with them, teaching them to ski and those who were really talented would enter a special development program and others would be recruited for the clubs. He said that he was really pleased with this program because it was a new approach that had never been taken before – recruiting from another sport. He said that there were new disciplines in freestyle that had emerged from the free ski movement. He said that more grass roots development of the disciplines was taking place and that it would be good for moguls and aerials as well because it would get kids involved with USSA and their local clubs and end up converting some athletes to mogul skiers and aerialists.

Nordic Combined had an excellent year at the World Cup and the World Championships with Johnny Spillane’s first-ever gold medal. He said that Todd Lodwick also had had an exceptional year in World Cup performances. Bill Demong, who crashed in the pool last fall and cracked his skull had just been released to start ski jumping in a few weeks. He said that the athletes could, at the top level, be a dominant force as the athletes rolled into Torino and the ‘05 World Championships in Oberstdorf. He said there was work to be done on the World Cup B level. He said that the challenge was learning how to balance the jumping versus the cross country.

In cross country skiing the World Championship results were also fantastic. Kris Freeman and Carl Swenson in particular did a very good job. He said what was evident was the maturation of the program in terms of the development and elite team strategies. He said that there was a hole on the women’s side and he was concerned about that at the top level. He said that there were, however, at the 15 and 16 year old level a lot of women being developed by the clubs who would have the capability if they wanted to stick with it to be as good as Carl and Kris were currently.

He said that the program was evolving and that it would be the first time that the team had been on the World Cup for an entire season in cross country in 20 years. He said it was an important move for the organization that those athletes competed on the World Cup and compete for an entire year.

He also emphasized that this was an area where a strong anti-doping effort was mandatory. He said manipulation of blood was still taking place and USSA would have to continue to push very hard for lifetime bans for blood doping. He said that it had to be so serious that athletes would not make that choice to cheat in that way. He said that was a long-term prognosis and long-term focus. He said that USSA athletes were doing it the right way and they were shocking the world with the quality of their skiing

In ski jumping, there was a one-man team since Alan Alborn had retired. He said there was a lot of work to do there. In the pipeline there were 14, 15 and 16 year olds who were now jumping at a high level and there were a critical mass of them. He said that effort had been redirected from development programs to a competition program where a level of competition had been created with prize money that should help to make the steps from the club to a national and international level more reasonable and clear for the athletes. He said that required working with the clubs and maximizing the development of facilities to support this kind of program.

In snowboard, he said, that snowboardcross had been added as a discipline for the winter. He said that not much had been done with snowboardcross thus far and that no team would be named for the year but that projects would be run to begin to identify athletes who were talented. He said that the alpine approach had been refined and he that the halfpipe program and focus remained strong and that would continue forward.

He also stated that great strides had been made in the disabled program as well. He said it was neat to see Jon Kreamelmeyer receive the disabled coach of the year award. On the alpine side, he said, the team continued to win a lot of medals with a consolidated team of dedicated individuals who trained just like all the other athletes in the organization on the business of winning medals on the disabled World Cup. Alan Bender had just retired as coach of the alpine side and would be replaced with Kevin Jardine who was assistant coach and would do a fantastic job there. He said that this remained a very good program that was performance based and that both the athletes and coaches remained very proud to be part of the program.

In sport science and education, he stated that he had consolidated the departments under the leadership of Andy Walshe who was now an assistant athletic director for USSA. He stated that Andy was one of the top performers for the company and he believed that it was a good model in that sport science not only provided elite service but also provided a great amount of education across all sports. He said that to be best in the world this effort and focus were essential. He stated that the retooling of this program included bringing in Dave McCann as the education services director who would work with each of the sports to provide a broad base of education and make sure that sport science management, ethics and pedagogy were delivered on a consistent basis throughout the organization and then work with the sports specifically to deliver sport specific training as related to technique, tactics and being the best in the world.

