

Calendar No. 161

106TH CONGRESS
1ST Session

S. 305

[Report No. 106-83]

A BILL

To reform unfair and anticompetitive practices in
the professional boxing industry.

JUNE 21, 1999

Reported with amendments

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1ST SESSION**S. 305****[Report No. 106–83]**

To reform unfair and anticompetitive practices in the professional boxing industry.

IN THE SENATE OF THE UNITED STATES

JANUARY 25, 1999

Mr. MCCAIN (for himself, Mr. BRYAN, Mr. DORGAN, and Mr. ABRAHAM) introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

JUNE 21, 1999

Reported by Mr. LOTT (for Mr. MCCAIN) with amendments

[Omit the part struck through and insert the part printed in *italie*]

A BILL

To reform unfair and anticompetitive practices in the professional boxing industry.

1 *Be it enacted by the Senate and House of Representa-*
 2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Muhammad Ali Boxing
 5 Reform Act”.

1 **SEC. 2. FINDINGS.**

2 The Congress makes the following findings:

3 (1) Professional boxing differs from other
4 major, interstate professional sports industries in
5 the United States in that it operates without any
6 private sector association, league, or centralized in-
7 dustry organization to establish uniform and appro-
8 priate business practices and ethical standards. This
9 has led to repeated occurrences of disreputable and
10 coercive business practices in the boxing industry, to
11 the detriment of professional boxers nationwide.

12 (2) Professional boxers are vulnerable to ex-
13 ploitative business practices engaged in by certain
14 promoters and sanctioning bodies which dominate
15 the sport. Boxers do not have an established rep-
16 resentative group to advocate for their interests and
17 rights in the industry.

18 (3) State officials are the proper regulators of
19 professional boxing events, and must protect the wel-
20 fare of professional boxers and serve the public in-
21 terest by closely supervising boxing activity in their
22 jurisdiction. State boxing commissions do not cur-
23 rently receive adequate information to determine
24 whether boxers competing in their jurisdiction are
25 being subjected to contract terms and business prac-

1 tices which may be violative of State regulations, or
2 are onerous and confiscatory.

3 (4) Promoters who engage in illegal, coercive,
4 or unethical business practices can take advantage
5 of the lack of equitable business standards in the
6 sport by holding boxing events in states with weaker
7 regulatory oversight.

8 (5) The sanctioning organizations which have
9 proliferated in the boxing industry have not estab-
10 lished credible and objective criteria to rate profes-
11 sional boxers, and operate with virtually no industry
12 or public oversight. Their ratings are susceptible to
13 manipulation, have deprived boxers of fair opportu-
14 nities for advancement, and have undermined public
15 confidence in the integrity of the sport.

16 (6) Open competition in the professional boxing
17 industry has been significantly interfered with by re-
18 strictive and anti-competitive business practices of
19 certain promoters and sanctioning bodies, to the det-
20 riment of the athletes and the ticket-buying public.
21 Common practices of promoters and sanctioning or-
22 ganizations represent restraints of interstate trade
23 in the United States.

24 (7) It is necessary and appropriate to establish
25 national contracting reforms to protect professional

1 boxers and prevent exploitative business practices,
2 and to require enhanced financial disclosures to
3 State athletic commissions to improve the public
4 oversight of the sport.

5 (8) Whereas the Congress seeks to improve the
6 integrity and ensure fair practices of the profes-
7 sional boxing industry on a nationwide basis, it
8 deems it appropriate to name this reform in honor
9 of Muhammad Ali, whose career achievements and
10 personal contributions to the sport, and positive im-
11 pact on our society, are unsurpassed in the history
12 of boxing.

13 **SEC. 3. PURPOSES.**

14 The purposes of this Act are—

15 (1) to protect the rights and welfare of profes-
16 sional boxers by preventing certain exploitative, op-
17 pressive, and unethical business practices they may
18 be subject to on an interstate basis;

19 (2) to assist State boxing commissions in their
20 efforts to provide more effective public oversight of
21 the sport; and

22 (3) to promoting honorable competition in pro-
23 fessional boxing and enhance the overall integrity of
24 the industry.

1 **SEC 4. PROTECTING BOXERS FROM EXPLOITATION.**

2 The Professional Boxing Safety Act of 1996 (15
3 U.S.C. 6301 et seq.) is amended by—

4 (1) redesignating section 15 as 16; and

5 (2) inserting after section 14 the following:

6 **“SEC. 15. PROTECTION FROM EXPLOITATION.**

7 **“(a) CONTRACT REQUIREMENTS.—**

8 **“(1) IN GENERAL.—**Any contract between a
9 boxer and a promoter or manager shall—

10 **“(A)** include mutual obligations between
11 the parties;

12 **“(B)** specify a minimum number of profes-
13 sional boxing matches per year for the boxer;
14 and

15 **“(C)** set forth a specific period of time
16 during which the contract will be in effect, in-
17 cluding any provision for extension of that pe-
18 riod due to the boxer’s temporary inability to
19 compete because of an injury or other cause.

