



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

August 17, 1998

**S. 2119
Olympic and Amateur Sports Act Amendments of 1998**

*As ordered reported by the Senate Committee on Commerce, Science, and Transportation
on July 29, 1998*

SUMMARY

S. 2119 would amend the federal law incorporating the U.S. Olympic Committee (USOC). The bill would strengthen the ability of the USOC to resolve disputes with and among athletes. It also would provide the Paralympics and Pan-American Games with the same recognition and trademark protection as the Olympics. CBO estimates that S. 2119 could increase federal costs, but any such costs would be subject to appropriation and would not be significant. S. 2119 would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply.

The bill contains an intergovernmental mandate as defined in the Unfunded Mandates Reform Act (UMRA), but CBO estimates that states would not incur any costs to comply with the mandate. S. 2119 would impose private-sector mandates, as defined by UMRA, on the United States Olympic Committee (USOC), a private-sector entity, and businesses that use the name Pan-American. CBO estimates that the total direct costs of the mandates would not exceed the annual threshold for private-sector mandates established in UMRA (\$100 million in 1996, adjusted for inflation).

ESTIMATED COST TO THE FEDERAL GOVERNMENT

S. 2119 would allow the USOC the option of having any civil action brought against the USOC in a state court adjudicated in U.S. District Court. Although this provision could increase the number of cases in federal courts, CBO estimates that the additional costs would not be significant and would be subject to appropriation.

PAY-AS-YOU-GO CONSIDERATIONS: None.

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

Section 10 of the bill would prohibit state courts from granting injunctive relief against the U.S. Olympic Committee when adjudicating certain lawsuits. This prohibition would be an intergovernmental mandate as defined in UMRA. However, because the prohibition would not require state courts to devote more resources to these cases, CBO estimates that states would not incur any new costs to comply with the mandate.

ESTIMATED IMPACT ON THE PRIVATE SECTOR

S. 2119 would impose private-sector mandates, as defined by UMRA, on the United States Olympic Committee and businesses that use the name Pan-American. CBO estimates that the total direct costs of the mandates would not exceed the annual threshold for private-sector mandates established in UMRA (\$100 million in 1996, adjusted for inflation).

This bill would impose several private-sector mandates on the USOC, with the most costly one requiring that the USOC hire an ombudsman for athletes. Other mandates include a report to the Congress on any further additional changes and increased reporting requirements on sports opportunities for women, minorities, and disabled individuals. According to a representative of the USOC, most of the mandates would impose minimal additional costs since those requirements are consistent with current USOC practice. USOC estimates that the cost to hire an ombudsman would be approximately \$100,000 a year.

S. 2119 would not allow the use of the name Pan-American for the purpose of trade, to induce the sale of any goods or services, or to promote any theatrical exhibition, athletic performance, or competition without the consent of the USOC. Based on a search of such names through the Internet and a discussion with the U.S. Patent and Trademark Office, CBO estimates that fewer than 1,000 businesses use the name Pan-American or a variant. According to a trademark attorney, the cost for a business to change its name would range from less than \$500 to \$20,000, with most businesses falling in the lower end of the range. Thus, CBO estimates that the total cost to businesses to comply with the private-sector mandate in the bill would be well below the statutory threshold established in UMRA.

ESTIMATE PREPARED BY:

Federal Costs: Mark Hadley

Impact on State, Local, and Tribal Governments: Pepper Santalucia

Impact on the Private Sector: Jean Wooster

ESTIMATE APPROVED BY:

Paul N. Van de Water

Assistant Director for Budget Analysis