

USSA BOARD OF DIRECTORS' MEETING MINUTES

Bavaria/Garmisch/Munich, The Sonnenalp Hotel, Vail, CO
Saturday, December 4, 2004, 8:15 a.m. – 9:45 a.m.

USSA BOARD OF DIRECTORS' ATTENDANCE

Chuck Ferries – Chair

FIS/USOC

FIS Ranking Representative: Bill Marolt

USOC Ranking Representative: Vacancy

USSTF

Bill Bindley – Vice Chair

Jeanne Jackson

Dexter Paine – Secretary-Treasurer

Hank Tauber

David Pottruck

Thom Weisel (absent)

SPORT REPRESENTATIVES

Alpine Representative: Bob Dart (excused)

Snowboard Representative: Mike Mallon (excused)

Freestyle Representative: Andy Wise

Cross Country Representative: Lee Todd (excused)

Jumping/Nordic Combined Representative: Vacancy

Disabled Representative: Jack Benedick (excused)

ATHLETES

Alpine Athlete: Chris Puckett

Snowboard Athlete: Vacancy

Freestyle Athlete: Craig Rodman - absent

Cross Country Athlete: Jon Engen (excused)

Jumping/Nordic Combined Athlete: Greg Boester

Disabled Athlete: Vacancy

EX-OFFICIO/NON VOTING

USOC Athletes' Advisory Council Representative: Nelson Carmichael - absent

NSAA President/Chair: Michael Berry

SIA President/Chair: David Ingemie

HONORARY

Dr. Bud Little - absent

Dr. Leland Sosman

1. Chairman's Welcome: Chuck Ferries

Ferries called the USSA board of directors' meeting to order. He stated that a quorum was achieved with those who were present.

2. USSA Agenda Approval: Chuck Ferries

Ferries asked for a motion to approve the agenda as submitted.

Motion #1: To approve the USSA Board of Directors' meeting agenda.

M/S/C Andy Wise/Greg Boester – approved by acclamation

3. **USSA Meeting Minutes' Approval: Chuck Ferries**

Chuck Ferries then asked for a motion to approve the USSA meeting minutes.

Motion #2: To approve the USSA Board of Directors' meeting minutes from May 2004.

M/S/C Jeanne Jackson/Dexter Paine – approved by acclamation

4. **Chairman's Report: Chuck Ferries**

Ferries stated that he thought everyone present knew that a contract had been signed to renew Bill Marolt through 2010. He stated that, when the meeting concluded, he would go into executive session and approve the executive committee's recommendation for Bill's contract.

Ferries said that Bill's leadership went back to 1962 when Bob Beattie was their coach and they learned a basic concept that, while skiing was an individual sport, it was also a team sport. When one won, everyone won. Bill, he stated, had been able to bring that to the team, the board and everyone associated with the organization. One of the most important groups to win in this scenario was the volunteer. He said that everyone needed to remember that this was a volunteer organization at the grass roots. He said those people did a great job and that they were winners as well as everyone in this group.

Ferries referenced the prior day's success and said that a lot of people had waited a long time for these results. He said, "It's not the end," as Bill would say. He said that there was much work to do going forward and that there were a lot of challenges over the next six years to reach the goals that Bill had outlined. He closed reiterating, "When one wins, we all win."

5. **Executive/Nomination Screening Committee Report: Chuck Ferries**

Ferries said that they had spent most of the time discussing what would happen in the future – how to move the organization forward, who would take over in 2006, and that there was really nothing to report from that standpoint but he stated that there would be a lot of people leaving the board in 2006 and that the committee wanted to ensure continuity on this and the other boards. He also welcomed David Pottruck back to the board.

Motion #3: To approve the reinstatement of David Pottruck to the board.

M/S/C Andy Wise/Jeanne Jackson – approved by acclamation

He then went on to say that in the spring Greg Boester, athlete representative and chairman of the Athletes' Council would be leaving as athlete representative and that he wanted to thank him very much for his work and he said that he hoped to find a spot on the board for him in the future. He said that, in his opinion, Greg was one of the young stars going forward.