20 **“(2) 1-YEAR LIMIT ON COERCIVE PROMOTIONAL**
21 **RIGHTS.—**

22 **“(A)** The period of time for which pro-
23 motional rights to promote a boxer may be
24 granted under a contract between the boxer and
25 a promoter, or between promoters with respect
26 to a boxer, may not be greater than 12 months

1 in length if the boxer is required to grant such
 2 rights, or a boxer's promoter is required to
 3 grant such rights with respect to a boxer, as a
 4 condition precedent to the boxer's participation
 5 in a professional boxing match against another
 6 boxer who is under contract to the promoter.

7 “(B) A promoter exercising promotional
 8 rights with respect to such boxer during the 12-
 9 month period beginning on the day after the
 10 last day of the promotional right period de-
 11 scribed in subparagraph (A) may not secure ex-
 12 clusive promotional rights from the boxer's op-
 13 ponents as a condition of participating in a pro-
 14 fessional boxing match against the boxer during
 15 that period, and any contract to the contrary—

16 “(i) shall be considered to be in re-
 17 straint of trade and contrary to public pol-
 18 icy; and

19 “(ii) unenforceable.

20 “(C) Nothing in this paragraph shall be
 21 construed as pre-empting any State law con-
 22 cerning interference with contracts.

23 “(3) PROMOTIONAL RIGHTS UNDER MANDA-
 24 TORY BOUT CONTRACTS.—Neither a promoter nor a
 25 sanctioning organization may require a boxer, in a

1 contract arising from a professional boxing match
2 that is a mandatory bout under the rules of the
3 sanctioning organization, to grant promotional rights
4 to any promoter for a future professional boxing
5 match.

6 “(b) EMPLOYMENT AS CONDITION OF PROMOTING,
7 ETC.—No person who is a licensee, manager, match-
8 maker, or promoter may require a boxer to employ, retain,
9 or provide compensation to any individual or business en-
10 terprise (whether operating in corporate form or not) rec-
11 ommended or designated by that person as a condition
12 of—

13 “(1) such person’s working with the boxer as a
14 licensee, manager, matchmaker, or promoter;

15 “(2) such person’s arranging for the boxer to
16 participate in a professional boxing match; or

17 “(3) such boxer’s participation in a professional
18 boxing match.

19 “(c) ENFORCEMENT.—

20 “(1) PROMOTION AGREEMENT.—A provision in
21 a contract between a promoter and a boxer, or be-
22 tween promoters with respect to a boxer, that vio-
23 lates subsection (a) is contrary to public policy and
24 unenforceable at law.

1 “(2) EMPLOYMENT AGREEMENT.—In any ac-
 2 tion brought against a boxer to recover money
 3 (whether as damages or as money owed) for acting
 4 as a licensee, manager, matchmaker, or promoter for
 5 the boxer, the court, arbitrator, or administrative
 6 body before which the action is brought may deny
 7 recovery in whole or in part under the contract as
 8 contrary to public policy if the employment, reten-
 9 tion, or compensation that is the subject of the ac-
 10 tion was obtained in violation of subsection (b).”.

11 (b) CONFLICTS OF INTEREST.—Section 9 of such Act
 12 (15 U.S.C. 6308) is amended by—

13 (1) striking “No member” and inserting “(a)
 14 REGULATORY PERSONNEL.—No member”; and

15 (2) adding at the end thereof the following:

16 “(b) FIREWALL BETWEEN PROMOTERS AND MAN-
 17 AGERS.—

18 “(1) IN GENERAL.—It is unlawful for—

19 ~~“(A) a promoter to have a direct or indi-~~
 20 ~~rect financial interest in the management of a~~
 21 ~~boxer; or~~

22 ~~“(B) a manager—~~

23 “(A) a boxer’s promoter (or a promoter who
 24 is required to be licensed under State law) to
 25 have a direct or indirect financial interest in

1 *that boxer's licensed manager or management*
 2 *company; or*

3 “(B) *a licensed manager or management*
 4 *company (or a manager or management com-*
 5 *pany that, under State law, is required to be li-*
 6 *censed)—*

7 “(i) to have a direct or indirect finan-
 8 cial interest in the promotion of a boxer; or

9 “(ii) to be employed by or receive
 10 compensation or other benefits from a pro-
 11 moter,

12 except for amounts received as consideration
 13 under the manager's contract with the boxer.

