<u>Testimony of Walker Jones, Executive Director, The Grove Collective</u> <u>Senate Judiciary Committee, October 17, 2023</u>

Chairman Durbin, Ranking Member Graham and Members of the Committee, thank you for inviting me to speak with you all today. My name is Walker Jones. I am the Executive Director of The Grove Collective, representing student athletes at the University of Mississippi.

Additionally, I am a proud member of The Collective Association (TCA), which is comprised of 25 (twenty-five) Collegiate Collectives from across the Power 5 landscape serving as advocates for over 50,000 student athletes in 25+ sports. We continue to grow as likeminded organizations with a common purpose. Our goal is to serve as a unified voice to shape the development of the name, image, and likeness (NIL) market in college sports while creating a sustainable model that gives student athletes the ability to maximize their NIL platforms. Current data shows that collectives are responsible for approximately 80% of money being paid to NCAA athletes for their NIL activities. Given this figure, TCA is unique in that our members possess and are willing to share our first-hand knowledge on how NIL is working in your local communities, and we seek to partner with anyone who wants to produce well-informed and effective legislation benefiting collegiate student athletes first. Unlike other stakeholders in college sports, we work with everyone in the ecosystem by sitting at the point of intersection within NIL related commerce.

Before we delve into the substance, let me be very clear about one thing, our TCA organization and I are extremely bullish on the state of collegiate athletics. Are there aspects in the current model that need addressing and evolving? Of course, but the overwhelming majority of commerce with name, image and likeness (NIL) is positive. As a student athlete in the late 90's, I can tell you that today's student athletes have the resources and ability to deal with the

realities that life will inevitably bring their way. Whether they play professional sports or not, athletes now have the ability to solve socio-economic issues, stay in school longer to further their academic careers, locate the best possible competitive situations athletically, and be a more functional contributor to society when they leave their respective campuses. Finally, as TV viewership continues to break records each weekend of the college football season and this past spring with March Madness in basketball, the ability for athletes to maximize their value has never been stronger. The marketplace continues to experience the inevitable growing pains of any free market model, but the overall health of collegiate athletics is strong. TCA Members feel those on this panel today and other important stakeholders share the expertise and passion to work together for the long-term sustainability and growth of intercollegiate athletics.

I think it's important to remind everyone how we got here. Until a unanimous decisions handed down by the Supreme Court in 2021, the NCAA and its allies stood sentry, blocking student athletes from capitalizing on their inalienable rights. While O'Bannon and Altson are the names everyone knows, there are countless others who, for decades, lost the ability to capitalize on their NIL, eligibility, livelihood and dignity because of the outdated mindset of these stakeholders.

If need is the mother of all innovation, collectives were born from the need for student athletes to have a stable, secure and trusted entity representing their interests. Collectives continue to evolve and develop resources, tools, and information to create and enhance each student athlete's NIL platforms while helping to protect their well-being. We are proud of our accomplishments to date and believe the future can continue to be a bright one for collegiate student athletes regardless of sport.

I'm proud of my work and the work of other professionals who run collegiate collectives across the country. Most of us had professional careers in and around sports before the Supreme Court case and many of us gave up stable, higher paying jobs to follow our passion in supporting our alma mater's athletes. Student athletes trust our collectives and look to us to offer guidance and resources in understanding and navigating this new and constantly evolving world of name, image, and likeness (NIL). We are not conflicted in supporting any other agenda except assisting those student athletes who choose to find opportunities to maximize the power of their brand. Our focus and commitment singularly point towards our participating student athletes and the long-term viability and health of collegiate athletics. That commitment has caused tension at times between our affiliate institutions, college conferences and the NCAA— but we are comfortable in that discomfort because at the end of the day our singular focus is on the collegiate student athlete.

I would encourage the Committee to take a fulsome view of what is happening in college athletics. There are those who would seek to cast blame on collectives for actively working to promote and pay our participating collegiate student athletes. However, I, like many of my colleagues running collectives, often rely on our business experiences and contacts to provide education and resources for the betterment of our student athletes. After my playing days as an Ole Miss football player for now Senator Tommy Tuberville ended, I was a collegiate coach and administrator at the power 5 level, worked in sports marketing for one of the largest sports apparel companies in the world, worked as a sports agent for one of the most reputable sports agencies in North America, and helped launch the largest youth sports programming company in our country. All of these experiences have allowed me and others running collectives offer tangible, real time information and feedback that all stakeholders can use to make the most informed decisions in the future. We root for and work with every student athlete who chooses to work with us, not just the superstar athletes. While no one would be surprised that the majority of our student athletes and work originate around football and men's basketball; our

efforts have particularly benefited women and non-revenue sports. In fact, there was a 20% increase in women's NIL deals from 2021 to 2022 and we expect an even larger increase when 2023 comes to a close and in the years to come.

All of this leads me to talk about what we—as collectives—stand for:

 We stand for creating opportunities for athletes to match with national and local sponsors, while creating avenues for athletes to market themselves directly to fans (merchandise, memorabilia, social posts and appearances),

2) We stand for the ability to connect athletes to nonprofits and charities they care about so they can help raise awareness and funds for their personal causes.

3) We are independent businesses, separate from universities and athletic departments and feel student athletes are best served by that independence.

4) We provide resources and tools to help our student athletes not only maximize their value but also prepare for their future professions and careers.

5) Provide best practices and standards to keep bad actors out of the marketplace and add sustainability for the long-term betterment of current and future student athletes.

6) We provide transparency and disclosure to our University partners to remain compliant with state and NCAA rules and regulations, as arbitrary as they may be.

Finally, and most importantly, we are committed to diversity and inclusion in sourcingNIL opportunities for all athletes regardless of the sport they play.

Additionally, I thought it would be helpful to elaborate on what TCA members are NOT:

1) We are not owned by nor are we agents.

2) We are not financial advisors to the athletes we serve. That being said, most of our collectives provide financial literacy and tax planning services to our athletes if needed.

3) We do not want to participate in the recruiting process and desire to only work with athletes once they have decided to attend school. I want to be clear that we have NO interest in being part of the active recruiting process. That is best left to coaches and athletic departments under the strict watch of the NCAA.

4) We are not shadow organizations run by out-of-control boosters and donors. Most collectives operate as full-time businesses with infrastructure, staff, and transparency with our universities and constituents.

The past few years have seen change in college athletics at a pace none of us could have imagined. There are pressing challenges to address and to that end, The Collective Association strives to be a good faith partner to Members of this Committee and others seeking solutions. Here are a few of our suggestions as you deliberate next steps:

1) We stand ready to assist in rooting out the bad actors who seek to profit off children and student athletes—an agent registry should be a bare minimum requirement.

2) We believe athletes should continue to have the right to monetize their NIL just like any other individual—the free market coupled with marketplace platforms provide the much-needed transparency to monitor growth while also providing necessary safeguards.

3) A revenue sharing plan would allow collegiate athletes to see the true value being produced for their respective institutions and conferences, which could also be used to increase enforcement and oversight of the marketplace. 4) Some level of uniformity that creates a national standard as it relates to state NIL statutes and laws.

Some have asked what we are AGAINST in this conversation, and I would simply say that we would counsel Senators to be leery of drafting federal legislation that places control over collegiate athletes back into the hands of traditional powers. Any federal bill that arbitrarily limits student athletes' abilities to maintain complete control over their Name, Image, and Likeness would do just that.

TCA looks forward to being a resource to the Committee and all interested policymakers moving forward and once again, I want to thank you once again for the invitation, for your time and look forward to answering your questions.