Marolt echoed these sentiments. He said that the executive committee of the board dealt with a lot of core company issues and that Greg had been a very valuable part of the committee and provided very good insight and had the understanding from maturity of what the organization was trying to achieve and that he had handled himself with poise and dignity and kept confidentiality when required. He closed saying that Greg had done an outstanding job, which was greatly appreciated.

Ferries stated that the other topic in the meeting, for which no conclusion had been reached, was a discussion that, due to the fact that the USOC had changed so dramatically, they would have an NGB board that would be completely different from that of the past. He said that the USSA bylaws stated that the member at the USOC became a voting member of the board. However, with the USOC changes, the USSA representative to USOC would now have to be either the USSA CEO or the Chairman of the board. He said that the USOC wanted a board of the NGB stakeholders, so that they could have a better exchange of ideas and improve all the NGB's. He stated that he thought we could learn a lot and teach a lot and that this would be a great way to go. He stated that this was very positive and was just another way that our partnership with the USOC would be strengthened.

Bill, he said, had discussed before the importance of having the stakeholders in the organization as part of the FIS and that move was made two years ago. He stated that that approach had been very successful and that more and more CEO's were becoming heads of the FIS Council. He said the same would be true for the USOC. He said this would necessitate taking a look at the bylaws because most likely Bill or he would end up as the representative at the USOC. Ferries indicated that he would consult Jim McCarthy who had set up the bylaws in the first place to figure out how to move forward.

Sosman asked whether Jim could be on the USSA board and was told that, since Jim was on the USOC board, this necessitated his resignation from the NGB board which created a vacancy, and left the board size 20 people; Ferries stated that it was important to have the 21st person. He said that this would be dealt with over the winter and a proposal would be sent to the group for the appropriate bylaw amendment in time for the spring meeting.

6. New Business: Chuck Ferries

Membership Fees: Tom Kelly stated that the fees were listed in the USSA board materials with the proposed fee increases. He stated that this was part of the management plan that had been in place for several years, looking at annual incremental increases. He stated that the differentials from last year to this had been highlighted and that there were only a few categories with changes. The fees had been developed between staff and management and discussed within sport committees or their executive committees. He asked these be adopted for FY 05/06.

Motion #4: To approve the membership fees as presented.

M/S/C Greg Boester/Dexter Paine – approved by acclamation

Andy Wise asked whether the fees would continue to increase every year. His concern was that, at the grass roots level, we might be pricing athletes out of the sport. He stated it was getting very expensive just to get into the sport, that there should be some entry level membership.

Tom Kelly replied that USSA continued to be sensitive to this and looked very carefully where the numbers were headed. He stated that, through the increases of the last few years, growth continued including at the youth level. He said that USSA would be very cautious of this moving forward.

Mark Lampe said that the goal was to keep the domestic programs essentially self-funded. He said that for a time the domestic program was running a \$1 million deficit. In FY 05/06, he said that this should return to a break-even activity. Lampe stated that Wise's comment was valid and something "to keep our eye on."

Ferries asked if USSA could review the fees of other organizations, which Lampe confirmed had been done and would continue to be done.

Wise said that he thought USSA should look at an introductory membership that would be good for all disciplines, to allow young athletes to try different sports.

Alan Ashley stated he had these discussions with the sport directors and this concept was being researched for the lowest levels – to allow athletes the full range of sports, whether ski jumping, a pipe, cross country – without having to buy separate memberships. He confirmed that this would be explored among staff and a proposal brought to Mark and Bill with discussion of impact to the company. He agreed it was the right concept.

Leland Sosman stated that this had been a consideration back when the company had competition members and club members. He said that for years now the organization was entirely focused on competition and that he didn't think this would have the impact it did in the old days of the organization – the old recreation membership group.

Ferries stated that historically when fees were raised, participation decreased. This time participation increased and he was unsure whether this was a demographic distinction, but had been positive so far for the organization.

Olympic Winter Games Selection Criteria: Ashley stated that everyone had received the draft Olympic selection procedures for all but snowboard since snowboard still had not addressed between the FIS and IOC the qualification requirements. He stated that these criteria needed to be addressed later. He said that the sport directors had discussed these with their athlete representatives and that the selection criteria were almost identical to the ones used for the 2002 Winter Olympics so they were very consistent.