Ashley closed commenting that it had been a tough push for everyone in the spring coming out of the World Cup and competitive season into the Athletic Summit and into the FIS meetings and now here. He wanted to acknowledge the great work of the staff. He complimented various members of the staff who had done a great job of keeping the focus on athletics in the program. He said they remained focused on the number one task of making sure that the athletes were well taken care of with great coaches. He finalized saying that the organization was on point to getting the job done and that he had absolutely no doubt in his mind that winning 18 – 20 medals in 2006 was achievable – the athletes were there, the coaches were there and the desire was there.

McCarthy stated that there was a press report indicating that WADA was adopting monetary fines of up to \$100,000 and suspension of federation leaders for multiple drug violations during a 12 month period or for a single competition. He said that was another positive step for field leveling.

Question was asked of Alan as to the number of people who reported to him. Ashley responded to the question by listing all of the individuals who reported to him – nine people down from 17.

## **12. Sport Committee Reports/Action Items:**

Ferries stated that the next items were the sport action items and he asked to hold the voting on those to the end.

**Alpine:** Bob Dart stated that he had passed out a report (Addendum B). He said that he was proud to be a part of the alpine community and working with Alan, Jesse and the

other staff members on what they were doing to become best in the world. He thanked the many volunteers for the hours they spent in putting the rules and regulations together. His first item from the report was the Congress schedule. He thanked the board for allowing the sport to work on the Saturday to get its business concluded and asked for the board to continue having the board meeting on the Sunday in the years to come. He said that it allowed the volunteers to take advantage of the Saturday night stay and not miss too much work. He stated that alpine had consolidated its alpine subcommittee which had two working groups - an education and athletic development working group into one development subcommittee which would be refined in focus on development education. The members would be brought to the board at the meeting next spring. He said that this had been a positive move forward.

Another change was to approve a JII National Championships for improving the pipeline for '04. The other item was informational and it was the request by PNSA to reevaluate the JIV points issue that was passed last year. At this time, no action was taken to change that. After review there would be no change going forward - no scoring of JIV and below.

The next item was approval of the operating procedures that would be discussed later by Alex. The last issue from the development subcommittee concerned youth competition equipment standards having to follow the FIS regulations for Continental Cup and above. Kids needed to have a clear understanding of the equipment needed as they moved up the pipeline and staff would address that with recommendations for next year.

Natt stated that a couple of replacement pages had been distributed to the board for the alpine operating procedures and explained what the change entailed regarding deleting term limits for athletes.

**Cross Country:** Lee Todd echoed what Bob had said about being very proud of working with his committee. The committee had changed quite a bit with new faces. He also said a close working relationship was in place with staff and it was a pleasure and well worth the investment to work with such a great group. He said that the initiative for U-23 (under 23) Championships was a new initiative and he said it was a great development event. The group had worked with the FIS to get this competition sited at Soldier Hollow in February. This would be a four-event competition with a classical sprint relay at the end. He said that he'd received a verbal commitment from a number of nations attending the meetings in Strasbourg to attend. All of these would contribute to a great event. Kris Freeman did a great job and said that this competition would end up as a great development tool for the US and the European nations.

Todd said that the US Nor Ams continued to get great support from the sites and continued to raise the amount of prize money for the events. He stated there was some conflict with Canada whose events were not keeping pace with the level of professionalism and prize money so the US stressed at the FIS that the US would host top-level events and they would be US focused.

Todd stated that the cross country community was beginning to look forward to awarding events years out to allow sites to focus on sponsorships. In Fairbanks at the Junior Olympics the organizers were able to get state and local money to recondition their courses and make a state of the art stadium and have a facility centered toward athleticism. It proved that when events were awarded the community could take advantage of that to create a legacy for the program. Finally, the executive committee had discussion on the operating procedures and those could be moved forward.

Ferries stated that it seemed to him that the U-23 championships were a fabulous idea that came from the USSA staff and group. He said that it was also a great idea for other

disciplines. Not so much in snowboard, because they had so many young people participating, but when you got into alpine those racers did not reach their peak until they were 25 to 30 years old. To keep athletes going through their education and the pipeline was a very good approach. Ashley stated that cycling had been doing this for years.

