S. 305

IN THE HOUSE OF REPRESENTATIVES

July 29, 1999

Referred to the Committee on Commerce, and in addition to the Committee on Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

AN ACT

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.

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- 2 The Congress makes the following findings:
- 3 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 the detriment of professional boxers nationwide.
 - (2) Professional boxers are vulnerable to exploitative business practices engaged in by certain promoters and sanctioning bodies which dominate the sport. Boxers do not have an established representative group to advocate for their interests and rights in the industry.
 - (3) State officials are the proper regulators of professional boxing events, and must protect the welfare of professional boxers and serve the public interest by closely supervising boxing activity in their jurisdiction. State boxing commissions do not currently receive adequate information to determine whether boxers competing in their jurisdiction are being subjected to contract terms and business prac-

- tices which may be violative of State regulations, or
 are onerous and confiscatory.
 - (4) Promoters who engage in illegal, coercive, or unethical business practices can take advantage of the lack of equitable business standards in the sport by holding boxing events in states with weaker regulatory oversight.
 - (5) The sanctioning organizations which have proliferated in the boxing industry have not established credible and objective criteria to rate professional boxers, and operate with virtually no industry or public oversight. Their ratings are susceptible to manipulation, have deprived boxers of fair opportunities for advancement, and have undermined public confidence in the integrity of the sport.
 - (6) Open competition in the professional boxing industry has been significantly interfered with by restrictive and anti-competitive business practices of certain promoters and sanctioning bodies, to the detriment of the athletes and the ticket-buying public. Common practices of promoters and sanctioning organizations represent restraints of interstate trade in the United States.
 - (7) It is necessary and appropriate to establish national contracting reforms to protect professional

- boxers and prevent exploitative business practices,
 and to require enhanced financial disclosures to
 State athletic commissions to improve the public
 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.

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- 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;
 - (2) to assist State boxing commissions in their efforts to provide more effective public oversight of 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 (a) In General.—The Professional Boxing Safety 3 Act of 1996 (15 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.— "(1) IN GENERAL.—Any contract between a 8 9 boxer and a promoter or manager shall— "(A) include mutual obligations between 10 11 the parties; 12 "(B) specify a minimum number of profes-13 sional boxing matches per year for the boxer; 14 and "(C) set forth a specific period of time 15 16 during which the contract will be in effect, including any provision for extension of that pe-17 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

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
0	last day of the promotional right period de-
1	scribed in subparagraph (A) may not secure ex-
2	clusive promotional rights from the boxer's op-
3	ponents as a condition of participating in a pro-
4	fessional boxing match against the boxer during
5	that period, and any contract to the contrary—
6	"(i) shall be considered to be in re-
7	straint of trade and contrary to public pol-
8	icy; and
9	"(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

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

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 boxer's promoter (or a promoter
20	who is required to be licensed under State law)
21	to have a direct or indirect financial interest in
22	that boxer's licensed manager or management
23	company; or
24	"(B) a licensed manager or management
25	company (or a manager or management com-

1	pany that, under State law, is required to be li-
2	censed)—
3	"(i) to have a direct or indirect finan-
4	cial interest in the promotion of a boxer; or
5	"(ii) to be employed by or receive
6	compensation or other benefits from a pro-
7	moter,
8	except for amounts received as consideration
9	under the manager's contract with the boxer.
10	"(2) Exception for self-promotion and
11	MANAGEMENT.—Paragraph (1) does not prohibit a
12	boxer from acting as his own promoter or man-
13	ager.".
14	(c) Effective Date.—The amendments made by
15	subsection (a) apply to contracts executed after the date
16	of enactment of this Act.
17	SEC. 5. SANCTIONING ORGANIZATION INTEGRITY RE-
18	FORMS.
19	(a) In General.—The Professional Boxing Safety
20	Act of 1996 (15 U.S.C. 6301 et seq.), as amended by sec-
21	tion 4 of this Act, is amended by—
22	(1) redesignating section 16, as redesignated by
23	section 4 of this Act, as section 17; and
24	(2) inserting after section 15 the following:

"SEC. 16. SANCTIONING ORGANIZATIONS.

2 "(a) Objective Criteria.—A sanctioning organization

- 3 tion shall establish objective and consistent written criteria
- 4 for the ratings of professional boxers.
- 5 "(b) Appeals Process.—A sanctioning organization
- 6 shall establish and publish an appeals procedure that af-
- 7 fords a boxer rated by that organization a reasonable op-
- 8 portunity, without the payment of any fee, to submit infor-
- 9 mation to contest its rating of the boxer. Under the proce-
- 10 dure, the sanctioning organization shall, within 14 days
- 11 after receiving a request from a boxer questioning that
- 12 organization's rating of the boxer—
- "(1) provide to the boxer a written explanation
- of the organization's criteria, its rating of the boxer,
- and the rationale or basis for its rating (including
- any response to any specific questions submitted by
- the boxer); and
- 18 "(2) submit a copy of its explanation to the
- 19 President of the Association of Boxing Commissions
- of the United States and to the boxing commission
- of the boxer's domiciliary State.
- 22 "(c) Notification of Change in Rating.—If a
- 23 sanctioning organization changes its rating of a boxer who
- 24 is included, before the change, in the top 10 boxers rated
- 25 by that organization, or who, as a result of the change
- 26 is included in the top 10 boxers rated by that organization,

