

Reform in College Sports Requires Government Intervention

Ed: Frank Splitt decrees that the NCAA is “still the very best” monopoly in America, and in his latest commentary he pounds away at the NCAA’s tax-exempt status.

by Frank G. Splitt

NCAA President Myles Brand was at his quintessential "razzle-dazzle" best during his Oct. 30, speech at the National Press Club – using the occasion to hark still another NCAA reform measure long on high-sounding rhetoric and short on substantive workable/enforceable initiatives ["Urging Presidents to Step Up," *Inside Higher Ed*, Oct, 31, 2006, <http://insidehighered.com/news/2006/10/31/ncaa>].

Jim Duderstadt cut to the quick on the NCAA's latest attempt to clean up big-time college sports, saying: "he had reluctantly reached the conclusion that neither individual college presidents nor sports groups like the NCAA can “take on the dragon of college sports.” Perhaps Congress, he said — with its threat of changing the tax code — “is our last hope to do something.” Why would he ever say anything like that? Here's my view:

Back in 2002, a panel of Harvard economists considered the NCAA to be the best monopoly in America. I believe it is still the very best. Over the years the NCAA cartel evolved a modus operandi that has proved to be eminently successful at expanding its commercial interests in the big-time college sports entertainment business while maintaining its tax-exempt status as an institution of higher education and thwarting significant reform. The latter has been accomplished by creating illusions of reform as well as co-opting several reform-minded organizations, using presidents, governing boards, and lobbyists to help maintain the status quo.

Given the enormous broadcasting revenues at stake, the NCAA suffers from a severe case of self conflict ... conflict between its sometimes-contradictory roles as promoter and governor of intercollegiate athletics. Simply stated, the NCAA cartel is wholly incapable of reforming itself.

I believe NCAA President Brand to be a sincere person of high integrity with the best of intentions as well as an understanding of the perilous future faced by college sports unwilling to undergo serious reform. However, that said, he must also be an incredibly naive person if he accepted the highly compensated NCAA presidency not knowing that he was going to be used as the academic front for the cartel's ever expanding commercial interests. If he did know, it was a classic Faustian bargain.

The NCAA uses Brand to tout their phony "collegiate" (as opposed to professional) athletics model, the oxymoronic "student athlete," and lofty-sounding academic and financial reform measures. Academic reform measures are not only superficial, but also apparently designed to cover academic fraud (required to recruit and maintain eligibility for professional athletes pretending to be students) as well as to deceive the government so as to maintain the NCAA's tax-exempt status as an institution of higher education. The NCAA's financial reform measures outlined by President Brand at the

National Press Club will be extremely difficult to implement at best, and complete nonstarters at worst.

Furthermore, Brand has been used by the NCAA cartel to dismiss the commonsense proposals of reform-minded individuals and organizations as "extreme" or "radical." But why so? Although these proposals would work to reclaim academic primacy as well as restore academic and financial integrity in America's institutions of higher education, the NCAA no doubt considers these proposals to be detrimental to the financial interests of the cartel's big-time commercialized college sports entertainment businesses.

For sure, the NCAA cartel has not provided President Brand with a mandate and the means to affect really serious reform, that is, empowered him to emulate the actions taken by Judge Kenesaw Mountain Landis to cleanup Major League Baseball in 1919. As the NCAA's chief spokesperson, he is required to tout the health of the cartel's college sports business while attempting to sell vacuous reform measures along the way. If he continues in this mode, he might do well to take a lesson from the 2002 Academy Award winning best picture, "Chicago" – noting Richard Gere's terrific "razzle-dazzle" performance as the town's slickest lawyer with a super talent for turning notorious defendants into local legends.

On campus, presidents follow the golden rule: "They who have the gold rule." And who is going to reform the tax law that benefits their sports-crazed multimillionaire donors, many of whom are influential trustees whose contributions to athletics are tax deductible and who use their school's athletic programs as ego-enhancing playthings?

The only hope for significant reform in big-time college sports is via quid-pro-quo government intervention – beginning with the congressional action described in "Ball's in NCAA's Court," URL <http://insidehighered.com/news/2006/10/06/ncaa> and by George Will in his Oct. 25, *Washington Post* Op-ed "Time to question tax-exempt status of college football factories." For more on quid-pro-quo government intervention, see "What Congress can do about the mess in college sports," URL <http://thedrakegroup.org/splittessays.html>.

Notes: This commentary by Frank Splitt – Member of the Drake Group - was submitted to College Athletics Clips on 10-30-06.

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[Ed.-As always, College Athletics Clips welcomes guest commentaries espousing all viewpoints. We would like to repeat our invitation to others for any and all viewpoints: for and against cartels, tax-exempt status, the arms race, academic integrity, academic chicanery, whatever. Bring them on. To submit a commentary, please email to nick@collegeathleticsclips.com]