

# FEDERAL REGULATION OF BOXING

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## HEARING

BEFORE THE

SUBCOMMITTEE ON CONSUMER AFFAIRS, FOREIGN  
COMMERCE AND TOURISM

OF THE

COMMITTEE ON COMMERCE,  
SCIENCE, AND TRANSPORTATION  
UNITED STATES SENATE

ONE HUNDRED SEVENTH CONGRESS

SECOND SESSION

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MAY 22, 2002

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ONE HUNDRED SEVENTH CONGRESS

SECOND SESSION

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## FEDERAL REGULATION OF BOXING

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WEDNESDAY, MAY 22, 2002

U.S. SENATE,  
SUBCOMMITTEE ON CONSUMER AFFAIRS, FOREIGN  
COMMERCE AND TOURISM,  
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION,  
*Washington, DC.*

The Subcommittee met, pursuant to notice, at 1:05 p.m. in room SH-216, Hart Senate Office Building, Hon. Byron L. Dorgan, Chairman of the Subcommittee, presiding.

### STATEMENT OF HON. BYRON L. DORGAN, U.S. SENATOR FROM NORTH DAKOTA

Senator DORGAN. I'd like to call the hearing to order this morning. Senator McCain will be here momentarily but we wanted to begin in the interest of time. We are joined by Senator Reid from the State of Nevada. Let me make a couple of comments before we begin, and before we recognize you. I have long been interested in boxing. I think boxing in this country has given America a glimpse of some of the most wonderful athletes that one has ever seen and these athletes in the sport of boxing have given many Americans a great deal of enjoyment over time. But one of the concerns that many of us have had with respect to boxing is that there are so many, especially young men, who have pursued the career in boxing to end up essentially used up, misused and mistreated by many in the boxing industry. They end up with health problems. They end up having lost all of their money at age 32, 35, 40 years of age.

And boxing is one of the few professional sports in our country in which there is not some kind of Commission or some kind of governing body in which that sport governs itself. In the sport of boxing, it is often the lowest common denominator of whatever regulatory process exists among the states that represent the governing process, and it is also a sport that many of us know as riddled with conflicts of interest.

We have boxing commissioners who are supposed to be the ones that will make judgments about whether or not they license a fight who are actually out there trying to promote getting a fight to their area. This is an industry with big money and it is also an industry in which some of the finest and most gifted young athletes are used and then misused by promoters and others. Many of us have felt for some long while that there ought to be some kind of Boxing Commission or boxing czar in which there is a central registry of fighters. There might then be a license to box in this country with centralized records. Then we could know that a boxer who is

knocked out in Atlanta on a Tuesday night is not going to show up in Dallas on a Friday night and fight once again. We should have standards to protect the health and safety of boxers, and a way for boxers to save money or have a pension.

We have discussed all these issues before in the Congress. There has not been much agreement on this, but I think most everyone understands that what is happening in boxing needs to be changed. The question is not whether, the question is how. We are going to hear from a number of people today. Muhammad Ali, of course, former heavyweight champion; Roy Jones, Jr., a professional boxer; Emanuel Steward, President of Kronk Boxing Team; Bert Sugar, boxing historian and author; Mr. Lou DiBella, President of DiBella Entertainment; and Mr. Tim Lueckenhoff, President of Association of Boxing Commissions.

I will introduce Senator McCain for a statement when he appears. I think in the interest of time, I want to recognize our colleague, Senator Reid. Senator Reid comes from a state with a rich boxing history, I might say, since the state of Nevada hosts many fights. Senator Reid himself was a Golden gloves boxer, I am told. I do not know his record, but perhaps you will share that with us. In any event, we are pleased that Senator Reid has joined us. You may proceed, Senator Reid.

**STATEMENT OF HON. HARRY REID,  
U.S. SENATOR FROM NEVADA**

Senator REID. Thank you, Mr. Chairman. The fact that we are holding a hearing on this great sport represents an interest in seeing its success as an organized form of professional athletics. Nevada is home to, as you have already mentioned, some of the premiere boxing matches hosted in the United States, not only presently, but in the past. Nevada's state-of-the-art resorts provide a venue for the fights that is unmatched in any part of the world. Nevadans take pride in the historical role this state has played in the sport of boxing. They care about the sport and about its integrity. I have both a personal and professional interest in the sport of boxing.

As you have indicated, I have fought in the past. I have served as a ringside judge in hundreds of fights, and all weight classes and judged championship fights. As a lawyer, I represented a number of boxers. All these experiences have provided me a unique perspective of the sport of boxing.

Senator Dorgan, as I sit here and reflect, I can remember as a young man, I was an amateur fighter, but I fought professionals. They did that because they would call them, they would call these fights "exhibitions," and I would, because I was a good boxer, we would do OK in these fights, but you know, I can't imagine how that was the right thing to do. I spent most of my time in Nevada, went to school in Utah. I would come and do these exhibitions. I can still remember some of the names of the professional fighters I fought. I am sure they weren't great fighters, but it is an indication that there needs to be now and then some overseeing of this.

I was on a radio station last time I was in Las Vegas a week or so ago and as I am coming out, there is a man there, a tall man with graying hair, a black man and I said hello. And they said this

is Ron Lyle. Oh man, Ron Lyle, I know Ron Lyle. I watched him fight. He fought one of my friends. I said, do you remember Gary Bailey, I remember Gary Bates. I believe he fought a lot of these fighters. I asked Ron Lowery if he remembered him. I said I remember. I said he broke all my ribs. I am sure that is an exaggeration. But he said that he finished dealing at Caesar's Palace at 4 one morning, flew to Reno, drove to Lake Tahoe, fought Ron Lyle, got \$4,500, went back to work that same night with his ribs broken and among other things broken.

That is the way his experiences were in the fight game, and so there really does have to be something done about this. The focus of today's hearing is primarily on three issues, one, the current state of Federal law covering boxing, and two, whether these laws are being meaningfully enforced and there is a need to be a stronger Federal role in protecting the integrity of the sport. I am not confident that existing laws are sufficient.

I believe the Committee needs to take action on the legislation I introduced last year with Senator McCain. I believe our legislation, the National Boxing Commission Act, is a step in the right direction toward improving the state of boxing. The national Boxing Commission could best protect what all of us agree needs protection; the health, safety and general interest of fighters. Our legislation would provide the sport with uniformity of regulations it so desperately needs.

Among other things, it would require the Commission to maintain a national computerized registry for the collection of specific information of professional boxers and boxing personnel. One of the things my friend Gary Bates told me just a few days ago is one of the toughest fights he had was somebody who fought basically around the country every week. He went from state to state fighting. He made quite a bit of money fighting every week or 2 weeks, fought often. But there was no checking to find out whether or not he did or did not have those fights.

I represented a fighter who fought around the country using different names. And I was 40-some-odd years old, and Nevada Athletic Commission found out about this and I was there to try to get him a license to try to continue fighting, which he did and it was probably not one of the good things I did in my life was helping him get a license because after that he took some serious beatings.

And as I said, he used to fight all over using different names. The Commission would certify for any boxing match information publicized on the participating boxer's medical history, would review plans to be submitted by all state athletic Commissions for uniformity. Some action has to be taken. I am certain a Commission could more adequately and efficiently remedy the current problems. It is a multi, multi, multimillion dollar business. We should have oversight. Associations play an integral role in almost every other sport there is today. They are so well-known many are recognized by acronyms. NFL, PGA. I can go on. Soccer has a governing body. There is a role that could closely monitor the activities and controversies of this sport.