1	then, after changing the boxer's rating, the organization
2	shall—
3	"(1) within 5 business days mail notice of the
4	change and a written explanation of the reasons for
5	its change in that boxer's rating to the boxer at the
6	boxer's last known address;
7	"(2) immediately post a copy of the notice and
8	the explanation on its Internet website or homepage,
9	if any, for a period of not less than 30 days; and
10	"(3) mail a copy of the notice and the expla-
11	nation to the President of the Association of Boxing
12	Commissions if the organization does not have an
13	address for the boxer or does not have an Internet
14	website or homepage.
15	"(d) Public Disclosure.—
16	"(1) FTC FILING.—Not later than January 31
17	of each year, a sanctioning organization shall submit
18	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 Posting.—In addition to sub-
21	mitting the information required by paragraph (1)
22	to the Federal Trade Commission, a sanctioning or-
23	ganization shall provide the information to the pub-
24	lic 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 an 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	The Professional Boxing Safety Act of 1996 (15
22	U.S.C. 6301 et seq.), as amended by section 5 of this Act,
23	is amended by—
24	(1) redesignating section 17, as redesignated by
25	section 5 of this Act. as section 18: and

1	(2) 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 or authorizing a professional boxing match in a
6	State, a sanctioning organization shall provide to the box-
7	ing commission of, or responsible for regulating matches
8	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
19	from any source to refrain from exercising its authority
20	or jurisdiction over, or withholding its sanction of, a pro-
21	fessional boxing match in any State shall provide the in-
22	formation required by paragraphs (2) and (3) to the box-
23	ing commission 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 to the boxing
2	commission of, or responsible for regulating matches in
3	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 or
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;
17	"(B) all payments, gift, or benefits the
18	promoter is providing to any sanctioning orga-
19	nization affiliated with the 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
24	has been reached between the promoter
25	and the 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
- 5 regulating matches in, that State a statement in writing
- 6 of all payments, including reimbursement for expenses,
- 7 and any other benefits that individual will receive from
- 8 any source for judging that match.
- 9 "(d) Information To Be Available to State At-
- 10 TORNEY GENERAL.—A promoter shall make information
- 11 received under this section available to the chief law en-
- 12 forcement officer of the State in which the match is to
- 13 be held upon request.
- 14 "(e) Exception.—The requirements of this section
- 15 do not apply in connection with a professional boxing
- 16 match scheduled to last less than 10 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
- 21 required 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, 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), 9(c), 15, 16, 17, or 18 of this
12	Act shall, upon conviction, be imprisoned for not
13	more than 1 year or fined not more than—
14	"(A) \$100,000; and
15	"(B) if a violation occurs in connection
16	with a professional boxing match the gross rev-
17	enues for which exceed \$2,000,000, an addi-
18	tional amount which bears the same ratio to
19	\$100,000 as the amount of the gross revenues
20	in excess of \$2,000,000 bears to \$2,000,000,
21	or both.";
22	(3) striking in "section 9" in paragraph (3), as
23	redesignated, and inserting "section 9(a)"; and
24	(4) adding at the end thereof the following:

- 1 "(c) Actions by States.—Whenever the chief law
- 2 enforcement officer of any State has reason to believe that
- 3 a person or organization is engaging in practices which
- 4 violate any requirement of this Act, the State, as parens
- 5 patriae, may bring a civil action on behalf of its residents
- 6 in an appropriate district court of the United States—
- 7 "(1) to enjoin the holding of any professional
- 8 boxing match that involves such practices;
- 9 "(2) to enforce compliance with this Act;
- 10 "(3) to obtain the fines provided under sub-
- section (b) or appropriate restitution; or
- 12 "(4) to obtain such other relief as the court
- may deem appropriate.
- 14 "(d) Private Right of Action.—Any boxer who
- 15 suffers economic injury as a result of a violation of any
- 16 provision of this Act may bring an action in the appro-
- 17 priate Federal or State court and recover the damages suf-
- 18 fered, court costs, and reasonable attorneys fees and ex-
- 19 penses.
- 20 "(e) Enforcement Against Federal Trade
- 21 Commission, State Attorneys General, etc.—Noth-
- 22 ing in this Act authorizes the enforcement of—
- 23 "(1) any provision of this Act against the Fed-
- eral Trade Commission, the United States Attorney

- 1 General, the chief legal officer of any State for act-
- 2 ing or failing to act in an official capacity;
- 3 "(2) subsection (d) of this section against a
- 4 State or political subdivision of a State, or any agen-
- 5 cy or instrumentality thereof; or
- 6 "(3) section 15 against a boxer acting in his ca-
- 7 pacity as a boxer.".