The only thing that might change, he indicated, would be formatting in that potentially an anti-doping section might have to be added to outline the specific anti-doping requirements and anything else that the USOC might require. The procedures themselves, he stated, "are what you see." He said that they were very straightforward, very effective, having worked extremely well in the last World Championships and Olympics. He sought board approval to go forward with these selection criteria, making the necessary format changes as required by the USOC.

Question: Was there an issue with the Salt Lake City Games? In freestyle? Alan stated that there was no issue with those Games and that the issue had been in 1998.

Ferries asked what the changes were from the Salt Lake City Games. Ashley replied that the criteria had been tightened slightly in alpine. In Salt Lake City there had been a NorAm component, which was no longer needed. He said that the criteria were World Cup and Europa Cup based at this time. He said that was basically the only difference. After the '98 Games, the criteria were adjusted to ensure no issues similar to the freestyle issue would occur. He stated that that entire process had been good and once done, "we stuck to it."

Sosman stated that the singular of criteria was criterion to which Ashley replied that, with each time going through the process, Doc reminded him of that.

Ferries asked that, given the fact that the criteria had not changed since 2002, someone move to accept the selection criteria.

Motion #5: To approve the selection criteria presented.

M/S/C Andy Wise/David Pottruck – motion carried

7. **FIS Report: Bill Marolt**

Marolt stated that the critical issues regarding the FIS fell into the categories of: (1) anti-doping and (2) promotion of the sport. Marolt stated that the FIS was committed to anti-doping, that they were working hard to implement an anti-doping program and doing a good job of it. They worked closely with the national doping agencies such as USADA for the US, which was a well funded group that did a good job of testing in the US, but that there were areas around the globe that did not have good national anti-doping agencies and that is where the FIS was focusing its efforts to level the playing field. He stated that the FIS was also working well with WADA, the world anti-doping agency. He stated that the real issue was having the resources to do a good job of education and testing.

Marolt said that sport promotion tied in with TV strategy. He said that, in alpine skiing, there was an agency that owned approximately 90% of the broadcast rights; this company, Media Partners, was located in Italy. He said that the FIS was in the process of trying to buy the company, to basically buy back the rights. The Council approved the expenditure of funds to do the due diligence to look at Media Partners to determine its value. He said that he anticipated by spring there would be a proposal to be reviewed by the FIS Council to buy the rights out. He stated that he thought that FIS would end up with the rights and that Media Partners would end up a partner in the TV advertising and marketing strategy. He stated that he was supportive of that direction.

Marolt then told the board that the FIS had contracted with Swatch to provide data services; i.e. start and finish lists, ranking lists, etc., which they produced on an on-going basis as well as the interface between timing and television, the graphics and what shows up on the screen. They contracted with Swatch to do that and at the same time made the agreement to do the timing. The Austrians disagreed and signed their own contract to provide timing for their races. Swatch, as a result, decided not to provide data, which was a fiasco. At the first race in Sölden, the Austrians had to scramble to pull together a data program at the last minute, which was not seamless.

At the end of the day, the resolution from the FIS Council was that, in future, the FIS would provide the data services and that the timing would revert back to the federations to make their own deals. He stated that this established the fact that there had to be some type of negotiating in deciding what categories were owned by whom, the FIS or the national organizations. He said that in hindsight, the Audi category was a category that should have been fought over harder to make sure that that category stayed with the national federations.

Marolt closed stating that incremental progress had been made; in the end, the federations and the FIS would be stronger.

Sosman asked about the problem with Kitzbuhel who claimed they owned the data. Marolt replied that the interesting thing was that the FIS grew out of relationships between the real old organizers and the FIS office. When you looked at the history, it was comprised of the five Arlberg-Kandahar countries. The federations were late into the process. He stated that some of this was residual from those old relationships and that, as the FIS Council was becoming more populated with people in his position, as more and more of the stakeholders sat at the table, this would revitalize and would strengthen the organizations.

Question about bringing issues to the executive prior to the meetings for discussion. Marolt replied that it was incumbent upon him as the president and CEO to make sure that the board was fully apprised of what USSA wanted to bring forward to the FIS.

Comment that the job description for Marolt was changing somewhat to reflect the amount of time on FIS issues and the USOC in future. He asked what the organization needed to look like so that Marolt could spend the time necessary working on FIS and USOC issues but still spend time on running the organization.