14 “(2) EXCEPTION FOR SELF-PROMOTION AND
 15 MANAGEMENT.—Paragraph (1) does not prohibit a
 16 boxer from acting as his own promoter or man-
 17 ager.”.

18 **SEC. 5. SANCTIONING ORGANIZATION INTEGRITY RE-**
 19 **FORMS.**

20 (a) IN GENERAL.—The Professional Boxing Safety
 21 Act of 1996 (15 U.S.C. 6301 et seq.), as amended by sec-
 22 tion 4 of this Act, is amended by—

23 (1) redesignating section 16, as redesignated by
 24 section 4 of this Act, as section 17; and

25 (2) by inserting after section 15 the following:

1 **“SEC. 16. SANCTIONING ORGANIZATIONS.**

2 “(a) OBJECTIVE CRITERIA.—A sanctioning organiza-
3 tion that sanctions professional boxing matches on an
4 interstate basis shall establish objective and consistent
5 written criteria for the ratings of professional boxers.

6 “(b) APPEALS PROCESS.—A sanctioning organization
7 shall establish and publish an appeals procedure that af-
8 fords a boxer rated by that organization a reasonable op-
9 portunity, without the payment of any fee, to submit infor-
10 mation to contest its rating of the boxer. Under the proce-
11 dure, the sanctioning organization shall, within 14 days
12 after receiving a request from a boxer questioning that
13 organization’s rating of the boxer—

14 “(1) provide to the boxer a written explanation
15 of the organization’s criteria, its rating of the boxer,
16 and the rationale or basis for its rating (including
17 any response to any specific questions submitted by
18 the boxer); and

19 “(2) submit a copy of its explanation to the
20 President of the Association of Boxing Commissions
21 of the United States and to the boxing commission
22 of the boxer’s domiciliary State.

23 “(c) NOTIFICATION OF CHANGE IN RATING.—If a
24 sanctioning organization changes its rating of a boxer who
25 is included, before the change, in the top 10 boxers rated
26 by that organization, *or who, as a result of the change is*

1 *included in the top 10 boxers rated by that organization,*
 2 then, within 14 days after changing the boxer's rating,
 3 the organization shall—

4 “(1) mail notice of the change and a written ex-
 5 planation of the reasons for its change in that box-
 6 er's rating to the boxer at the boxer's last known ad-
 7 dress;

8 “(2) post a copy, within the 14-day period, of
 9 the notice and the explanation on its Internet
 10 website or homepage, if any, for a period of not less
 11 than 30 days; and

12 “(3) mail a copy of the notice and the expla-
 13 nation to the President of the Association of Boxing
 14 Commissions.

15 “(d) PUBLIC DISCLOSURE.—

16 “(1) FTC FILING.—Not later than January
 17 31st of each year, a sanctioning organization shall
 18 submit to the Federal Trade Commission—

19 “(A) a complete description of the organi-
 20 zation's ratings criteria, policies, and general
 21 sanctioning fee schedule;

22 “(B) the bylaws of the organization;

23 “(C) the appeals procedure of the organi-
 24 zation; and

1 “(D) a list and business address of the or-
2 ganization’s officials who vote on the ratings of
3 boxers.

4 “(2) FORMAT; UPDATES.—A sanctioning orga-
5 nization shall—

6 “(A) provide the information required
7 under paragraph (1) in writing, and, for any
8 document greater than 2 pages in length, also
9 in electronic form; and

10 “(B) promptly notify the Federal Trade
11 Commission of any material change in the in-
12 formation submitted.

13 “(3) FTC TO MAKE INFORMATION AVAILABLE
14 TO PUBLIC.—The Federal Trade Commission shall
15 make information received under this subsection
16 available to the public. The Commission may assess
17 sanctioning organizations a fee to offset the costs it
18 incurs in processing the information and making it
19 available to the public.

20 “(4) INTERNET ALTERNATIVE.—In lieu of sub-
21 mitting the information required by paragraph (1)
22 to the Federal Trade Commission, a sanctioning or-
23 ganization may provide the information to the public
24 by maintaining a website on the Internet that—

1 “(A) is readily accessible by the general
2 public using generally available search engines
3 and does not require a password or payment of
4 a fee for full access to all the information;

5 “(B) contains all the information required
6 to be submitted to the Federal Trade Commis-
7 sion by paragraph (1) in a easy to search and
8 use format; and

9 “(C) is updated whenever there is a mate-
10 rial change in the information.”.