8 SEC. 8. PROFESSIONAL BOXING SAFETY ACT AMENDMENTS.

- 9 (a) Definitions.—Section 2 of the Professional
- 10 Boxing Safety Act of 1996 (15 U.S.C. 6301), as amended
- 11 by section 5(c) of this Act, is amended by adding at the
- 12 end thereof the following:
- "(12) Suspension.—The term 'suspension' in-
- 14 cludes within its meaning the revocation of a boxing
- license.".
- 16 (b) Renewal Period for Identification
- 17 Cards.—Section 6(b)(2) of the Professional Boxing Safe-
- 18 ty Act of 1996 (15 U.S.C. 6305(b)(2)) is amended by
- 19 striking "2 years." and inserting "4 years.".
- 20 (c) State Boxing Commission Procedures.—
- 21 Section 7(a)(2) of such Act (15 U.S.C. 6306(a)(2)) is
- 22 amended by—
- 23 (1) striking "or" in subparagraph (C);
- 24 (2) striking "documents." at the end of sub-
- paragraph (D) and inserting "documents; or"; and

1	(3) adding at the end thereof the following:
2	"(E) unsportsmanlike conduct or other in-
3	appropriate behavior inconsistent with generally
4	accepted methods of competition in a profes-
5	sional boxing match.".
6	(d) Standardized Physical Examinations.—Sec-
7	tion 5(1) of the Professional Boxing Safety Act of 1996
8	(15 U.S.C. 6304(1)) is amended by inserting after "exam-
9	ination" the following: ", based on guidelines endorsed by
10	the American Medical Association, including a circulo-res-
11	piratory check and a neurological examination,".
12	(e) CAT Scans.—Section 6(b)(2) of the Professional
13	Boxing Safety Act of 1996 (15 U.S.C. 6305(b)(2)) is
14	amended by inserting before the period the following:
15	"and, with respect to such renewal, present proof from
16	a physician that such boxer has taken a computerized
17	axial tomography (CAT) scan within the 30-day period
18	preceding that date on which the renewal application is
19	submitted and that no brain damage from boxing has been
20	detected.
21	SEC. 9. REQUIREMENTS FOR CONTRACTS BETWEEN BOX-
22	ERS AND BROADCASTING COMPANIES.
23	(a) In General.—The Professional Boxing Safety
24	Act of 1996 (15 U.S.C. 6301 et seq.), as amended by sec-
25	tion 6, is amended—

1	(1) by redesignating section 18, as redesignated
2	by section 6 of this Act, as section 19; and
3	(2) by inserting after section 17 the following:
4	"SEC. 18. CONTRACTS BETWEEN BOXERS AND BROAD-
5	CASTING COMPANIES.
6	"(a) Contract Requirements.—Any contract be-
7	tween a boxer and a broadcaster for the broadcast of a
8	boxing match in which that boxer is competing shall—
9	"(1) include mutual obligations between the
10	parties; and
11	"(2) specify either—
12	"(A) the number of bouts to be broadcast;
13	or
14	"(B) the duration of the contract.
15	"(b) Prohibitions.—A broadcaster may not—
16	"(1) require a boxer to employ a relative or as-
17	sociate of the broadcaster in any capacity as a condi-
18	tion of entering into a contract with the broadcaster;
19	"(2) have a direct or indirect financial interest
20	in the boxer's manager or management company; or
21	"(3) make a payment, or provide other consid-
22	eration (other than of a de minimus amount or
23	value) to a sanctioning organization or any officer or
24	employee of such an organization in connection with
25	any boxer with whom the broadcaster has a contract,

- 1 or against whom a boxer with whom a broadcaster
- 2 has a contract is competing.
- 3 "(c) Notification of Reduction in Agreed
- 4 Amount.—If a broadcaster has a contract with a boxer
- 5 to broadcast a match in which that boxer is competing,
- 6 and the broadcaster reduces the amount it agreed to pay
- 7 the boxer under that contract (whether unilaterally or by
- 8 mutual agreement), the broadcaster shall notify, in writing
- 9 within 48 hours after the reduction, the supervising State
- 10 commission for that match of the reduction.
- 11 "(d) Enforcement.—
- 12 "(1) CONTRACT.—A provision in a contract be-
- tween a broadcaster and a boxer that violates sub-
- section (a) is contrary to public policy and unen-
- 15 forceable at law.
- 16 "(2) Prohibitions; Notification.—For en-
- forcement of subsections (b) and (c), see section
- 18 10.".
- 19 (b) Broadcaster Defined.—Section 2 of the Pro-
- 20 fessional Boxing Safety Act of 1996 (15 U.S.C. 6301),
- 21 as amended by section 8 of this Act, is amended by adding
- 22 at the end thereof the following:
- 23 "(13) Broadcaster.—The term 'broadcaster'
- 24 means any person who is a licensee as that term is

defined in section 3(24) of the Communications Act

2 of 1934 (47 U.S.C. 153(24)).".

Passed the Senate July 27, 1999.

Attest:

GARY SISCO,

Secretary.

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