Unfortunately, since the Muhammad Ali Act was signed in law the problems have not abated. They have grown worse. The side shows spectacles of a Mike Tyson press conference says a lot of the

state of this sport. I am today more convinced than ever that we need to move in the direction of creating a federally recognized panel to oversee this sport and provide it with a much needed uniformity of regulations governing fights. Until we have uniformity of regulations governing this sport we will continue to see the kind of forum shopping we are witnessing today with Mike Tyson. Different states have different rules and simply waiting and hoping for state legislature act is a recipe for disaster.

Future legislation must address the issue of a level playing field in the treatment of promoters. The business of boxing is growing with the expansion of technology. More and more people have access to pay-per-view processing. They will tell you today the broadcasters have become de facto promoters. This may not necessarily be a bad thing. That is something for this Committee to decide but as a matter of fairness, they ought to be held to the same standards of accountability and scrutiny as our promoters. I voiced this opinion a few years ago. I believe it more than ever now.

Boxing is a sport rich in history. Like the U.S. Senate, it dates back to the days of ancient Rome. It is a sport blessed with myth and legend. Unfortunately, too, it is a sport which knows no political affiliation. That is why I am trying to work with Senator McCain in trying to reform this great sport. I am hoping to achieve something this year so we can enjoy the annals of history. Mr. Chairman, I would also ask unanimous consent that a statement from Don King that I received from his lawyer, Charles Lomax, may be made part of this record.

Senator DORGAN. Senator Reid, you did not see it but just a moment ago the Champ almost took you out.

Senator REID. I am glad I did not see it, because I would be running out of here now.

Senator DORGAN. Before I ask a question or two, let me call on Senator McCain. There is no one in Congress who has worked harder or been more relentless of trying to deal with the issues of professional boxing. And he just today introduced legislation that I am proud to co-sponsor. But I am really pleased with the work Senator McCain has done. He has done a great service. Do you have a statement for opening?

**STATEMENT OF HON. JOHN McCAIN,  
U.S. SENATOR FROM ARIZONA**

Senator McCAIN. I thank you, Senator Dorgan and I thank you for chairing this hearing. I want to thank my friend, Senator Reid. He is a great representative from the State of Nevada. I believe he can be proud of the performance of the Boxing Commission in the State of Nevada. If every Commission had lived up to those standards, I do not believe we would have what we have today. Senator Reid has been involved in those issues and I am grateful for that. I'd like to welcome the greatest champion of all time, Muhammad Ali, who is going to speak very briefly. I know that Senator Reid has responsibilities on the floor to get through the Republican agenda, and I understand that that is why he asked to leave.

Senator Dorgan, I just would like to say since 1996, the Committee has worked to improve the sport of boxing by passing two legislative measures with your active assistance. The Professional

Boxing Safety Act of 1996 and the Muhammad Ali Boxing Reform Act of 2000. The laws need to be fixed to assist boxers, and to better protect them from business managers and sanctioning organizations. However, while these laws have had a positive impact the sport remains beset with a variety of problems.

As you mentioned, today you and I introduced the Professional Boxing Amendments Act of 2002, which would strengthen existing Federal boxing laws but also create a Federal regulatory entity to oversee the sport. The United States Boxing Administration (USBA) would be headed by an administrator appointed by the President with the advice and consent of the Senate. The primary function of the USBA would be to protect the health, safety and general interest of boxers. It would, among other things, administer Federal boxing laws, coordinate with other Federal regulatory agencies to ensure that these laws are enforced, oversee all professional boxing matches in the U.S., and work with the boxing industry and local commissions to improve the status and standards of the sport.

In summary, Mr. Chairman, professional boxing is the only major sport in the United States that does not have a strong centralized association or league to establish and enforce uniform rules and practices for its participants. The only sport in America. There is no widely established union of boxers, no collective body of promoters or managers, no consistent level of state regulation among either the state athletic commissions or tribal organizations and I might add, there is no pension system, which is a terrible, terrible disgrace. I note the presence of probably pound for pound the greatest fighter in the world today, Mr. Roy Jones, Jr., who has agreed to come here. We are honored that you are here again and thank you for your commitment to the sport, but also for your independence from some of the less savory influences in the sport in which you excel.

Thank you, Mr. Chairman. I would have a lot more to say but far more importantly, I would like to hear from our witnesses today.

Senator DORGAN. Our first panel will be, as Senator McCain indicated, the greatest champion of all time, Muhammad Ali, who is accompanied by Yolanda Lonnie Ali. We would like you to come forward and be seated. And also Mr. Roy Jones, Jr. who is, and I agree with Senator McCain, one of the greatest boxers of our time. We very much appreciate your being here.

As you are getting seated, let me just say to you, all of us have our own interests in boxing. Mine began with a grandfather who really enjoyed boxing and he gave me a subscription to Ring magazine. As a young boy, I would read of Nate Fleisher, and listened to Sugar Ray Robinson fights on radio. I remember listening to them round by round, AP descriptions over a radio of the Lewis Tung/May fight.

Boxing has a rich history in our country. But as Senator McCain says, there is much to be done to clean up boxing so that fighters are not used and misused. So let me thank you both for being here. I believe Mrs. Ali, you intend to speak for the Champ, but let us thank both of you for being here.

**STATEMENT OF YOLANDA AND MUHAMMAD ALI, GREATEST  
OF ALL TIME, INC.**

Ms. ALI. Well, thank you Mr. Chairman, Senator McCain and Members of the Committee for your invitation to have us here this afternoon and testify. And I will say this in the words of Muhammad, if that is OK.

Mr. MUHAMMAD ALI. The Muhammad Ali Boxing Reform Act represents an important first step in the effort to improve professional boxing and in particular, to protect the rights of the professional boxers. I commend Senator McCain and this Committee for this historic measure and their continued efforts to enhance the image of professional boxing in America.

In preparation for my appearance here today, I asked my representatives to make contact with the athletic commissions in California, Nevada and elsewhere, and to speak with some of my friends in the boxing industry. My statement here today is based on the results of their findings and my own experience and observations.

The Act represents a long overdue effort to improve boxer safety, reduce conflict of interest, discourage coercive contracts, and create a uniform set of standards and procedures. There is, however, still much room for improvement. Too many fighters without representation are still signing agreements which are unfair and lacking adequate safeguards. Although the Act affords a private civil remedy, many boxers lack the resources and sophistication to understand or take advantage of these procedures.

Promotional agreements remain largely unregulated. Uniformity of standards have not been attained and some Commissions refuse to assume jurisdictions over violations of the Act. I believe our attorney, Ron DiNicola, has had some experience with that in representing some boxers. As such, I make the following recommendations.

First, the Association of Boxing Commissioners should extend the use of uniform standards for bout and management agreements to promotional agreements and Congress should insist on the use of these forms nationwide. Second, uniform standards applicable to licensing in general and medical requirements in particular are needed to eliminate fraud, inefficiency, and confusion in a sport where most fighters can expect to fight in multiple states and jurisdictions in any given year.

Subsidies may be necessary to ensure that fighters who fight at the club level have access to affordable medical screening. Third, uniformity in scoring, combined with the national rating system in order to judge the judges should be considered as a means of reducing controversial and questionable decisions.

Fourth, Federal legislation should mandate compliance with these uniform standards, provide for impartial binding arbitration in a form convenient to the boxer and, at a minimum, expressly authorize Commissions to assume concurrent jurisdiction to address violations of the Federal law.

Fifth, the time has come for the creation of a national oversight body. This is necessary to ensure compliance with the spirit and the letter of the Act and other legislation designed to improve the sport and protect its participants. federally mandated supervision

is the only way to enhance the integrity of the sport and restore public confidence.

In conclusion, those of us who love boxing believe that it can and it should be saved. The power to save it rests with you, Mr. Chairman, and with your esteemed colleagues.