8. USOC Report: Chuck Ferries, Bill Marolt

Ferries stated that Marolt had been working closely with Jim McCarthy and had asked Peter Ueberroth to join the meeting but he had another commitment. He said that the USOC had gone from a board of 120 to 11 with nine votes. He said this would provide a real opportunity to get something done there.

Marolt replied that he was very optimistic about what the USOC would become. He thought it would become athletically focused with a small board, limited number of committees and that it would be a challenge to find leadership to drive this forward but that he was confident they would. He said that this should translate into more support for the NGB's and athletes.

Jeanne Jackson said that it would be useful, and might be done for the March meeting, to provide what the cohesive strategy was with the USOC. She stated that those nine people on the board were people whom the members of foundation interfaced with in other parts of their lives so it might be useful to have a discussion listing the nine people and informing the foundation board members that, should you have a relationship, when you run into them in another situation, you would know the three most important priorities of USSA. She said it was unlikely that the foundation would interface with the FIS but likely with the USOC.

Marolt replied that one of the things being worked on was a white paper being prepared for Peter Ueberroth. He said that he'd had a discussion with him and that Ueberroth liked what he'd heard about this NGB. He said that Alan and the athletic staff were discussing what the USOC should provide back to the NGB's.

Marolt stated that, what was needed from them were things that could be done collectively better with other NGB's than could be done by ourselves. Those things needed to be identified. For example, insurance was one area in which the USOC could help and that a laundry list of other things was being developed to provide to Ueberroth. When that list was developed, he stated, the board would receive it.

9. Sport Committee Reports/Action Items:

Ferries stated that most of the sport committee issues were dealt with in the May meetings and that seldom were issues brought to the fall meeting.

Andy Wise mentioned the two action items from spring, which clarified exactly the procedures for athletes' inverted training qualifications. He said that the good news was that there were no operating procedures that needed approval at this time. He thanked everyone for their patience last spring and stated that the revised procedures were working and that the absentee proxy initiative was used in the fall meetings and worked as the sport committee had hoped it would. The only other item being work out for the operating procedures in future he said were the terms of office for members. He said he hoped that freestyle would be able to duplicate what alpine had achieved in the last few days.

Pottruck commented that the broadcasters should be made aware of the aerial and mogul qualifications – how much success the athletes had to have before being allowed to move on

– he said that he thought that was what made the broadcast interesting, knowing that you had to do a jump 100 to 125 times to qualify to do it in competition.

Sosman commented that this was the result of two years of work from Leslie Leete Smith and the result was that USSA went from a bunch of broken necks and severe injuries to essentially nothing. He said this occurred at the same time that Leslie's father would not allow any freestyle at his ski area, Killington.

10. Judicial/Legal Committee Report: Alex Natt

Natt reported that there was one judicial item in the fall, which was the sanction of two young alpine athletes who chose to drink beer in Austria at the end of their training camp, which was in violation of the team agreement. The Alpine Judicial Committee met and recommended sanctioning the athletes, who accepted the sanction without a hearing and the matter was disposed of via writing an apology to their coaches and staff of USSA as well as serving community service with their local clubs.

Natt stated that the two personal injury lawsuits that had been pending against the company, were dismissed by both judges without prejudice. The manner in which these were litigated by plaintiff's counsel indicated that it was unlikely they would be brought back. Other than that, the company was not subject to any threatened or pending litigation, and it was still his pleasure to represent USSA.

11. Athletes' Council Report: Greg Boester

Boester stated that there were no major pending outstanding items other than that the athlete elections were in process. He said that there were nominations and acceptance of nominations for all disciplines for those who were up for reelection this time. Boester said that they would take it upon themselves to make sure the transition was easy when they were seated for the board meeting. He commended the board over the last several years for not only accepting, but also embracing, the athlete perspective respecting real policy decisions at all levels. He stated that, the fact that there were not major items to bring to the table was a change from seven years ago, and indicated acceptance of the vision laid out in the plan. He said he would happily turn the seat to whoever won the election in the spring and would do his best to ensure the replacements were well educated and would bring something to the table to further the vision of the organization.