11 (b) CONFLICT OF INTEREST.—Section 9 of such Act
12 (15 U.S.C. 6308), as amended by section 4 of this Act,
13 is amended by adding at the end thereof the following:

14 “(c) SANCTIONING ORGANIZATIONS.—

15 “(1) PROHIBITION ON RECEIPTS.—Except as
16 provided in paragraph (2), no officer or employee of
17 a sanctioning organization may receive any com-
18 pensation, gift, or benefit directly or indirectly from
19 a promoter, boxer, or manager.

20 “(2) EXCEPTIONS.—Paragraph (1) does not
21 apply to—

22 “(A) the receipt of payment by a promoter,
23 boxer, or manager of a sanctioning organiza-
24 tion’s published fee for sanctioning a profes-
25 sional boxing match or reasonable expenses in

1 connection therewith if the payment is reported
 2 to the responsible boxing commission under sec-
 3 tion 17; or

4 “(B) the receipt of a gift or benefit of de-
 5 minimis value.”.

6 (c) SANCTIONING ORGANIZATION DEFINED.—Sec-
 7 tion 2 of the Professional Boxing Safety Act of 1996 (15
 8 U.S.C. 6301) is amended by adding at the end thereof
 9 the following:

10 “(11) SANCTIONING ORGANIZATION.—The term
 11 ‘sanctioning organization’ means an organization
 12 that *ranks boxers or* sanctions professional boxing
 13 matches in the United States—

14 “(A) between boxers who are residents of
 15 different States; or

16 “(B) that are advertised, otherwise pro-
 17 moted, or broadcast (including closed circuit
 18 television) in interstate commerce.”.

19 **SEC. 6. PUBLIC INTEREST DISCLOSURES TO STATE BOXING**
 20 **COMMISSIONS.**

21 (a) IN GENERAL.—The Professional Boxing Safety
 22 Act of 1996 (15 U.S.C. 6301 et seq.), as amended by sec-
 23 tion 5 of this Act, is amended by—

24 (1) redesignating section 17, as redesignated by
 25 section 5 of this Act, as section 18; and

1 (2) by inserting after section 16 the following:

2 **“SEC. 17. REQUIRED DISCLOSURES TO STATE BOXING COM-**
 3 **MISSIONS.**

4 “(a) SANCTIONING ORGANIZATIONS.—Before ~~sanc-~~
 5 ~~tioning~~ *sanctioning or authorizing* a professional boxing
 6 match in a State, a sanctioning organization shall provide
 7 to the boxing commission of, or responsible for ~~sanctioning~~
 8 *regulating* matches in, that State a written statement of—

9 “(1) all charges, fees, and costs the organiza-
 10 tion will assess any boxer participating in that
 11 match;

12 “(2) all payments, benefits, complimentary ben-
 13 efits, and fees the organization will receive for its af-
 14 filiation with the event, from the promoter, host of
 15 the event, and all other sources; and

16 “(3) such additional information as the commis-
 17 sion may require.

18 *A sanctioning organization that receives compensation from*
 19 *any source to refrain from exercising its authority or juris-*
 20 *diction over, or withholding its sanction of, a professional*
 21 *boxing match in any State shall provide the information*
 22 *required by paragraphs (2) and (3) to the boxing commis-*
 23 *sion of that State.*

24 “(b) PROMOTERS.—Before a professional boxing
 25 match organized, promoted, or produced by a promoter

1 is held in a State, the promoter shall provide ~~a statement~~
 2 ~~in writing~~ to the boxing commission of, or responsible for
 3 ~~sanctioning~~ *regulating* matches in, that State—

4 “(1) a copy of any agreement in writing to
 5 which the promoter is a party with any boxer par-
 6 ticipating in the match;

7 “(2) a statement *in writing* made under penalty
 8 of perjury that there are no other agreements, writ-
 9 ten or oral, between the promoter and the boxer with
 10 respect to that match; and

11 “(3) a statement in writing of—

12 “(A) all fees, charges, and expenses that
 13 will be assessed by or through the promoter on
 14 the boxer pertaining to the event, including any
 15 portion of the boxer’s purse that the promoter
 16 will receive, and training expenses; ~~and~~

17 “(B) all payments, gift, or benefits the
 18 promoter is providing to any sanctioning orga-
 19 nization affiliated with the ~~event~~ *event*; and

20 “(C) *any reduction in the amount or per-*
 21 *centage of a boxer’s purse after—*

22 “(i) *a previous agreement concerning*
 23 *the amount or percentage of that purse has*
 24 *been reached between the promoter and the*
 25 *boxer; or*

1 “(ii) a purse bid held for the event.