Boxing gave me a place and a purpose in the world. It gave me fame and fortune and provided me a livelihood to support my family. Beyond that, it gave me relationships and memories that I will cherish all the days of my life. Boxing gives to young men and women a chance to dream big and reach for the stars. Or as Robert Lipsyte wrote many years ago, to climb as high as your heart and legs can carry you.

All boxing asks of its participants is hard work, determination, courage and discipline. Those are great values for our time, indeed and for any time. It is left to us to preserve the sport that allows those values to shine brightly. Thank you.

Senator DORGAN. Mrs. Ali, thank you very much. Champ, thank you very much for your presentation. Let me next call on Mr. Roy Jones, Jr.

Mr. JONES. Thank you, Mr. Chairman. Thank you, Mr. McCain. Senator MCCAIN. Could you identify your companion?

#### **STATEMENT OF ROY JONES, JR., PROFESSIONAL BOXER**

Mr. JONES. This is Mr. Mario Francis, my assistant trainer. He pretty much knows this sport. First of all, the sanctioning organizations is probably the major problem. I feel you can lead certainly things basically requiring the organizations to tell how they handle the rankings so that people could understand and could also require financial disclosure of all aspects of the organization. However, the answer to all of this is to get a fair board who would do the ranking such as college football or basketball and to have a separate organization handle the sanctioning. The private sector should be able to do this.

There was something such as the sense of Congress requesting the private sector to do this, we think it could be established. The second thing we see is the judging and officiating and this goes to the state boards that control boxing. The problem here is that the executive director of the state boards determines who the judges will be, who the referee will be, if the judges and referee do not please the executive director, they do not work.

There could be legislation requiring each state to list the names and address of all officials and to provide a procedure on how the officials are selected and to provide a purpose, provide a purpose to keep the victim of a serious accident from receiving a tremendous amount of money and then being subject to all kinds of pressure to invest or throw money away.

Similar legislation should be available to a professional boxer. We need to simplify, we need to simply follow the provisions for structured settlements for accident victims and this would allow the promoter to create an annuity that would pay the boxer a monthly amount over his lifetime. The law would prevent the boxer from encumbering any future payment in order to make this attractive to the promoter, you might give the promoter a little extra

tax writeoff as an incentive for creating one of these structured settlement annuities.

Also, I feel that there are issues that go on with the networks that control boxing right now. These people seem to have a monopoly on the sport and they deal with certain promoters, which doesn't allow up and coming young fighters to step out and do things that they want to do or to be protected. When I come here and speak, a lot of guys do not want to come and speak out because they know that in the future with people here such as HBO or Showtime or the people who are in control right now when they hear you are speaking out against them, these guys feel their livelihood is in jeopardy. Boxing is the only way out, they believe.

I do not care. I am trying to help make the future better for others. That is why I come here. I feel right now as though the networks that control boxing are not really doing it the way that they should be doing it because they are going as far as to be promoters, try to do what the sanctioning body should do, which is telling you who your No. 1 contender should or should not be. I don't think that is not fair either. If it is not television or something good for the network they feel that we are not going to be a part of it where everybody they pick is not going to be good for their television network. I have to defend my title against whoever the contender is.

In closing, I would like to see those things I spoke about. You all could do something to handle those problems if we start at the root. Do not get me wrong, the Muhammad Ali Act has made things more visible. They always got ways to try to go around it. If we can handle these people, start with the television people, I think we can handle the issue. Thank you.

Senator DORGAN. Senator McCain.

Senator MCCAIN. Thank you, Mr. Jones. In your statement, you mentioned that sanctioning bodies are a major problem. How many championships have you held?

Mr. JONES. I have held probably nine.

Senator MCCAIN. Nine. And when there are four or five or six or 10 different bodies that are all bestowing a championship belt, couldn't that diminish the fact that you are "champion of the world"?

Mr. JONES. Yes, it does. And right now it is the same thing because you want to give the titles up and fight, just fight whoever comes, but at the same time the network will tell you well, if it is not a championship fight, they do not want it. Some guys are afraid to get rid of those belts. They use it best when it is for them. If it is to your advantage, they are not going to use it. When it is to their advantage, they will use it.

Senator MCCAIN. If you are a champion in the WBC, you may not even be ranked in the top 10 in the WBA or another alphabet soup organization.

Mr. JONES. Which is totally crazy.

Senator MCCAIN. Which is the most insane thing that I have ever seen in my life, and it is not justifiable.

Mr. JONES. Exactly. That will force people like Darius to fight. Now he can talk about fighting me to make people think he really wants to fight me and it makes me bad because I won't go over there to my country. I have tried to get every title in my weight

class so the people would understand there is one champion. However, he keeps eluding me because they won't rank me in his championship organizations.

Senator MCCAIN. I wish we could pass a law tomorrow to stop that, Mr. Jones. I guess my other point here, and it is just a point, is that if you are a champion (and I hate to pick on any of them, but I see this with the WBA a lot as well as the WBC), some obscure person, maybe from somewhere in Asia, is now ranked No. 1, even though nobody has ever heard of this fighter. And, yet, you have to fight that individual in order to maintain your No. 1, championship ranking. And, there is a sanctioning fee, which I think, at least once, you have refused to pay.

Mr. JONES. Yes. I have refused to pay on a couple of occasions because I mean it is ridiculous.

Senator MCCAIN. How much money are you talking about?

Mr. JONES. 3 percent of your purse. The smaller guys, they are not asking that kind of money. They are trying to survive. At the same time when those guys come up at HBO or people promoting you, they do not know those guys either. Either I fight a guy who nobody knows and wants to stay, or I give up my titles that I worked all this time to get. What do you do?

Senator MCCAIN. I have seen a number of fights lately where the decisions have been extremely questionable. Have you?

Mr. JONES. Horrible decisions.

Senator MCCAIN. How do you account for that?

Mr. JONES. You do not. That is once again I feel part of the promoters controlling boxing because a promoter could have a particular fighter who looks like he could make better paydays tomorrow. Perfect example is Barrera wasn't represented by a great fighter, but Morales was. It went to Morales because that same promoter who had the fight represented Morales.

Senator MCCAIN. I have seen several in the last few months.

Mr. JONES. Oh yes. For sure.

Senator MCCAIN. Well, one of the things about being a Senator is you do not have to pass an IQ test, but it does give us a little license from time to time. And one more question: When are you going to fight Bernard Hopkins?

Mr. JONES. There is another issue which Don King delivered Don Hopkins, which I understand. I delivered Roy Jones. He wants me to take a 50/50 split with Hopkins. A guy I already won before. Don King wants 30 percent off the top.

Senator MCCAIN. How much?

Mr. JONES. 30 percent. Is that fair to me?

Senator MCCAIN. Don King wants 30 percent off the top of your purse if you fight Bernard?

Mr. JONES. Off the top of the entire purse and I fight Bernard Hopkins and he wants me to split 50/50 with Bernard Hopkins.

Senator MCCAIN. A 30 million fight, you and Bernard would have to pay for training fees, plus all the other expenses, none of which Mr. King pays for.

Mr. JONES. Exactly. And it started worse than that. It started where he wanted me to take 50 percent. He takes 29 percent of my 50. He is taking 20 percent of Bernard's 50 percent. People say why won't you fight Bernard Hopkins. That is ridiculous. When I fought

Montel Griffin in a rematch, I did not care how much money I made. I wanted to prove I could beat the guy. I took probably 25/75. This guy saying he wants 50/50. He did not beat me the first time. I beat him. Why does he deserve 50/50? He doesn't. And why does Don King deserve 30 percent off the top. He says he is saying that because he delivered Bernard Hopkins. Somebody delivered Roy Jones, too. Maybe I would think about 60/40 after that. That is just logical because I have beat him once.

Senator MCCAIN. Well, I think it is just remarkable that 30 percent would go to a promoter off the top.