Pottruck asked if there was anything that could be done as far as athlete orientation so that when athletes attended their first board meeting in May they appreciated how much the organization had changed over the years, understood what the budgets looked like, etc. He asked if there were things that could be done to help with the transition of the athletes onto the board. Boester said that he would work to bring the athletes through the history of where the organization had been. He said that, more importantly, he hoped that staff would be available with the chairman of the Athletes' Council once elected, to fill them in on, and reach out to, the athletes. He thought this would go a long way.

Wise asked if there were any chance that one of the current discipline athlete reps could fill his position. Boester said that all the athletes were eligible but there was certainly that possibility. Ferries stated that these positions were elected by the individual sports' athletes and he reiterated that it was a very important part of the board. He said that USSA worked for the athletes and that they were an integral part of everything done. He said that athletes were on the Audit Committee, on Executive and sprinkled throughout. He said if there were

any question about needing one or two athletes, the organization went with two. He said that we had a great relationship that we wanted to continue to nurture.

USOC AAC: Written report submitted by Nelson Carmichael and provided in the meeting packet.

12. NSAA Report: Michael Berry

Ferries introduced Michael Berry, president of the National Ski Areas Association. He stated that we thanked him profusely for the Gold Pass program every time we saw him. He said that the program generated \$1.8 million for USSA and it was USSA's most efficient program and that the areas had done a great job for the organization, which was greatly appreciated.

Berry stated kudos to Nick Badami who introduced the program 25 years ago. He stated that Nick was the one, quite honestly, to win the support of the industry to get this program. He stated that it had generated \$25 million over the life of the program to USSA. He said that it was one of those things that was stealthy on occasion but the ski area guys loved it.

He stated that he wanted to congratulate everyone at USSA and the athletes. The weekend had been wonderful but he said it spoke to the state of the industry as well. The fact of the matter was that the ski industry had performed strongly over recent years in ways that, he said, most people didn't understand or appreciate. He said that record seasons had taken place in three of the last four years in terms of total tickets sold and embedded in that was a lot of good news and, he said, he would share that with the group.

He said that everyone enjoyed the excitement of this weekend and that this was probably sustainable over time because the industry was growing and would continue to thrive well into the next decade and longer. He said it hadn't been a simple time. He said that over the last 30 years, there had been three epochs within the resort industry in the modern era.

The 80's ranged between 46 and 50 million visits; the 90's reached 51 and 54 million. He said the conventional wisdom from mainstream press was that the industry was stuck and not growing and that was really not the case. He said they were working hard to change that impression, that it served some interests to have the industry viewed as stagnant, particularly from those who opposed continued expansion of the resort side of the industry.

Since 2000, he said, there had been a wonderful run. He said that the average had been about 56 million visitors and the one thing that was never forgotten in the resort industry was that there was tremendous dependence upon the weather, and that could vary incredibly from region to region. Last winter had been bitterly cold in the east for a long time in February and March, having begun in January and that eliminated 10% of the business. Had the east not had bitter weather, it would have been another banner year.

He then stated that the average age of alpine skiers had gone from 34 to 40. What this meant, he said, was that people were staying in the sport longer than ever before. He said that the experience had been bettered by lifts, grooming and equipment, which made the experience better and easier. He said that he would caution those in his age group (55 and older) to slow down. He said, the fact of the matter was, that more people than ever were having fun on the mountain at an older age than ever before. He said that his dad had hung up his skis at 45 or 46, and the reason was that he was on 210 cm Kneissel wood skis.

He said that the average age of snowboarders was remaining relatively stable, which meant that 60% of the entries under 20 were coming in as snowboarders. He said that this had been a huge part of the revitalization of the industry. The benefits, were that, "We were

retaining the average customer much longer and bringing in their kids, which made the combination multi-generational when all through the 70's and 80's it was one generation of participants.”

He said lessons growth continued, with 6% at entry. He said that a lot of entry for snowboard happened outside the enclave of organized instruction. There was no problem with a 14-year-old teaching another 14-year-old to snowboard; the problem was when a 24-year-old guy tried to teach his 23-year-old girlfriend to do anything. This resulted in losing multiple generations of participants.