**Disabled:** No action items.

**Freestyle:** Andy Wise reiterated what Bob had stated about the Congress schedule. He said that it was very important for the volunteers to be able to come and get their work done in a couple of days instead of spread over three days. He said one major thing that had been brought forth from the FIS Congress this year was front and back flips were approved. The Freestyle Committee felt that this was not appropriate for USSA level events and have placed this on a one-year hold. He said it would be brought up again next year as to whether USSA would want to implement this at USSA events. He said that insurance would be a determining factor. When this did happen, there would be a process put in place to qualify the individuals into the jumps just as happened in aerials.

Wise stated that in the past the sport committee had been more concerned with doing the day to day business but now the longer meetings take place in development and coaches education. More time was being spent in those areas rather than time spent in rules and tech. He said that this time rules and tech was one of the shortest meetings.

The rookie membership which had been approved last year proved very successful for freestyle and would be monitored with Sheryl to track how many rookies converted to normal memberships this year. The one action item was that the committee had instituted a new combined and this he said went along with what Alan had said. The old combined was aerials, moguls and acro. Now it would be moguls, aerials and halfpipe. What this would mean was an additional list from competitive services or combine one list. He stated there was already a list for moguls, aerials and halfpipe, but a list would be needed to take the common person from those three and place into a combined list. Finally, the executive committee passed the operating procedures.

Natt added as a point of order that the new combined discipline recommended had a potential budgetary impact on USSA with its need for a new points list. It might be appropriate he said to table that initiative now subject to budgetary examination. Once that was completed, the item could be brought to the executive committee and ratify the action at the Vail meeting. Rodman stated that there was a member of the freestyle community who could run the points list for combined himself rather than doing it through USSA if it were such a budgetary impact that it wouldn't happen.

Natt responded that it was important to keep the points lists internal to USSA so while that might be a generous offer, the organization needed to review the budgetary impact first and bring it to the executive committee in the summer.

Ashley stated that it had been made clear that the organization needed to get ahead of these things, that budgets had already been set for the year. He said that if it turned out to be something that was easy to do for the year within current resources that would be great but he said the organization needed to be sure that things were not being forced into the freestyle budget that it could not afford to do.

Wise stated that this would be beneficial for the sport in that it would allow crossover opportunities.

Ferries stated that the organization would do everything it could to figure out how to get this done internally and that it should not be done externally even if it could not be

achieved within the budget. Ferries said USSA could not have different groups running different programs and scoring systems outside of the USSA.

**Motion #7: To refer the freestyle action item regarding the combined subject to review for budgetary impacts.**

M/S/C Jim McCarthy/Dexter Paine approved by acclamation

***Jumping/Nordic Combined:*** Alan Johnson reported that the committee wanted to add one more event to the Junior Olympic format. Last year there had been a split between the older junior group 19 and under referred to as the North American Junior Championships with Canada and the US and the Junior Olympics reverted to JII and under. This allowed a seven-day event to be completed within four days. However, the committee felt it was important to add the nordic combined team sprint to give the nordic combined team a second event in which to compete. He said there was a junior development representative on the committee as well as divisional working groups and those would be combined into one group.

Johnson discussed the SuperTour that Alan had referenced – over the past few years the ski jumping development had been less than effective. With budgets coming down considerably the committee had begun to look at innovative ways to try to address development at the athletic and event levels. The schedule had been reviewed from Continental Cup, Nationals and Junior Olympics and events were added just below these levels. Seed money was added in the form of prize money so those athletes who were skiing well could potentially win enough money to pay for their expenses. This would lead to an incentive to get into a bidding situation where the better sites that could host these events had added prestige with the addition of prize money. He hoped that the event sites would match the dollars put in by the organization. In the midwest where 3-5,000 people showed up and they were getting a gate he said do a little matching fund thing. The schedule created a series of events for potentially every weekend addressing every level. This provided a complete schedule domestically, he said, which meant that an athlete did not have to travel to Europe until the Continental Cup. This schedule he said would become a template for every year following. Only minor changes would be made to accommodate an Olympic or World Championship year.

The last items he mentioned were that Brattleboro had committed from \$3-400,000 to rebuild their sites to FIS standards of homologation. Steamboat was also adding plastic to a K64 which would have a huge impact on that program and Chicago was rebuilding their hill to a K75, which was another very important site to come back on for the juniors. Within USSA in ski jumping, an 8% growth occurred and 24% of competitive ski jumpers were now women. US women competed in Europe for the first time this year and beat Austria in a team event.

