NICAC's Concerns Regarding Pending Legislation for a 2026 World Cup Commemorative Coin

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In late 2022, NICAC endorsed a plan for Congress to authorize the United States Mint to issue coins commemorating the 2026 FIFA World Cup, co-hosted by the United States, Canada, and Mexico. This endorsement follows the extraordinary success of the Mint's 1994 World Cup commemorative program and recognition that the World Cup is now the most popular sporting event on the planet.

The U.S. was chosen to host the 1994 tournament despite soccer's limited popularity in the States, partly as an effort to expand interest in the sport. It worked. The 1994 tournament proved to be the most successful in World Cup history, still holding the attendance record with 3,587,538 fans from around the world at nine host-city venues. The explosion in American soccer participation since 1994—coupled with the sport's still-growing international popularity—creates expectations that 2026 will again break all records.

The growth in the sport since 1994 suggests Congress should adjust its normal directives to the U.S. Mint for how it would conduct a 2026 World Cup coin program. This is all the truer since the program would compete with the Mint's ambitious plans for the 2026 celebration of the semi-quincentennial (250th anniversary) of the Declaration of Independence.

The 2026 coin program NICAC proposed 18 months ago was of a much larger scale than the 1994 program. While NICAC proposed the types of coins and their mintages, it did not offer any specific legislative language. The committee did, however, expect the proposal would be well received by Congress, given the widespread popularity of the sport and the economic benefits it would bring to the host cities and states.

FIFA was informed of NICAC's endorsement at the time but never responded.

Then, on February 23, 2024, a bill, HR 7438, mandating the minting of coins commemorating the 2026 FIFA World Cup, was filed by Congressman Darin LaHood. A companion bill, S 4141 from Senator Todd Young, was filed on April 17, 2024.

NICAC was not consulted before or after these bills were filed. Had it been, the committee would have recommended major changes. As the bills stand today, NICAC opposes them. Moreover, committee members are concerned that provisions of the bills could prove embarrassing for the bills' sponsors and co-sponsors. Among these provisions are ones that obscure how profits generated by the program could be used, which could result in profits going to purposes other than those the sponsors intend.

<u>Problematic provisions of HR 7438 and S 4141</u>

The bills are identical. For the sake of brevity, bill language and sections are referenced here, not quoted.

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H. R. 7438
SEC. 2. FINDINGS

Subsections (3) through (6) reference an operation model FIFA says it first used in the Women's World Cup held in Australia and New Zealand in 2023. The model FIFA is using for the 2026 World Cup, FWC2026 US, Inc., was formed as a Section 501(c)(4) nonprofit headquartered in Miami.

The reference to FIFA's 2023 Women's World Cup model is irrelevant and obscures questions about exactly how FIFA would distribute surcharges (profits) from the 2026 World Cup coin program. For example, as written the legislation is unclear whether the "legacy fund" referenced in subsection (5) would require profits to be shared among the United States Soccer Federation, Canada Soccer, and the Mexican Football Federation. Sharing of profits could be required or FIFA might find it politic to do so, since the three countries are co-hosts of the 2026 tournament, and FIFA is sure to pursue commemorative coin sales in all three countries.

However, if profit-sharing occurs, the division of profits is not specified in the bills, nor is reciprocity required for profits from World Cup coin programs conducted by Canadian and Mexican mints. This provision also raises questions about whether any profit-sharing arrangement of FIFA's legacy fund conflicts with the distribution provisions in Section 7 (b). (More on that below.)

SEC. 3. COIN SPECIFICATIONS

In the bills the maximum mintages mandated for the 2026 World Cup coins are

- 100,000 $5 gold coins
- 500,000 $1 silver coins
- 750,000 half dollar clad coins

These mintages are low compared to actual coin sales from 1994, when the U.S. soccer market was significantly smaller than it is today. Sales in 1994 were

- 112,061 $5 gold coin
- 658, 614 $1 silver coins
- 777,562 half dollar clad coins

Demand in 2026 is likely to be multiples of these mintages. NICAC recognized this fact and recommended mintages far above those specified in the legislation.

FIFA already seems to anticipate stronger demand than authorized in the bill. Subsection (d) grants the Treasury Secretary authority to increase mintage levels set in the bill based on market research FIFA, itself, would conduct under the guise of its nonprofit, FWC2026 US, Inc. This provision is tainted by FIFA's interest in the outcome of this research. If FIFA expects higher demand, the mintages set in these bills should reflect that fact initially. The tournament has been planned for years; research should have been conducted in advance of filing these bills.

More important, last-minute increases in mintage amounts will alienate coin collectors who value certainty in the number of coins minted and are accustomed to strictly limited mintages set by law. Collectors view last-minute changes like this as a form of bait-and-switch marketing, which has created strong backlash from collectors in the past.

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SEC. 5. ISSUANCE OF COINS

Subsection (b) states that coins may not be issued, even for wholesale distribution, before January 1, 2026—barely five months before the tournament begins. This is problematic for multiple reasons: It provides inadequate time for international distribution of U.S. coins and also invites the sale of Canadian- and Mexican-minted coins in the United States before U.S. Mint marketing even begins.

SEC. 6. SALE OF COINS

Subsection (b) and (c) provide for bulk sales and discounts prior to issuance. This language is boilerplate in commemorative coin legislation, but it is uniquely problematic for this program, given its partnership with a major international business, since it could lead to significant shortages in the U.S. market.

FIFA has a longstanding revenue-sharing partnership with a foreign numismatic firm that sells World Cup coins globally. The provision in this subsection creates an opportunity for that firm—or any firm—to buy coins in bulk at a discount and sell them worldwide (even in the U.S.) at a significant markup above the U.S. Mint's price, then share those profits with FIFA. The previously mentioned low mintages for these coins make this an attractive opportunity for FIFA, since the scarcity of a collectible raises the price the market will bear, particularly among well heeled international collectors. With these low mintages and strong international demand, the U.S. market is certain to be shortchanged.

SEC. 7. SURCHARGES

Subsection (b) requires all surcharges (profits) received from the sale of 2026 World Cup coins be paid to FWC2026 US, Inc., a wholly owned subsidiary of FIFA. The bill states that the surcharges are to be used

"for the purpose of aiding or executing United States–based soccer programs and activities, including the promotion of: (1) FIFA's legacy programs in the United States; and (2) efforts to grow the sport of soccer throughout the United States, with a focus on youth, inner cities, and underserved communities."

Read carefully, this language allows FIFA to spend surcharges on "United States–based soccer programs or activities, including"—*but not limited to*—those "with a focus on youth, inner cities, and underserved communities." The language also allows spending on *any* "efforts to grow the sport of soccer" in the United States or to promote "FIFA's legacy programs," including the construction of a new headquarters and/or national training center for the U.S. Soccer Federation, developing elite national teams, and increasing the pool of referees.

In short, funds raised from the program can be used for a wide variety of purposes, most of which are not disclosed in the bill. These profits are not actually dedicated to promoting soccer among "youth, inner cities, and underserved communities."

In addition to urging the bills to be revised, NICAC stands ready to assist and meet with legislators and relevant bodies like FIFA to address the problematic provisions scattered throughout the legislation.

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