He said that participation remained affordable for a range of reasons; deep discount season passes for people who were committed to the sport were readily available across the country. He illustrated with the difference between Sun Valley and Buck's Hill and lower costs across the board for beginner and entry programs. He said that the industry realized that the long-term commitment of those people to the sport and industry was in their best interests. The other issue resolved reasonably well was the yield issue. He said that the industry had never been more profitable than it was today. He said that, of particular interest, was that the smaller ski areas had never had more success than today in any time of their history.

He stated that those were fascinating things that really spoke to the issues and the future of the industry. With a strong performance last season, the industry was resilient. There were still tough economic times with the economy grinding its way back. Nevertheless, the industry had managed to elevate its performance to 56.6 million skier visits over the last four seasons.

In closing, he said that the story of skiing and snowboarding's revival should not be surprising. It turned out that, “If cordially invited and made to feel welcome and provided with what they expected and relieved of only modest sums from their wallets, people truly loved the mountains and enjoyed going skiing and snowboarding.”

Question about how the real estate component figured into the numbers. Berry said that the resort side of the industry was \$4.5 billion, which included resort realty, which was about 10% of the industry revenue stream. He said that it was also only 10% of Vail's. While real estate was important it wasn't the driving force in the deal. The deal, he said, was still about the lift ticket and hamburgers and hot dogs. At the end of the day, it was the core business. He said to keep in mind that Nike sold \$12 billion's worth of sneakers, which was corrected to \$15 billion. He said that in the places where the industry was located that the resort industry drove the economy, but it was still a relatively small industry.

Ashley asked if more international travelers were coming with the exchange rate. Berry said that there were strong reservations and that the element that swooned over the last few years had been the destination end. He said that we should keep in mind that North America was the only part of the world that had favorable demographics at this time to drive the industry over the next 10 to 15 years. He said that North America was the only part of the world that had this echo boom population that was cohort to the baby boom population. Europeans and Japanese did not have it. The prospects for US industry over the next 15 years were incredibly bright. Berry said that this weekend might well be a harbinger of years to come.

Comment that global warming especially over Europe and the glaciers would be an interesting topic. Berry stated that there was a huge partnership effort with the National Resource Defense Council on global warming. He suggested going to NSAA's web site for those with an interest. He concurred that, over the next decade or two, it was a European problem, but in a macro perspective, it was a universal problem. The only people who liked global warming, he said, were the people outside of Minneapolis and Duluth.

Jackson asked about the split skiing vs. snowboarding. Berry replied that it was around 12 million with more snowboarders than skiers. 30% of tickets sold were to snowboarders. Those exiting were skiers and 60% of entry were snowboarders. He said that 50-50 was not too far down the road.

Question - with more people snowboarding, were there more injuries? Berry said the answer was no, absolutely not, that there was no statistical evidence to that. He said that pipes in parks drew kids in significant numbers and so a natural segregation was taking place. He reiterated that there were no more collisions snowboarders to skiers than skiers to skiers, or boarder-to-boarder collisions.

Boester stated that if snowboarding was approaching 50 percent of the tickets sold then the pool of skiers for the five disciplines, not snowboarding, to draw from was increasingly shrinking. Had this been felt on the development side, participation rate or size of pool?

Ashley stated that the level and quality of athletes emerging at this time was as strong as it had ever been. Across the board, there were really good athletes. He said the numbers, the volume of people at the bottom, did not necessarily indicate what happened when athletes emerged to upper levels of competition; and to his knowledge, the clubs were overflowing with people.

Berry said that one of the biggest problems was the resorts were out of capacity on the majority of available entry days; in other words, there was an inability to draw more people into the sport right now. The majority of capital dollars being spent at this time were on revamping base facilities with dedicated facilities for entry. He said that Alan was correct. If this was discussed with the alpine operators, i.e. reviewing the core alpine programs vs. their parks and pipes programs, the core alpine programs were still strong and powerful and had capacity issues. In spite of the recreational aspect warping, things like this weekend would continue to drive people who had the athletic ability and drive.

Ferries stated that it was great having Berry report to the board and this would be followed up in future meetings to help the board understand more about what was taking place. He thanked him and put a pitch in for the organization.