Ashley stated that the prize money provided on the cross country tour was 100% funded by the event sites/organizers. Down the road, Ashley guaranteed that the jumping community could support athletes with prize money in the long-term.

McCarthy stated that it was important to state an organizational position regarding women's ski jumping and provide some substance to it since this topic surfaced at the USOC - having a sport approved for the Olympics and having it grow from the top down. He said if USSA's position was to grow from the bottom up, USSA should be prepared to present and defend this position.

Ashley responded that he'd received a letter from Peter Jerome and he asked those very specific questions. He said that he had responded by saying that the way to have the women ski jumpers represented at the Olympic Games someday was to have quality



women jumping a long way and attracting the world by the quality of their athleticism. As a nation, women's ski jumping would be involved in the SuperTour and the National Championships and in the Junior Olympic programs. He stated that it was a club based program so the numbers and quality would increase and as the quality increased then there would be lobbying for World Junior Championships.

Nikki Stone asked what numbers of women were competing from other nations. Johnson responded that in the summer series there were nine nations participating with 44 athletes. Johnson said it was important to be able to quantify at what point it would be appropriate to move to the next level.

Marolt reiterated the position of the FIS who were not in the mindset to create World Championships and press for Olympic participation until reaching critical mass.

**Snowboard:** Gary Taylor stated that their meetings had gone well and that one of the biggest challenges was the adoption of snowboardcross that Alan had brought up. As a new discipline there was knowledge of only a handful of people on their abilities but a plan was devised to add snowboardcross to some alpine events to get an idea of how athletes were progressing. Taylor also thanked Rick Bower for all the years he had given to the organization. He retired from competition this season but would remain the athlete board member for a couple more years. He thanked him for all the help he had provided over the years. The committee he said had also approved the operating procedures.

**13. U. S. Skiing Foundation: Mark Lampe for Bill Slattery**

Lampe said that the USSF (the entity that contained the funds distributed from the LA Olympics in 1984) held their board meeting earlier in the week and as mentioned in the nominating committee report nominated three people for the open positions on that board and that was approved. The board also reviewed the investment plan for these funds and the conclusion was that USSF would continue to increase their participation with the USSA investment fund in the same allocation that was currently being recommended by the USSA investment committee. This entity, he said, held approximately \$1.9 million that would be placed there. The board also reaffirmed their grant policy to 100% of the annual earnings from that fund to support the general athletic program annually.

**14. Judicial Committee Report: Todd Wakefield**

Wakefield stated that it was good to be back although it was in a role from which it was best if the board never heard from him. There was Judicial Committee activity with a team selection appeal and that came to the committee on the 10<sup>th</sup> of February. The appeal involved two freestyle athletes and essentially there were too many athletes to satisfy the objective criteria for selection to the team. The staff had construed the team selection criteria correctly concluding that both athletes had met the criteria for the last open slot on the team. The staff had resolved the tie by a customary method rather than by anything published in the rulebook and the custom was to look at which athlete had the higher finish in an elite level event. Notwithstanding the finish differential the one athlete was 12<sup>th</sup> in the world and the other was 27<sup>th</sup> in the world. As was not uncommon with freestyle both were exceptional athletes and both of which deserved to be there as much as the other and the problem was a criteria that did not include the tiebreaker protocol. Within 10 hours, as there was time sensitivity with teams heading off to Asia, the judicial committee convened, a hearing was held and the athlete and staff both presented their cases. Ultimately the judicial committee concluded that, since there was no tie breaking mechanism included in the published guidelines and because there was

some ambiguity around the tie breaking mechanisms, the fallback position that was published was selections could be made by coaches' discretion.

The judicial committee sent back to the staff that they could make whatever decision they felt was appropriate but it would have to be explicitly made on the basis of coaches' discretion. The staff's resolution on the three start rights on the team selection was a tribute to their sense of fairness and creativity. The action taken was to enable one athlete to take the first start right and the second athlete was given the second start right and whoever did the best in that event was given the third. That was within the bounds of discretion and the result was some follow up by the athlete asking for reconsideration of the decision but there were no new arguments being raised and the committee declined to hear it on the basis that the committee would not reconsider decisions absent new evidence or arguments.

