

# Financial stakes are high in NCAA suit

By Steve Wieberg  
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College officials are casting a wary eye toward California, where a lawsuit challenging the NCAA's cap on scholarship amounts is nearing a June trial.

Lawyers for the NCAA and the four named plaintiffs, all ex-football and basketball players, meet with a mediator today in San Francisco, ordered by a federal judge to try to settle the 14-month-old antitrust case that the NCAA's chief legal counsel says could "turn on its head our system of financial aid for student-athletes."

The class-action suit targets the NCAA rule limiting scholarship coverage to room, board, books, tuition and fees. Citing the NCAA's own acknowledgement that, on average, the value is about \$2,500 less than the full cost of attending school each year, it seeks an injunction preventing the NCAA from enforcing the cap. And it asks for unspecified damages, which would be tripled if an antitrust violation is found.

A jury trial is set for June 12 in federal court in Los Angeles.

There's virtually no chance of reaching a mediated settlement today, NCAA general counsel Elsa Kircher Cole said: "It's the beginning point to see if, in fact, there is any room for compromise prior to the time of trial. In the NIT case, we went back and forth for weeks, months, talking about possible resolution before it actually occurred. The same is true here."

Basketball's National Invitation Tournament similarly sued the NCAA on antitrust grounds, challenging a requirement that teams accept invitations to its basketball championship. The NCAA settled the suit in mid-trial in 2005 by buying the event for \$56.5 million.

The stakes in this case could be higher. The suit is filed on behalf of football and men's basketball players in 16 of the 31 Division I conferences who have been on scholarship since February 2002. Damages, at potentially \$2,500 a player a year and trebled, would be substantial.

Beyond that would be the impact of raising the NCAA's scholarship cap to allow schools to cover athletes' travel, laundry and other incidental expenses. Federal law would dictate equal treatment in women's sports, and the NCAA probably would be compelled to extend the same to all sports, not just football and basketball.

"We're talking about an issue that could cost schools a lot of money. A lot of money," Big East Conference Commissioner Mike Tranghese said.

Not all schools could afford the extra expense and could wind up cutting sports, NCAA and other officials fret. Or the schools could choose to stick with the current scholarship limits and not cover the full cost of attendance, a scenario that creates concern about competitive equity if the best athletes were to gravitate to programs that could make better offers.

That competitive equity argument is at the heart of the NCAA's defense, Cole says. The association points out, too, that athletes are allowed to receive need-based aid on top of their scholarships up to the full cost of attendance and have access to emergency and special-assistance funds.

The suit, originated by the California-based Collegiate Athletes Coalition, an advocacy group that lined up the four players, claims the scholarship cap "is simply a cost-containment mechanism that enables the NCAA and its member institutions to preserve more of the benefits of their enterprise for themselves." It frames what it says is the players' modest take from athletics revenue against million-dollar salaries commonly paid to coaches.

"It's partly about fairness," said Steve Morrissey, one of the players' attorneys. "But it's partly just about doing what's right under the antitrust laws."

Among those suing are former Stanford safety Jason White and UCLA lineman Brian Polak.