Mr. JONES. That is what I am saying.

Senator MCCAIN. That is a sign of the corruption in boxing today.

Mr. JONES. And also though the media, HBO is included in this, too, go out making Roy Jones, Jr. as such a bad guy. He doesn't want to fight these guys. Would you give a promoter 30 percent who has done nothing for your son when your son is the draw. People don't want to see me fight Bernard Hopkins to see Bernard Hopkins. If they did, he could go fight anybody and people would want to see him. That is not the case.

Senator MCCAIN. I have exceeded my time, Mr. Chairman. Thank you.

Senator DORGAN. Senator McCain, it looks like you have another career: Matchmaker. Let me again thank both of you for your testimony. Let me ask Mr. Jones, you have answered it in part, but who calls the shots in boxing today?

Mr. JONES. Right now, the networks are calling the shots. The networks, along with the promoters, and that is the—

Senator MCCAIN. HBO and Showtime?

Mr. JONES. Basically. If they do not like you. I am a promoter here. I promote young guys to try to give them a better start and I have a guy right now that he is a contender a couple of times. They had two decent fights but because I did not do HBO once I can never get an HBO date.

I am glad to have this guy in this testimony here, Lou DiBella, a former worker at HBO. I do not want to pick on him but at the same time, whatever he did, he stopped working at HBO. Not fired, yet he still has probably more dates than any other promoters in the country at HBO. If I used to work for you and you come back and give me something to quit working for you, I still really work for you. We are still working together, but they are saying it is not. Yet I can't get a date to promote my fighters on HBO. He can. And it is not right.

I do not mind him promoting, it is just that as a matter of fact, a lot of other promoters have having this issue, too because the smaller promoters are getting beat on. They are like me. If you are not playing their game you do not get fights. It is like I got guys who when it is a world champion, he has no contender which he fought twice but still the guy is a good fighter. Why is he not fighting, why won't they take the fight? It happens.

Senator DORGAN. Let me ask, you have testified before the Congress previously. In fact, before the Commerce Committee I believe at Senator McCain's invitation. Were there any repercussions as a result of your testimony? You are a fairly independent guy. You have not been willing to be under the thumb of some promoters

who insist you have to be under their thumb in order to get various fight and you have been known as an independent fellow and wonderful champion. But you are pretty outspoken as well, and you came before the Senate Committee. Were there any repercussions from that?

Mr. JONES. No. They were probably a little afraid to really bother me. I am pretty sure repercussions will come from this one, because I am speaking for the main people. They are not representing me right. The way they are getting me is they do not do the bad decisions or the bad judges because I keep that out of their hands as much as possible. When I won't take a stupid scenario like I said with Don King, they say how I am not dedicated to the sport, how I won't fight big fighters or I won't fight the guys who I should be fighting. They try to make me look bad so I will do something stupid and fight a guy. Here is the network encouraging me that that is a good deal for me that Don King wants.

Senator DORGAN. We did ask Don King to deliver testimony today. He declined. We are joined by Senator Ensign. I was on a Committee here in the Congress and we had testimony from Sammy "the bull" Grafano, who was associated with John Gotti, and it was the hearing was about corruption in boxing, and he described a circumstance where he traveled to Las Vegas at one point and met with one of the presidents of one of the boxing organizations. I don't recall which one. But they had a fighter that they wanted to fight Rinaldo Snipes.

They wanted to set up a fight in order to move this European into a bigger fight and Snipes at that point was not ranked so he testified that Mr. Gotti sent him to Las Vegas to meet with this boxing sanctioning group in order to get Rinaldo ranked. In his testimony he said that the fellow from the boxing organization said for \$10,000 we would be willing to rank him seventh and then he explained he was here on behalf of John Gotti. He said well then we would be willing to rank him 7th for \$5,000. That was, of course, coming from North Dakota. I was pretty stunned by that testimony. That was testimony by Sammy "the bull" Grafano in this corruption hearing.

Tell me what your assessment is of the rankings process. That testimony described just out and out corruption?

Mr. JONES. It is the same thing now today. Here's a guy, Clinton Woods and he is ranking more for my WBC total. How? I do not know a guy that he has beaten yet. He is my No. 1 contender? How? It has to be the same thing going on. What happens is these guys, I know how they do it because I watch them. I had a promoter who does the same thing. In a sense he did not have to do that for me. I watched him with other fighters because I like the way you get them is to get on their side and see how they work. He wouldn't probably pay them, but he knows how to ease his way under them, so I call and say I got a guy being ranked, he can probably do that. I would never need anything like that because I am doing it my way and the reason I do it my way is so I do not get caught up into nothing like that. These guys do that same thing right now today.

Senator DORGAN. Let me, as I turn to Senator Ensign, say to Muhammad Ali and Mrs. Ali that your willingness to lend your name

and credibility to the efforts to reform boxing and to legislation that specifically would make life better for these young athletes is really quite a remarkable thing, and I commend you for it. You not only gave me and many Americans many, many thrills as we watched your career over the years, but you now provide your name and your reputation to helping make life better for young boxers, and I just tell you, I deeply appreciate that. I think it is quite a very special thing you are doing. Let me call on Senator Ensign.

**STATEMENT OF HON. JOHN ENSIGN,  
U.S. SENATOR FROM NEVADA**

Senator ENSIGN. Thank you, Mr. Chairman. I appreciate you holding this hearing. I represent the state of Nevada and boxing is very important to my state. I think that over the years that boxing and Nevada has been a good partnership and that is one of the reasons that I have such great concerns about the current condition of boxing. I am a big fan of boxing, and have been since I was a little kid.

The first professional fight I ever saw was Muhammad Ali and it was part of his comeback when he fought Bob Foster. I think Bob was the light heavyweight champion of the world at the time and the fight was held at the Sahara Tahoe way back when I was a kid and when I first became a fan of the sport. I am very concerned, though, about the claims of corruption and when you are watching a fight. I may not be an expert on how to score a fight, but some fights are pretty obvious when the fix is in, especially when all of the professionals on the side lines agree that some of the decisions are completely outrageous—especially with the fight that happened up in New York State. We do not have to give names, but we all know what fight we are talking about.

It is completely outrageous for those things to happen to such a great sport that may eventually bring the whole sport down. I applaud both of you for appearing before the Committee today. Muhammad Ali is a great Ambassador for the sport. Over the years, it is wonderful for you to lend your name to our efforts at improving the sport. Mr. Jones, for you, I think you are showing a lot of courage being here today. I think there is a great chance for you to have repercussions in the future. That has happened to athletes not just in boxing but in other sports that have been willing to stand up and speak out, and so I applaud you and I applaud both my colleagues for calling this hearing today. I have not completely reviewed their legislation, but I know that their legislation is attempting to clean up some of the problems that are happening in boxing. I do not have any questions other than just to say that I applaud you for trying to clean up the sport.

It is a great sport. It needs to be cleaned up so that when fans pay to watch a boxing event, whether it is on pay-per-view or whether it is in person, that they know it is a legitimate fight, that those fighters have both earned their way into the ring, that those fighters are healthy and they have passed the physical requirements to be in there to keep the sport from having people injured unnecessarily.

It is a violent sport. We know that. But healthy people in the ring is absolutely necessary to handle the type of physical contact. We need to make sure all of those things are met as we go forward in the future.

Senator DORGAN. Senator Ensign, thank you very much. Let me make one comment, Mr. Jones, as you leave. I shouldn't, but I can't resist. In 1984, I called the Olympic trial folks and asked if they would consider inviting a young fighter to the Olympic trials. They did that and it was Virgil Hill. He won the silver medal in the Olympics. He was heavyweight champion for 9 years. Wonderful fighter. I regret he did not get in the ring with you at age 24, 25. When he did get in the ring with you, it did not last all that long. He was a great fighter. Virgil was one of the best. Let me thank you, Mr. Jones, for the courage of coming forward today and being part of this hearing. And as always, Champ, and Mrs. Ali, thank you so much for your participation today.