2 “(c) *JUDGES.*—Before participating in a professional
3 boxing match as a judge in any State, an individual shall
4 provide to the boxing commission of, or responsible for regu-
5 lating matches in, that State a statement in writing of all
6 payments, including reimbursement for expenses, and any
7 other benefits that individual will receive from any source
8 for judging that match.

9 “~~(e)~~ (d) *INFORMATION TO BE AVAILABLE TO STATE*
10 *ATTORNEY GENERAL.*—A promoter shall make informa-
11 tion received under this section available to the chief law
12 enforcement officer of the State in which the match is to
13 be held upon request.

14 “~~(d)~~ (e) *EXCEPTION.*—The requirements of this sec-
15 tion do not apply in connection with a professional boxing
16 match scheduled to last less than 10 ~~rounds.~~” rounds.

17 “(f) *CONFIDENTIALITY OF AGREEMENTS.*—Neither a
18 boxing commission nor an Attorney General may disclose
19 to the public any matter furnished by a promoter under
20 subsection (b)(1) or subsection (d) except to the extent re-
21 quired in public legal, administrative, or judicial pro-
22 ceedings brought against that promoter under State law.”.

23 **SEC. 7. ENFORCEMENT.**

24 Section 10 of the Professional Boxing Safety Act of
25 1996 (15 U.S.C. 6309) is amended by—

1 (1) inserting a comma and “other than section
2 9(b), 15, 16, or 17,” after “this Act” in subsection
3 (b)(1);

4 (2) redesignating paragraphs (2) and (3) of
5 subsection (b) as paragraphs (3) and (4), respec-
6 tively, and inserting after paragraph (1) the fol-
7 lowing:

8 “(2) VIOLATION OF ANTI-EXPLOITATION, SANC-
9 TIONING ORGANIZATION, OR DISCLOSURE PROVI-
10 SIONS.—Any person who knowingly violates any pro-
11 vision of section 9(b), 15, 16, or 17 of this Act shall,
12 upon conviction, be imprisoned for not more than 1
13 year or fined not more than—

14 “(A) \$100,000; and

15 “(B) if the violations occur in connection
16 with a professional boxing match the gross rev-
17 enues for which exceed \$2,000,000, such addi-
18 tional amount as the court finds appropriate,
19 or both.”; and

20 (3) adding at the end thereof the following:

21 “(c) ACTIONS BY STATES.—Whenever the chief law
22 enforcement officer of any State has reason to believe that
23 a person or organization is engaging in practices which
24 violate any requirement of this Act, the State, as *parens*

1 *patriae*, may bring a civil action on behalf of its residents
 2 in an appropriate district court of the United States—

3 “(1) to enjoin the holding of any professional
 4 boxing match which the practice involves;

5 “(2) to enforce compliance with this Act;

6 “(3) to obtain the fines provided under sub-
 7 section (b) or appropriate restitution; or

8 “(4) to obtain such other relief as the court
 9 may deem appropriate.

10 “(d) PRIVATE RIGHT OF ACTION.—Any boxer who
 11 suffers economic injury as a result of a violation of any
 12 provision of this Act may bring an action in the appro-
 13 priate Federal or State court and recover the damages suf-
 14 fered, court costs, and reasonable attorneys fees and ex-
 15 penses.”.

16 **SEC. 8. PROFESSIONAL BOXING SAFETY ACT AMENDMENTS.**

17 (a) DEFINITIONS.—Section 2 of the Professional
 18 Boxing Safety Act of 1996 (15 U.S.C. 6301), as amended
 19 by section 5(c) of this Act, is amended by adding at the
 20 end thereof the following:

21 “(12) SUSPENSION.—The term ‘suspension’ in-
 22 cludes within its meaning the revocation of a boxing
 23 license.”.

24 (b) *RENEWAL PERIOD FOR IDENTIFICATION CARDS.*—
 25 *Section 6(b)(2) of the Professional Boxing Safety Act of*

1 1996 (15 U.S.C. 6305(b)(2)) is amended by striking “2
 2 years.” and inserting “4 years.”.

3 ~~(b)~~ (c) STATE BOXING COMMISSION PROCEDURES.—
 4 Section 7(a)(2) of such Act (15 U.S.C. 6306(a)(2)) is
 5 amended—

6 (1) by striking “or” in subparagraph (C);

7 (2) by striking “documents.” at the end of sub-
 8 paragraph (D) and inserting “documents; or”; and

9 (3) adding at the end thereof the following:

10 “(E) unsportsmanlike conduct or other in-
 11 appropriate behavior inconsistent with generally
 12 accepted methods of competition in a profes-
 13 sional boxing match.”.