Ferries said that the U. S. Ski Team generated enormous exposure in Europe. He also confirmed that, in Europe, the US had an image problem right now but the USST was a very bright, positive note over there with Bode and Daron being heroes whom the Europeans loved. He said it was a way in which sport transcended politics.

13. SnowSports Industries of America: David Ingemie

Ferries introduced David Ingemie. Ferries stated that he had been an exhibitor at the trade show for longer than he'd like to remember and that David had always done an excellent job. Ingemie stated that he appreciated the opportunity to be present. He said that Michael talked about the growth model for skiing from the resort side. He stated that the same thing could be seen in his industry. He said that he had been in Vail six or seven years ago listening to a presentation about how bad the industry was and that everything cost too much.

As a result, David said, he confronted the speaker and asked him to do a study, which was 'Growing the SnowSports Market.' David stated that the speaker called him after 30 days into the project and said that he had been totally wrong and that money was not the issue from keeping people skiing or snowboarding. Michael's group had done a great job in resolving the major issues of conversion or retention and that people wanted to keep

improving, they wanted nice facilities, and they needed time and proximity; tenth on the list was money.

One of the things pointed out in the study was the need to focus on kids in order to have some legacy and also athletes for racing and competition. SIA at the time started to focus on two initiatives with kids. He said that the focus was called *Project Kids*. The idea was to focus on kids themselves and the other approach was to focus on the influencers of kids such as phys ed teachers, parents, etc. He said that they devised a number of projects to get kids on snow more often to keep Mike's numbers bumping up.

Project Zero was a program just kicked off with the CDC and the Verb program, that the obesity issue was very topical for CDC. He said that members and suppliers were doing a good job of focusing on those who participated in the sport already. He said this was the first winter program introduced to 9-13 year olds to people who do not participate. Ads ran in *Sports Illustrated for Kids*, and there was a plan to do clinics at USSA events for these kids.

Winter Feels Good, he stated, was a pr campaign begun two years ago. *The Washington Post* did a couple of pages on the program that was established with Fairfax County. What was done was going to the phys ed teaches with the idea of getting kids to start snowshoeing and cross country without even any snow. There were 37 schools that wanted to do the project. He said the idea was to take the program, lay it out and provide it to all the national phys ed teachers and then try to spread it around the country. He said that he wished they had more money to spend on the program. *United Magazine* also had an article on *Winter Feels Good*. He said that a curriculum was being worked on with USSA for the teachers to give kids based on what USSA had learned in its sports medicine program. A cd would be developed for this program.

Winter Trails was a program to introduce people to the very basic levels of getting on snow, snowshoeing. He stated that there were 100 locations doing this totally free with either snowshoeing or cross country. As many as 30,000 people would try this in one day and of this, 60% were new people who had never done it before.

Snowlink Junior focused on providing kids with information on getting started. The person participating could pick a USST athlete and discipline and pick the products they wanted to ski on and do the race. He said it was focused on learning what to buy and how to dress.

About demographics, the retail side had been growing every year. He said it was about \$2.3 billion with a lot of consolidation taking place, less management in retail but the same number of storefronts. The junior side of the industry, he said, was well under bought. Last year, he said, they doubled the number of products sold and were out by Christmas.

He said another thing about alpine skiing was that there was a continual loss of sales. Snowboard was about 40% of the sliding devices. He said there had just recently been an up tick in alpine racing skis. The average price had dropped \$100 over two years. Snowboarding continued to grow.

Lease programs. He stated that literally every retail shop provided a season-long or two year-lease, which decreased entry costs significantly. Most of the programs, skis, boots, and bindings were in the \$100 - \$120 range. Some got resold.

Rentals. On any given day, he said between 30 and 40% of the people on hill were renting. Comment that people would rather rent than deal with the hassle of getting their equipment on planes. Ingemie commented that only 9% of all retail storefronts didn't rent and that was because they did not have anything to rent. He said it was the highest margin for a resort and also for a retailer, even in the city. Yield – high-end rentals had been a key component.

He said that that was basically it. He said that SIA was staying focused on kids and worked very closely with USSA to keep the pipeline going.

Jackson said with 12 million people who ski, 57 million visits, buying \$2 billion in clothes -- and USSA only had 40,000 people registered in its fan base. If you had to triple the fan base, what was being missed?