Senator MCCAIN. Could I just also thank Muhammad Ali again, without whom the Muhammad Ali Boxing Act would never have been enacted. It has made some positive changes. We all agree we have got a long way to go, but without Muhammad Ali's active participation in that legislation, we would have never gotten it passed. I wonder if he wanted to say anything before we call on the next panel.

Mr. ALI. Write me a check.

Senator MCCAIN. Write me a check. Thank you.

Senator DORGAN. Champ had it right. I said that Senator McCain would be a great promoter.

Mr. JONES. Thank you. I would like to thank everybody that is here, especially Muhammad Ali, too because Muhammad Ali was one of the main reasons that I got into this sport. I saw him do more things with his mind, not only with his fist. Because he was so strong, and stood up for what he believed, I stood up for what was right. Today I take a lot of the hits over the head because I stand up for what is right. I beat fighters such as Virgil Hill who you know was one of the best heavyweights of all time. I did what was necessary to make the big fights happen when I could. In closing, I would just like to thank everybody for being a part of this. I hope we can come together and consistently make things better for younger boxers in the future.

Senator DORGAN. Mr. Jones, thank you very much. We thank you for being here and we will ask the next panel to come forward. You are excused. The next panel will be Mr. Emanuel Steward, President of Kronk Boxing Team, and he just flew in from out of town.

Mr. Bert Sugar, boxing historian and author; Mr. Lou DiBella, President of DiBella Entertainment; and Mr. Tim Lueckenhoff, the President of the Association of Boxing Commissions, in the Missouri Office of Athletics in Jefferson, Missouri. If you would come forward and take your position at the witness table, we would appreciate it.

What we would like to do is take the statements from the four of you first and then we will ask questions. Let me say that your entire statement will be a part of the record. You may summarize as you wish. You want to start, Mr. Sugar? Why don't you proceed.

**STATEMENT OF BERT RANDOLPH SUGAR, BOXING HISTORIAN  
AND AUTHOR**

Mr. SUGAR. Mr. Chairman, Senator McCain. I just would like to tell you that boxing today if it could be epitomized reminds me of the time that my daughter came down the stairs after the cat had given birth to a kitten in her closet. It was a real grouping of kittens and said daddy, holding one, the cat fell apart. Well, today boxing has fallen apart. It has fallen apart in more ways than one.

We are here to protect yes, the boxer, but we must also protect the sport itself and in doing so, protect the Americans standing in the sport itself. By that I mean there were when we were kids and Senator Dorgan, you were mentioning back when there were fights and there were eight champions and there were eight divisions and each was a world champion. Because of these alphabet soup groups whom I named back in 1979, there are now as many as four accepted champions in 17 weight classes. I think you and I, Senator, are the only two people that do not have a belt. It has gotten to the point where nobody knows what is happening in the sport. And it is even worse for the United States because somebody, a columnist named Dave Anderson in the New York Times once asked the head of the WBC why doesn't the United States have a voice? And he said because they speak in 50 voices.

They do not have one say at the international tables. We have no say. We produce 60 percent per of all fighters, 70 percent of all champions and 80 percent of all money and we have a de minimis say. In order to protect the American boxers, we need to have a strong voice in the boxing program. This means that somehow, some way, somewhere, we do not even give full faith and credit to another state. It has been alluded to, I think, Mr. DiBella will and I will let him go into, it but Mike Tyson is turned down in one state and they are standing in line to give him licenses in others. I mean, it just is, it doesn't work the way it is working.

So while I accept and look forward to Senator McCain's addendum, his amendment to make it work with the USBA, we can also look to other areas to give us a voice so we can protect these fighters. Whether it is something called the united conference on commissioners on uniform state laws, they can come out with the UCC, they have come out with the Probate Act. They ensure full faith and credit among states and just came out incidentally with the Uniform Athletes Agents Act so that they are in sports and they make it feasible. For what we must do in each case before boxing is cutoff worse than Chuck Wittner is to make sure that we protect the boxers by being one, the United States one, then we can sit at the table and we do not have to listen to what Senator McCain said somebody we never heard of from some athletic company challenging Roy Jones, Jr. unless we have a say, and I guess that is all I have to say.

[Prepared statement of Mr. Sugar follows:]

PREPARED STATEMENT OF BERT RANDOLPH SUGAR, BOXING HISTORIAN AND AUTHOR

To understand the sport of boxing, one must first understand its roots. Unlike many of today's sports, boxing did not spring full-blown from the brow of an inventor, as basketball did from the brow of Dr. James Naismith in 1896, nor date back

to the happening of some specific occurrence as rugby did when, in 1823, a soccer player at Rugby school picked up the ball and ran with it.

Instead, boxing's roots are buried in antiquity, traceable, at least in part, to the practice of a form of the sport as we now know it by the ancient Sumerians approximately five thousand years ago. From there it was a short hop, skip and overhand right to other places throughout the ancient world, finally surfacing in ancient Greece around 900 B.C.. As practiced by the Greeks, the sport became less of a sport and more of a brutal spectacle, the "hands and arms enveloped in ponderous gauntlets," as Virgil wrote in the *Aeneid*, "stiffened in rigid coils, insewn with lead and with irons." The object was not only to win but to win by stretching (the opponent) hurt to the death on the yellow sand" of the arena. Not content with mortal hurt, the lead and iron were replaced with spikes to insure death.

With the conquest of Greece by the Holy Roman Empire, boxing became an integral part of Rome's "bread and circuses" pageantry, trained gladiators taking part in exhibitions, usually held following the chariot races and immediately preceding the wrestling and running events. Finally tiring of the wanton brutality and waste of life, Emperor Theodoric ended the gladiatorial contest in A.D. 500, allowing only fighting with bare fists. Those, too, were soon banned, and boxing all but disappeared from the face of the globe.

Twelve centuries were to pass before boxing resurfaced in what had once been a Roman colony, England. Like Greece and Rome before it, England, in the early eighteenth century, considered sport an honorable, even noble pursuit. The manly sport of boxing befitted the Englishman's concept of himself and his country as a moldier of men as neatly as a well-tailored waiscoat. Indeed, poet John Milton, in his *Treatise on Education*, recommended boxing for young men as an excellent athletic exercise and builder of character.

However, the sport of boxing was hardly the sport we know today, resembling more organized king of the mountain than boxing, with wrestling, choking and gouging an integral part. It remained for one man, James Figg, to bring order out of chaos and a small smattering of science to barbarity.

Figg opened an Amphitheatre on Tottenham Court Road dedicated to the teachings of "the manly art of foul play, backsword, cudgeling, and boxing." From the day it opened in 1719 it was liberally patronized by many royal and noble parsonages—"the fancy"—who supported his exhibits with their presence. Boxing, as taught by Figg, was a mere interlude to the entertainments given by exponents of cudgel play, backsword, quarterstaff, and other practices of the day.

Time has a way of mis-bestowing its memorial garland now and then. And so it is that the name James Figg endures fallaciously in the history of a sport that honors him. For even though Figg is known as the "Father of Boxing," his fame might have the same mythic trappings as that of Abner Doubleday, who is wrongly credited with "Inventing" baseball. Figg, who professed to teaching his students the art of "scientific boxing," was in reality teaching them nothing more than the art of fencing with the two weapons with which nature and God had endowed them, their hands. His methods, indeed even his technical terms, guards, acts, and the positioning of the feet and hands, were borrowed from fencing.