Ultimately no appeal was made to the USOC and the decision stood. The judicial committee recommended working harder to ensure that there were always published mechanisms for tiebreakers. He thought it might also be worth publishing the unpublished mechanisms that had been invoked in the past and be explicit about what they were and address them specifically the next time criteria were published.

**15. Legal Report: Alex Natt**

Natt stated that this had been a remarkable effort by Todd, Trace Worthington and Jeff Chumas. The organization heard about the appeal on Monday morning and were threatened with arbitration the following day in Denver and had been able to schedule a hearing by 5:00 p.m. that same day with resolution by 9:00 a.m. the following morning. He thanked the volunteers in that regard.

Natt stated that the legal report would be brief. He said that he'd informed the board in the last meeting that USSA was engaged in litigation over the cancellation of a 2001 test event in alpine at Snowbasin. Strachan & Strachan had been retained to prosecute the matter. The defendants were a broker and Lloyd's of London. The matter had been filed in federal court in Salt Lake City.

**16. Athletes' Council Report: Greg Boester**

Boester stated that everything that had been on their agenda had been covered at the sport committee level coming into the Congress. As a result there were no items to bring before the board, he said.

Nikki Stone reported that she kept abreast of many of the issues of concern to the AAC members. She referenced Nelson Carmichael's report (Addendum A). She concurred with Jim regarding the changes to governance that would occur. The task force, she said, had done an incredible job. Most people were in agreement that the board should be reduced from its excessive level of 123 members to the nine being proposed. She stated that worldwide the WADA would gain acceptance. She stated that the first serious violation was a two-year suspension and the second violation resulted in a lifetime ban and WADA set standards for testing and appeal procedures. All athletes would be subject to out of competition testing and federations had until 2006 to enact the code. The NGBs funding she said would now be announced in May instead of November. The Titan Games were very successful. Stone asked the USOC staff whether this type of competition would be considered for winter sports similar to the Gold Cup of years past with all disciplines coming together for a Games. Rookie Games were tabled for the

moment but under consideration for the future. The relations with USSA she said were remarkable.

Stone then discussed the Summit 2006 whose theme was "World's best – personal best" which tied in with what USSA was doing. Of the nine summit alumni leaders, four she stated came from skiing. She also stated that five to ten sport psychologists participated in this program which was a benefit for athletes - teaching techniques that worked and what didn't work for athletes during the Olympic Games. The second program she discussed was a public speaking program. Stone indicated that she had been retained by the USOC to train athletes in speaking techniques and with media training. She said it was a valuable asset and to use the USOC resource to help the athletes.

Ferries stated that everyone was doing a terrific job and he was happy for all their involvement but having the athletes be involved, he said, was really special in that they brought a lot to the organization. He asked the athletes that as they moved on into other things that they work to make sure that their replacements were as good as they were. He thanked the athletes again for their input.

**17. Old Business: Chuck Ferries**

Natt stated that at this time it would be appropriate to request a motion for approval of the sport committee action items and sport reports including the operating procedures that came out of the various sports.

**Motion #8: To approve the operating procedures with the modifications requested.**

M/S/C Andy Wise/Gary Taylor

Rodman stated that he was a little uncomfortable with the amount of time he had been allocated to review the procedures and get back to the executive committee.

Natt said that he appreciated that and that he had had an opportunity to discuss with Andy and Polly-Jo the specific changes and they did not need to be addressed before approval as they were matters of clarification rather than substantive changes but, he said, he was sensitive to his first comment.

Ferries then requested a motion to approve the sport committee action items.

**Motion #9: To approve the sport committee action items.**

M/S/C Gary Taylor/Andy Wise

**18. New Business: Tom Kelly**

Kelly stated that he wanted to cover two points; one was fee adjustments and the other was a timetable for future review (Addendum C). He said that it was the fourth year of membership growth. He said there were some success stories with the program implemented in freestyle and the regional membership in snowboard. On fee adjustments, he said, there was a table in the board packet. One of the things that had been done this spring per the direction of the board last year was that fees would continue to be reviewed annually. He explained that there had been several years where a company wide review of fees was not done.