Comment that this was the same discussion that could have happened in '59 or '64 -- the fact of the matter was that, when you thought about where people were on weekends, they were participating -- they were not spectators. He said that when you looked at TV schedules, it didn't resonate with the vast majority of people in terms of being an important part of the sport. He said he could not state that there was any ability to leverage this any differently than it had been done. He said that different ways had been explored to somehow increase the fan base, increase the number of people standing out there, but it had been an incredible challenge. He said that he could not say there was any silver bullet regarding that. Success bred fans. A string of successes over a number of years would increase the fan base. The history thus far had been moments of success but not sustained success.

Another comment was that the 120 days of the season contained a lot of holidays, which took enormous family and business time away. If you looked at where the events took place, there weren't a lot of people near them. NASCAR competitions were staged where there were a lot of people, and it much more social than skiing had been able to pull off.

Comment about horse racing and where it was staged and gambling on a sport helping to create a fan base that might not participate. "I've never raced a horse but I like betting on a horse once in a while." Commented he'd discussed adding an odds program in Vegas for the X-Games during the show and that, if that started daily for two hours at six, there would be 5-6,000 people there for that time period. That would have an impact.

Jackson stated that if you wanted to reach kids, do a fantasy camp. Reply that that was part of the *Zero Degree* program, that life or the fun started when it was zero degrees centigrade because that was then it snowed.

Sosman stated that back in the 60's there were huge Calcutta's in the main golf building that raised money to help support the Vail program. As it got bigger, it was obvious it was illegal.

Comment that the same could be said of cycling that there were very few crowds around a bike race - people wanted to participate and not watch. Jackson stated that there was a tremendous fan base for cycling that watched the sport and bought the yellow bracelet.

Comment that the yellow bracelet was related to health, not supporting cycling. Comment that what helped cycling was the broader TV coverage and the huge numbers of participants, and that it was a year-round sport in the US.

Ferries ended the discussion stating that there were many questions to be resolved and there would be opportunities as we went forward to address these.

14. Old Business: Chuck Ferries

Bill Gorton stated that USSA would likely be receiving a donation of five acres of land in Park City that would be suitable for a training center. He said that he would take any questions regarding the training center or the donation of land. Question about location. Gorton stated

that the acres were on Rte. 248, which he described as “the back door into Park City, near the National Ability Center.”

15. Meeting Dates, Closing Comments & Adjournment: Chuck Ferries

Ferries stated that the USSA board was scheduled to hold its next meeting in Park City and that he hoped to see everyone there on May 15, 2005. He stated that would be the next time that the group would be formally together. He called the board into executive session to discuss and approve Bill’s contract, which closed the USSA board meeting.

Minutes prepared by Suzette, 12/22/04
Natt legal review; 12/23/04
Sent to the USSA BOD and posted to web, 1/4/05

Addendum A

PROPOSED USSA MEMBERSHIP FEES 2005-06

ALPINE	CATEGORY	FY 04/05	FY 05/06
	Youth	\$45	\$60
	Student	\$70	\$70
	Competitor	\$125	\$125
	Master	\$90	\$90
	Official	\$50	\$50
	Coach	\$125	\$125
	Cert. Coach	N/A	N/A

CROSS COUNTRY	CATEGORY	FY 04/05	FY 05/06
	Nordic Kid	N/A	N/A
	Youth	\$25	\$30
	Competitor	\$100	\$110
	Official	\$50	\$50
	Coach	\$100	\$100

FREESTYLE	CATEGORY	FY 04/05	FY 05/06
	Youth	\$30	\$30
	Rookie	\$40	\$50
	Competitor	\$100	\$110
	Official	\$50	\$50
	Coach	\$100	\$100

JUMP/COMBINED	CATEGORY	FY 04/05	FY 05/06
	Nordic Kid	N/A	N/A
	Youth	\$25	\$30
	Competitor	\$100	\$110
	Official	\$50	\$50
	Coach	\$100	\$100

SNOWBOARD	CATEGORY	FY 04/05	FY 05/06
	Regional Comp	\$50	\$50
	National Comp	\$100	\$100
	Official	\$50	\$50
	Coach	\$100	\$100