The true science of boxing had its foundation and beginning in the teachings of Jack Boughton, who pioneered in the modern art of self-defense. According to *Pugilistica*, "The successor to Figg in popularity, Boughton far exceeded that stalwart crudgeler in fistic science and application of those principles which stripped the practice of boxing of any of those features of ruffianism and barbarity with which the unregulated contests of mere bruisers had invested it."

By the 19th century all of England had embraced the sport of boxing, so much so that they celebrated it in chauvinistic verse:

Since boxing is a manly game  
And Britons recreation,  
By boxing we will raise our fame  
'Bove any other nation.  
Throw pistols poniards swords aside.  
And all such deadly tools.  
And boxing be the Britons pride  
The science of their schools.

However, by the beginning of the 19th century the sun was already imperceptibly setting on the English boxing empire, the result of "Yankee-doodle-dom," the influx of Americans drawn to England, thus creating the international sport of boxing.

But just as James Watt's newfangled steam-powered ships were bringing American fighters over to England, they were also bringing boxers back across the Atlan-

tic—now an even smaller pond, due to Mr. Watt's invention—in effect fueling what would be the start of boxing in America.

Soon American boxing “rings”—then actually rings drawn in the sand—would be filled with immigrants from England and Ireland, all seeking to escape their hard-scrabble roots and find fame and fortune.

Throughout the next century-and-a-half boxing has continued to be the refuge of those seeking to escape their roots as youngsters from the tenements, the ghettos, the projects and the barrios all used the sport as a social staircase out of the mean streets that formed their limited existences, with first the Irish, then the Jewish, Italian, African-American and Latino boxers attempting to gain full fellowship into our society by the only means of escape they possessed: their fists.

And, as they turned to boxing, many also turned their lives around, much as former middleweight champion Rocky Graziano of “Somebody Up There Likes Me” fame did. Speaking in his native New Yorkese, peppered with more than a few “dems” and doses,” Graziano would say of his less-than-exemplary behavior: “I never stole nuthin’ unless it began with a ‘A’ . . . ‘A’ truck, ‘A’ car . . . ‘A’ payroll . . .” And then, in a telling indication of just what the sport meant to him, would add, “If it wasn’t for boxing, I woulda wounded up electrocuted at Sing Sing Prison.”

But even as they fought in hopes of finding a way out of places which offered them little presence and less of a future, they did so alone, almost naked, save for a pair of boxing trunks and two gloves. As Buster Mathis Sr. once said of his manager and trainer when they continued to use the pluralistic “we” once too often, “Where do they get that ‘we’ s--t? When the bell rings they go down the steps and I go out alone.”

It is for these warriors, boxing's most precious commodity, that we must seek help—help they are often denied in the world outside the ring, where they can least defend themselves. And help as well for the sport itself which provides them with their sole hope of gaining admittance to full fellowship into our society.

For while each and every boxer struggles to gain his place at the top of boxing's mountain, their climb is made all the more difficult by our country's inequality at the international boxing table.

It is an inequality that was best articulated by WBC president Jose Sulaiman, who, when asked by *New York Times* columnist Dave Anderson, “Why doesn't the United States have more of a ‘say’ in the world of boxing?” answered: “Because they're unorganized and speak with 50 voices.”

That lack of organization by the powers-that-be who run boxing, so to speak, has made our country—which can boast of supplying 60% of all boxers, 70% of all champions and 80% of all money in boxing—a second-rate power in the sport. And allowed those groups which I call “Alphabet Soups” to control the sport, most from outside the U.S..

It is for that reason that American boxing needs a way of becoming organized to the point of having one voice at the international boxing table. And why the Muhammad Ali Bill is an important first step.

For the Muhammad Ali Bill is the first piece of meaningful legislation ever to come out of Congressional hearings—most of which have been little more than fault-finding hearings about the sport, like the Roth investigation of the controversial decision in the James Toney-Dave Tiberi fight a few years back.

However, I happen to agree with the bill's sponsor, Senator John McCain, who is quoted as having said, “So many people have said I want a federal commission with ultimate authority. That would be a last resort. I'm a fundamental conservative, I want to limit government.”

In keeping with Senator McCain's stated goal, we do not have to re-invent the boxing wheel; the mechanism to organize the sport is already in place. And it is called “The National Conference of Commissioners on Uniform State Laws.”

This is a group that was organized in 1892—not incidentally, the same year as the John L. Sullivan-James J. Corbett fight, the fight which brought in modern boxing as we know it today, with three-minute rounds and gloves under the Marquess of Queensberry Rules.

The stated purpose of The National Conference of Commissioners on Uniform State Laws is “to ptomote uniformity in state law on all subjects where uniformity is desirable and practable, by voluntary action of each state government.”

As such, The National Conference of Commissioners on Uniform State Laws has drafted uniform laws in many fields and then encouraged states to adopt them on a state-by-state basis as law—including such diverse laws as the UCC, the Probate Act, the Anatomical Gift Act, and the Interstate Family Support Act.

And why do we need uniform laws? My colleague, Michael DeLisa, making a speech to a group known as the Association of Boxing Commissions back in 1994,

cited the case of former heavyweight champion Bob Fitzsimmons who, in 1914 at the age of 50, applied for a license in the State of New York and was turned down by the New York State Athletic Commission. His appeal was denied by the New York Supreme Court (NY Supreme Court 146 New York Supplement 117 (1914) ), and two days later Fitzsimmons went over the border and fought in the State of Pennsylvania.

Pennsylvania, in its infinite non-wisdom, gave neither reciprocity nor full faith and credit to the New York State decision—and Fitzsimmons fought in the state twice after being turned down by New York and having that denial upheld on appeal.

But one state failing to recognize another state's refusal of a license to a boxer is hardly limited to the case of Bob Fitzsimmons. In fact, it happened again this year when, after the State of Nevada refused to grant Mike Tyson a license to fight Lennox Lewis other jurisdictions lined up, with licenses in hand for Tyson—one State, Georgia, requiring only \$10 for the license, less than it costs for a dog license.

In a manner similar to the time my daughter's cat went into her hall closet and gave birth to kittens and she came down the stairs hollering, "The cat just fell apart," boxing has fallen apart, with no uniformity nor reciprocity for its rules and regulations

The world of boxing today is like the old wild, wild west, with an anything-goes as far as the boxing rules of the several states regulating the sport.

This lack of uniformity can best be seen by comparing the very definition of the word "boxing": While Hawaii defines it as, "A contest in which the art of attack and defense is practiced with gloved fists by two contestants," the State of Florida defines it as a "Means to compete with fists," with nary a word about gloves contained therein.

Then there's the difference, on a state-to-state basis, on such things as scoring, with Montana giving a 10-9, not 10-8, round to a boxer who knocked down another, with the other boxer getting up right away, thus showing he's not hurt, while Florida will make it a 10-9 round if the fallen fighter takes a 9-count, which shows his "ring generalship," as opposed to one who gets up immediately in a groggy condition. (And here, words like "ring generalship" are almost impossible to define, even by General George Patton.)

And so, while the Muhammad Ali Bill is the correct first step, it still does not provide for the state-to-state uniformity needed to conduct boxing in the United States, nor for the United States to be able to conduct itself as a single entity—not 50 different ones at the international boxing table.

Instead this august Committee should urge The National Conference of Commissioners on Uniform State Laws (or the Association of Boxing Commissions) to draft a bill which every state could then adopt.

(And here, let it be known, that after years of not wanting to be involved in sports, finally in 2002, The National Conference of Commissioners on Uniform State Laws approved and recommended for enactment in all states of the Uniform Athlete Agents Act.)

I believe it time the U.S. Senate Subcommittee on Consumer Affairs, Foreign Commerce and Tourism urged the National Conference of Commissioners on Uniform Laws to draft a uniform law covering the sport of boxing, one which would make boxing a uniform sport within our borders. And thus ensure that the noble and high-minded goals contained in the Muhammad Ali Bill become the law in all 50 states.