Kelly said that a full inventory of all fees was undertaken this spring whether USSA membership fees, administrative fees for processing, or fees charged in conjunction with management of the ranking list or of registration at the FIS. The complete outline of those fees was also included in the packet. The fees had been established by looking at the financial realities of what it took for the organization to provide high quality well organized athletic programs. The increases were primarily in the areas of competitor memberships that provide athletes access to all services in the athletic system including the national ranking list. In addition there were a few other areas in the administrative area - the FIS registration fee in alpine and also student and master in alpine. Fees not being increased include youth, officials, coaches and the new pipeline entry programs in freestyle and snowboard; i.e. the freestyle rookies and regional snowboard memberships.

Kelly then discussed the timetable for reviewing the fees. From an operational standpoint it was essential for managing the fees and programs for members that this information be provided as soon as possible in the spring. The goal would be to provide revised fee structure for approval at the joint board meeting in December which allowed sufficient time to manage the implementation.

Rodman thanked both Tom and Alan for coming to the sport committee meetings and addressing freestyle's concerns regarding some of the membership fees.

Engen stated that in the cross country committee meeting there was concern voiced over increasing the fees, which he thought would discourage more membership. He asked if the organization had looked into increasing revenue by, for instance, encouraging more memberships?

Kelly answered that memberships were increasing in every category. Membership fees five years ago covered 100% of the costs of providing athletic programs in the company. Right now membership programs, he said, were subsidized by approximately one third from other revenue sources. Kelly stated that these were now managed at a lower level due to the strength of the company and its ability to provide those resources. In looking at the financial realities, he said, it was felt that the fees being offered were reasonable based on the services that were being provided.

**Motion #9: To approve the fee structure proposed.**

M/S/C Gary Taylor/Jim McCarthy, approved by acclamation

The chairman asked if anyone wanted to bring anything to the attention of the board. Natt stated that any member of USSA was entitled at the meeting to stand at the microphone and have their say so he asked if there were any members of the audience who wanted to take advantage of that opportunity.

Engen stated that there was one more thing he wanted to add. He commended the organization for actively pursuing the anti-doping issue because this issue was essential for success in the international environment. He said that the organization needed to help discourage new methods, new procedures and drugs that would end up on the list of banned substances a few years from now. So he thanked the organization for its continued diligence in this effort.

Dart asked if the date were known for the FIS Congress in Miami. Bill Gorton responded that the meetings began on May 30<sup>th</sup> and ended on June 5<sup>th</sup>.

**19. Meeting Dates: Chuck Ferries**

Ferries stated that the USSA board was scheduled for a joint meeting with the foundation trustees at Vail December 4-7, 2003. Because of the planning process with budgets that needed to be concluded by that time, there were issues that needed to be dealt with and that would make the meeting more important as the organization moved forward. He asked the board to make every effort to attend.

Ferries said that next year the board meeting would be within the May 19<sup>th</sup> and 22<sup>nd</sup> timeframe. Dart asked if that moved the board meeting back into Saturday and Ferries concurred. Dart commented that it would make it difficult to get everything done. He asked that the board meeting be returned to the Sunday morning timeframe.

Ferries responded that the board meeting would take place later in the day on Saturday. Dart asked that it be looked at from the alpine and other sports' viewpoint since it would be very difficult to get committee work finished and information turned around to get to the board meeting in time. Ferries asked the sports to look at their schedules and get back to the staff.

**20. Closing Comments & Adjournment: Chuck Ferries**

There being no further business, Chuck Ferries thanked the board members for a great job and moved for adjournment.

Meeting adjourned at 10:30 a.m.

Minutes prepared by Suzette 5/30/03  
Minutes posted to the web

## Addendum A

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### **USOC AAC Report**

Nelson Carmichael - May 5, 2003

While most everyone has heard of all the negative press that the USOC has received, there are many other items the AAC is exposed to and has positive feedback about. The following is my report from the latest AAC meeting back in February, as well as what's been taking place since then.

