



UNIVERSITY OF HAWAI'I SYSTEM

TESTIMONY

H.B. 2440 RELATING TO THE UNIFORM ATHLETE AGENTS ACT

Testimony Presented Before the
House Committee on Higher Education
and
House Committee on Education

February 9, 2006

By

Ryan Akamine
Associate General Counsel
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Chair Tommy Waters, Chair Roy M. Takumi, Vice Chair Maile S. L. Shimabukuro, Vice Chair Lyla B. Berg, Ph.D., and Members of their Committees:

Thank you for this opportunity to testify in support of House Bill 2440 on behalf of the University of Hawai'i and its respective athletic departments at Manoa and at Hilo, and respective Athletic Directors Herman Frazier and Kathleen McNally.

My name is Ryan Akamine. I am an Associate General Counsel from the University of Hawai'i Office of Vice-President of Legal Affairs and University General Counsel.

The University of Hawai'i strongly supports enactment of the Uniform Athlete Agents Act ("UAAA") because of the potential for athlete agents to cause serious problems for student-athletes from the University of Hawai'i and for the University of Hawai'i itself with the National Collegiate Athletic Association ("NCAA") and athletic conference regulators.

The NCAA organization is strongly in favor of this legislation being passed in Hawai'i. As of January 23, 2006, the UAAA had been passed in 33, the District of Columbia and the U.S Virgin Islands. Five states had existing, non-AAA laws designed to regulate athlete agents. Hawai'i is currently one of 12 states and one territory with no existing law to regulate athlete agents.

I have personally spoken with representatives in the Office of Government Relations and the Agent Gambling and Amateurism Division of the NCAA to confirm the NCAA's ongoing commitment in support of enactment of the UAAA.

Why are colleges and universities concerned about athlete agents? In today's society, professional athletes are highly compensated and most have agents that perform valuable services. Unfortunately, the illicit practices of some of these agents, would-be agents and their runners have caused serious problems for student-athletes and educational institutions as these agents aggressively pursue the substantial fees that accompany the representation of professional athletes.

These agents, motivated largely by financial considerations, are willing to use any means necessary to represent a student-athlete who has even a remote chance of playing professional sports. They frequently employ tactics that involve secret payments or gifts, including cars, cash and clothing, to the athlete, undisclosed payments to friends and relatives who may be in a position to influence the athlete, unrealistic promises, and considerable arm twisting.

There can be significant damage that results from these impermissible and oftentimes illegal practices. Impermissible benefits provided by agents violate NCAA rules and may result in (1) student-athlete ineligibility for participation in NCAA competition, and (2) harsh penalties on the team and the university, including the imposition of NCAA sanctions that have resulted in the repayment of monies received from NCAA championship competition, forfeiture of contests and other penalties. Student-athletes may also be enticed to pursue a professional career and leave school early only to later realize that their agent gave them bad advice.

The State of Hawai'i needs to enact the UAAA. Currently, our State does not have any law to regulate athlete agents or to even identify who they are. House Bill No. 2440 has many important features:

The adoption of the UAAA will help achieve a uniform set of athlete agent regulations that will establish a clear, single set of standards for agent conduct. The act is designed to provide protection for student-athletes as it outlines what is improper agent conduct, and provides protection for the University of Hawai'i as well as Hawai'i's other colleges that have athletes who could pursue a professional sports career as it provides the educational institutions with the right to pursue a civil lawsuit against an agent who causes a school to suffer damages as a result of the agent's violation of the UAAA.

The UAAA will provide important consumer information for student-athletes, parents and institutions, as they will have access to the detailed information contained in the agent application. The UAAA will also provide for strong penalties. The UAAA contains criminal, civil and administrative penalties that can be imposed against those who violate provisions of the act.

In conclusion, the University of Hawai'i and Athletic Directors Herman Frazier and Kathleen McNally strongly urge the State of Hawai'i to adopt House Bill No. 2440, and enact the UAAA as swiftly as possible. The UAAA is strongly supported by the NCAA and its 1,000 member institutions and conferences. The potential penalties to student-athletes and the University of Hawai'i in the event that there is a violation of NCAA rules and regulations pertaining to the conduct of athlete agents are severe. As you know, we now have many more student-athletes attracting national attention, and having professional aspirations. The UAAA will provide protections for the State of Hawai'i's student-athletes and institutions while also providing a consistent, uniform, cost-effective regulatory system for agents to conduct their business.