Thank You,  
Bert Randolph Sugar

Senator DORGAN. Mr. Sugar, I am sure there is much more than that, and we will dig it out in questioning. Mr. Steward, why don't you proceed?

**STATEMENT OF EMANUEL STEWARD, PRESIDENT, KRONK  
BOXING TEAM**

Mr. STEWARD. First of all, I am very interested in coming here, was interested because boxing is such a unique sport. It is unlike other sports that we have where we can regulate so easily the football, the baseball. First of all, they are just national. There is a similar background of all of the athletes. They pretty much have went through the same school system and recruitment, whatever.

But in boxing it is really truly an international sport and that lies a lot of the problems alone. The fact that most people who are internationally and other countries involved primarily think and act according to what is best for their country or their countrymen for the most part. I think that regardless of all of that boxing is at an all-time high in terms its popularity as far as I am concerned.

I was just recently about a year ago having a lunch at Spago's on a Monday afternoon. No one was in the place except for four or five customers. Two ladies came over to the table to say you are Emanuel Steward, are you not. I said yes. They said we would like to ask you a question, our husbands over there are too bashful. I said what is your question. She says who is going to win between Trinidad and Roy Jones. I said people today are so into boxing where it used to be just the men. Women, everyday people are into boxing. They invited their cousins to come over. We talked boxing.

Based on television and a lot of things in broadcast systems and exposure, so many people know who Roy Jones is. They know who Morales is. Years back it was mainly Muhammad Ali and one or two. I think boxing has a tremendous chance to go to a big level because of the interest that is broader than ever. We have great boxing matches coming up scheduled already, potentially maybe Roy Jones as he was speaking of with Hopkins and Lennox Lewis, Mike Tyson. But just as well as we are going to set and regulate and protect the boxers, I think we have to start doing things that regulate and protect the fans because when you have megamillions of dollars that are being poured out today into watching these fights and you are having some of the worst decisions and even in the big fight we have coming up with Lennox Lewis and Mike Tyson it is so difficult for me to train a boxer to not only take care of himself and do things according to the rule books but all of the illegal tactics that are implemented, and the fact that the tactics are expected more so than they are going to be unexpected.

This is where we have to do things to regulate this. Not so much for the protection of the boxers, but also the fans. I think at present they are probably being abused as much as the boxers, and we have to set up systems to take care of some of these horrible decisions that is coming up and a lot of people are being turned off, totally off of just those decisions alone saying it is no longer where one has taken a dive but just a fact that officials can render decisions is totally out of order from anyone else and do not have to answer to anyone.

And I think that this means that we will have, and I hope to be a part of what will help change some of those things and some of the unfair practices that boxers may suffer from promoters and sometimes promoters get screwed by boxers also.

Senator DORGAN. Mr. Steward, thank you very much. Next we will hear from Lou DiBella. Lou is President of DiBella Entertainment, and used to be with HBO for over a decade.

**STATEMENT OF LOUIS J. DIBELLA, PRESIDENT, DIBELLA ENTERTAINMENT, INC.**

Mr. DIBELLA. Good afternoon Mr. Chairman and senators. Boxing is a great sport and viewed with compelling drama and the ability to capture the imaginations of tens of millions of people. The

overwhelming majority of fighters are decent young men who have been undereducated. Unfortunately, the prevailing system of state regulation of the sport is woefully inadequate to protect them. The system of governance in boxing by profit for profit world sanctioning organizations is subject to manipulation and inappropriate influences and often results in inequities in the ranking of fighters.

State Commissions are generally underfunded and dominated by political patronage appointees with virtually no knowledge of the sport who are incapable of understanding the business, let alone policing it. State Commissions are asked to enforce and administer antiquated state laws that fail to address the realities of the industry today. These laws were written prior to the proliferation of big money televised boxing. They were written before the advent of nuclear imaging. The majority of states do not adequately safeguard against permanent neurological damage.

In short, these laws and the definition within them do not work. When state boxing laws were enacted, managers were actually directing the careers of fighters. A manager negotiated with the promoter to determine the purse the promoter would pay his fighter. From this purse the manager trained. The revenue was from the ticket sales. The promoter speculated on revenue and was the money behind the event. As the person negotiating for the fighter with the promoter the manager had a fiduciary duty to the fighter. All state boxing laws that I have seen reflect this paradigm. This paradigm doesn't work in the age of television dollars and site guarantees.

The promoter, not the manager is now the entity negotiating with the money. The money is now primarily television dollars. This is troubling since the promoter has no legal duty. The manager now relegated to middleman may legally take as much of a third of the fighter's money before expenses are taken out. Effectively the definitions of manager and promoter are redundant and workable. Does a fighter need both? I think Roy Jones can answer that question.

Consider that mismanagement is blatant. State laws actually provide a framework for the financial exploitation of fighters. While the Ali Act was a positive step, there were two major problems with it. It accepts the present form of antiquated state regulation and nobody is enforcing it. A new national boxing law must be written in the national Boxing Commission established. Prize fights are notorious for questionable judgment. Polls taken in the wake of the controversial first fight between Lewis and Holyfield showed that the majority of the American people thought the fight was fixed. The plethora of past investigations focused on the inequitable scoring of fights have consistently failed to find a smoking gun. There wasn't any. No envelopes of cash need be legally passed to buy decisions. Since the operations of the world sanctioning bodies and existing laws allow manipulation and the exercise of clearly improper economic interest.

Sanctioning bodies require judges to be licensed by the sanctioning body itself, pay annual fees and attend organized events. The sanctioning bodies involved with state Commissions in determining who will judge a title fight often involve doling out plum assignments. The sanctioning fees that are paid are based on a per-

centage of the fighter's purses. The more popular and highly paid the fighter, the more money the sanctioning body makes. This provides a great incentive to favor big name fighters.

Judges learn by the quality of the assignments they are given, the class of air travel and hotel provided to the judge and per diems paid to him are paid for by the promoter without any required standardization. The promoter can choose to entertain judges the way he sees fit. Would anyone tolerate Abe Pollin entertaining referees during the basketball playoffs?

Until there is a new national boxing law which makes sanctioning bodies and promoters out of the system of selecting and reimbursing judges, biased decisions will continue to abound and discredit the sport. On June 8th the circus is coming to Memphis. The scheduled Lewis Tyson heavyweight title fight is more reality television than it is sport, but in this reality show it is unlike any in the long run that there will be a survivor. Tyson's life has been a litany of abhorrent behavior with criminal activity, serious verbal abuse of women, shocking instances of unsportsmanlike conduct of the ring and the recent meltdown and biting of his opponent at a press conference. Still, scores of individuals and TV companies and other corporations have lined up to make and/or recoup their money from him. Tyson is correct in stating that no one cares about him and that even he is being exploited.

When Nevada correctly denied Tyson's boxing license, the commissioners made Tyson face his inability to control his demons. The Commission threw reciprocity out the window and to align with greedy local politicians, no redundancy intended, to provide Mr. Tyson with a venue. Can you imagine the commissioner of a major sport allowing an athlete with Mr. Tyson's recent history to compete? When you invite the circus to town, you shouldn't be surprised when clowns and wild animals appear.

The power of the dollar in existing boxing regulation and the general status of boxing is the Dodge City of sports. No matter what happens on June 8th, the scheduled occurrence of Lewis-Tyson provides a compelling argument for the establishment of a national Boxing Commission empowered to enforce a new, workable coherent Federal boxing law with the assistance of the states. Thank you.

[Prepared statement of Mr. DiBella follows;]

PREPARED STATEMENT OF LOUIS J. DiBELLA, PRESIDENT, DiBELLA ENTERTAINMENT, INC.