**1) CEO** - Lloyd Ward was present at our last meeting in San Diego, and certainly seemed enthusiastic about the USOC, the US Team, and the prospects for the future. He also knew he was in hot water and was willing to speak about most of those issues. After handling some direct questions, he finally said that if his employers asked him to leave, he would. I have attached a chronology regarding Lloyd at the end of this report. Another CEO has not been discussed with the AAC.

**2) GOVERNANCE** - Both the US Congress and the USOC have formed task forces to come up with a new governance schedule for the USOC. While this should ultimately cause positive changes, it will cost the USOC roughly four million dollars (!). As I understand it, this is mostly from profit over the Salt Lake games and it is money that would have gone towards athlete support in one form or another. There have already been congressional hearings and executive committee meetings with a proposal to cut the USOC board down to 9 members. The Ted Stevens Amateur Sports Act - which the USOC runs under - will most likely be rewritten as well. I am sure there will be many more proposals to come. Jim McCarthy will have more information on governance.

**3) DOPING** - The WADA code has now been approved by 65 sports federations and 73 national governments that establishes uniform regulations, procedures and sanctions across all sports and countries. The code specifies a single all-encompassing list of banned substances, mandates two-year suspensions for a first serious violation and life ban for a second, and sets standards for testing and appeals procedures. Under the code, all athletes - including NBA players for the first time - will be subject to random, out-of-competition pre-Olympic drug testing. Sports bodies are required to adopt the code before next year's Athens Olympics. Federations have until the 2006 Winter Games in Turin, Italy, to enact the code in their national legislation.

USADA had requested to be able to share its testing information and results with other countries who have adopted the WADA code. This was met with enough resistance by the AAC that they have tabled the request for now.

**4) BUDGET** - While Lloyd Ward painted a nice picture of where the budget was for '05-'08, I would imagine this has changed since our February meeting and his resignation. He had stated in February that 80% of the \$500 million for the quad was already booked, and he was shooting for \$600 million for the quad. He was targeting athlete programs and support at 85% of this amount, instead of the current 77%. The NGB funding from USOC will now be announced in May instead November as before.

**5) TITAN GAMES** - The recent USOC's Titan Games in Southern California were produced to provide revenue and exposure utilizing combat and strength events in a multi-sport arena environment. While I did not attend these games, they were apparently a big hit, and added a decent amount of goodwill and positive exposure for USOC. Lloyd Ward and the staff were very excited about the prospects for this and other similar events between Olympic Games, although to be honest, I am not sure where plans for these games stand at this point.

**6) ROOKIE CAMP** - Mark Henderson (AAC Rep-Swimming) is looking to get the Rookie Camp up and running. This would most likely involve inviting one or two athletes per sport to a special camp designed to provide all kinds of valuable information prior to their first Olympics. This is obviously a great idea and would be a very good program. Of course, there are questions of costs, location, participation, mentors, etc. Hopefully with a bit of work this can come together.

**7) ATHENS** - Preparations in Athens are reported to be on schedule now, although that was not the case a year ago, so there is still some concern. We had a presentation on the US Team uniforms, and were assured that these same items will not be for sale to the general public.

**8) USSA Relations** - The USOC continues to be impressed with USSA especially regarding results, organization, and finances. I realize times are tighter now than in the recent past. However, it is always nice for me to report such great results (especially Alpine, Nordic Combined AND Freestyle this time).

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Chronology of the events leading to the resignation of USOC Chief Executive Officer Lloyd Ward:

OCTOBER 2002: USOC begins investigating whether Ward tried to help a company with ties to his brother win a deal to supply temporary power for the 2003 Pan American Games in the Dominican Republic.

JAN. 1: In a letter to members of the USOC's ethics committee, Ward says he made an error in judgment but did nothing wrong.

JAN. 13: USOC's executive committee reprimands Ward but says only that he made a "technical violation."

JAN. 14: Executive committee member Brian Derwin resigns over the decision, saying he thought there was a "clear conflict of interest violation."

JAN. 15: USOC ethics compliance officer Pat Rodgers resigns, saying ethics committee chairman Ken Duberstein pressured him to downplay the Ward issue.

JAN. 17: Senators Ted Stevens and Ben Nighthorse Campbell call for changes within the organization and summon its leaders to a meeting with Congress. Ethics committee members Steve Potts, Ed Petry and John Kuelbs resign after not convincing the panel to reopen the Ward investigation.

JAN. 20: Offer of 22-acre Greek themed park for use as a U.S. Olympic academy withdrawn because of ethics problems in the Olympic movement.

JAN 21: All five USOC vice presidents call for president Marty Mankamyer to resign, but she refuses.

JAN. 22: David D'Alessandro, CEO of John Hancock Financial Services, threatens to withdraw sponsorship deal worth as much as \$10 million and asks the USOC to provide detailed revenue and expense figures. After receiving it more than three weeks later, D'Alessandro calls it "incomplete."

JAN. 28: Members of a Senate Commerce Committee tell USOC leaders they intend to reorganize the organization's leadership and possibly change the 1978 law that created it.

FEB. 4: Mankamyer, the USOC's highest-ranking volunteer, resigns after colleagues say she worked behind the scenes to oust Ward. Bill Martin is named interim president.

FEB. 8: Executive committee votes 16-1 to withhold a \$184,000 bonus from Ward. The next day it forms a task force to create reform blueprint.

FEB. 17: Marketing director Toby Wong resigns after less than a year.

FEB. 25: During a conference call, two executive committee members call for a vote to oust Ward, and five others question his ability to continue amid the turmoil. No vote is taken.

FEB. 28: Campbell and Stevens say they were told about possible fraud during a visit to USOC headquarters.

MARCH 1: Ward resigns as CEO, saying competing interests within the USOC make his job impossible.

## **Addendum B**

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### **Alpine Sport Committee Report to the USSA Board Of Directors**

#### **Congress Schedule**

The Alpine community appreciates the changes to the Congress schedule in regards to time and number of days, particularly having the Sport Committee Meeting on a Saturday afternoon allowing the majority of the participants to utilize a Saturday stay for travel thus missing less time away from work and family. The Alpine community would like to see this schedule continue in the coming years.

The Alpine Sport Committee approved a number of changes to the Alpine programs during the 2003 Congress. The major changes that effect programs are:

#### **Operating Structure Change**

There was a change in the structure of the Alpine Development Subcommittee. The change involved the dissolution of the two Working Groups under the Subcommittee, the Education Working Group and the Athlete Development Working Group, and having all of the work done at the Subcommittee level. The membership and chairman will be determined in the Spring of 2004.

#### **J2 National Championships**

The J2 National Championships was approved as a new event in the Alpine pipeline beginning season 2004. Athletes will be selected to the J2 National Championships by membership on the USST or by their home Regions. The addition of this competition is at the request of Jesse Hunt and Alan Ashley to better define the clear path of advancement. This event will help focus development efforts on the top 15 and 16 years olds in an effort to ensure sustained performance at the World Junior Championships.

#### **J4 and younger access to the USSA Alpine Points List**

PNSA forwarded a request to review the J4 and younger program change approved last year, which required that athletes 12 years old and younger could only purchase a Youth membership and those athletes were no longer eligible to score USSA points. There was no action taken on this request at this time.

#### **Alpine Operating Procedures**

The Alpine Operating Procedures were reviewed at the Executive Committee level and approved in its current form with changes to be submitted to the Board in the Fall.

#### **Competition Equipment Regulations**

The Alpine community continues to be concerned regarding FIS standards for equipment, particularly below the Continental Cup level.



## Addendum C

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### **Proposed Timetable Membership Fee Increase Approval By Board**

<b>June/July</b>	Financial guidance from CFO to Member Service and athletics leadership
<b>Aug/Sept</b>	CFO, Members Service and Sport Managers meet
<b>Sept/Oct</b>	Sport Managers review proposed fee changes with sport committee
<b>Oct/Nov</b>	Proposed fee changes reviewed by management team
<b>Dec</b>	Fee increases presented for Board approval