Good Afternoon, Mr. Chairman and Senators. My name is Lou DiBella and I am the president of DiBella Entertainment. My company creates sports and entertainment programming and represents and counsels professional boxers with respect to matchmaking, television distribution of their bouts and marketing. It is the mission of DiBella Entertainment to create a business model that shifts the balance of power from promoters to fighters and to establish a legacy of matchmaking excellence. Prior to opening my company in the spring of 2000, I spent over a decade as a senior executive at HBO Sports, the world's preeminent telecaster of professional prizefights. There, I was primarily responsible for purchasing the boxing matches to be televised on HBO and for recruiting and signing a bevy of boxing stars to multifight HBO contracts.

Boxing is a great sport, imbued with compelling drama and the ability to capture the imagination of tens of millions of people worldwide. The overwhelming majority of fighters are fine athletes and decent young men who are, generally, socio-economically deprived and under-educated. They are deserving of our attention and

protection. Unfortunately, the prevailing system of state regulation of the sport is woefully inadequate to protect them. The system of governance in boxing by private, for profit, world sanctioning organizations is subject to manipulation and inappropriate influence and often results in inequities in the ranking of fighters, the determination of mandatory challengers for titles and the judging of prizefights. State and federal regulation of the sport has not been successful in curbing these inequities. State commissions are generally under-funded and dominated by political patronage appointees with virtually no knowledge of the sport, who are incapable of understanding the business, let alone policing it. To compound the problem, state commissions are asked to enforce and administrate antiquated state laws, rules and regulations that fail to address the realities of the boxing industry today. These laws were initially written prior to the proliferation of big money televised boxing, casino sites, and significant sponsorship dollars. Unfortunately, they were also written before the advent of nuclear imaging and modern neurological testing; the majority of states do not adequately safeguard against head injury and permanent neurological damage. In short, these laws and the definitions within them no longer work.

When state boxing laws were enacted, managers were actually the people directing the careers of fighters. A manager negotiated with a promoter to determine the purse that the promoter would pay to the fighter for the fighter's participation in a particular prizefight. From this purse, the fighter paid his manager, trainer, cornermen and certain other expenses. The promoter's primary source of event revenue was from the ticket sales; the promoter speculated on ticket and secondary revenue and was the money behind a boxing event. As the person negotiating for the fighter with the promoter, the source of money, the manager had a fiduciary duty to the fighter. The promoter was simply bound by contract. All state boxing laws that I have seen reflect this paradigm.

This paradigm no longer works with respect to big time boxing, which generates television dollars and site guarantees. The promoter, not the manager, is now the entity negotiating with the money; the money is now primarily television dollars and secondarily site revenue. This is troubling, since the promoter has no legal duty to maximize a fighter's money and the promoter's share of revenues is not limited by law. The manager, who is now relegated to middleman, may legally take as much as a third of the fighter's money before expenses. Effectively, the definitions of manager and promoter, found in virtually every state boxing law, are now redundant and unworkable. Does a fighter need both? Considering that blatant conflicts of interest between managers and promoters are rampant and totally unpoliced, state laws actually provide a framework for the financial exploitation of fighters. While the Ali Act was a positive step, there are two major problems with it: it accepts the present form of antiquated state regulation and no one is enforcing it. A new national boxing law must be written and a national boxing commission established.

Prizefights are notorious for questionable judging. Every boxing fan can name major fights memorable for seemingly inexplicable scoring and/or the wrong result. Polls taken in the wake of the controversial first fight between Lennox Lewis and Evander Holyfield found that the majority of Americans believed that this fight was "fixed." The plethora of past investigations, federal, state and local, which have focused on the inequitable scoring of fights, have consistently failed to find a smoking gun or evidence of criminal behavior. There was none to find. No envelopes of cash need be illegally passed to buy decisions. This isn't necessary since the operations of the world sanctioning bodies, and existing federal and state laws, allow manipulation and the exercise of clearly improper economic interest with respect to the judging of fights.

Sanctioning bodies require judges to be licensed by the sanctioning body itself, pay annual fees and attend organized meetings, conventions and seminars. The sanctioning body is involved with state commissions in determining who will judge a title fight, often doling out plum assignments and sought after trips to desirable locations. Unfortunately, sanctioning bodies are characterized by institutional biases. The sanctioning fees that are paid are based on a percentage of the fighters' purses; the more popular and highly paid the fighter, the more money the sanctioning body makes. This provides a big incentive to favor big name, television-friendly fighters. Judges get the message by watching certain promoters and boxers being honored regularly at organizational meetings and conventions. They also learn whether or not they are in favor with their sanctioning organization by the quality of the assignments they are given. To compound this problem, the class of air travel and hotel accommodations provided to the judge and the per diems paid to him are arranged and paid for by the promoter without any required standardization. The promoter can choose to entertain judges any way he sees fit. Isn't the promoter, in effect, lobbying for his fighter? Would anyone tolerate Abe Pollin or Peter Angelos

entertaining referees or umpires during the basketball or baseball playoffs? No federal or state laws prohibit these behaviors and the system is easily corruptible without the necessity of criminal behavior.

On back-to-back weeks last month, the Mayweather/Castillo and Tapia/Medina title fights resulted in controversial decisions and clearly questionable scoring. In my opinion, it is not surprising that the perceived stars won. Until there is a new national boxing law, which takes sanctioning bodies and promoters out of the system of selecting and reimbursing judges, biased decisions will continue to abound and discredit the sport.

On June 8, 2002, the circus is coming to Memphis. The scheduled Lewis/Tyson heavyweight title fight is more reality television than it is sport. The world is waiting to see what Mike Tyson will do next, but in this reality show it is unlikely, in the long run, that there will be a "Survivor." Tyson's life in recent years has been a Greek tragedy in the making. It has been a litany of abhorrent behavior and personal disintegration. There has been criminal activity, incarceration, serial physical and verbal abuse of women, shocking instances of unsportsmanlike conduct in the ring and the recent meltdown and biting of his opponent at a press conference. By Tyson's own admission, he is medicated, self-loathing and in despair. Still, he is the biggest generator of dollars in boxing, and scores of individuals and corporations have lined up to make and/or recoup money from him. Tyson is correct in stating that no one cares about him and that even he is being exploited.

When the Nevada State Athletic Commission correctly denied Tyson his boxing license, commissioners addressed Tyson's unwillingness to face his personal demons and his inability to control his behavior. They sought not only to protect boxing from Mike Tyson, but also to protect Mike Tyson from himself. It only took a matter of hours from the Nevada decision for other state athletic commissions to throw reciprocity out the window and to align with greedy local politicians to provide Mr. Tyson with a venue. Can you imagine the commissioner of a major sport allowing an athlete with Mr. Tyson's recent history to compete? Tennessee, and the other states that attempted to lure Lewis/Tyson, should be ashamed. When you invite the boxing circus to town, you shouldn't be surprised when wild animals and clowns appear.

The June 8th event in Memphis is a monument to the marketability of bad sportsmanship and self destruction, the power of the dollar in boxing regulation and the general status of boxing as the "Dodge City" of sports. Even Mike Tyson has been victimized by the callousness of Tennessee and the other states that courted the event. No matter what happens on June 8th, the scheduled occurrence of Lewis/Tyson provides a compelling argument for the establishment of a national boxing commission, empowered to enforce a new, coherent federal boxing law with the assistance of the states.

Thank you for allowing me to present my views today.

Senator DORGAN. Mr. DiBella, thank you very much. Next we will hear from Mr. Lueckenhoff, president of the Association of Boxing Commissions, administrator of the Missouri Office of Athletics.

**STATEMENT OF TIM LUECKENHOFF, PRESIDENT,  
ASSOCIATION OF BOXING COMMISSIONS**

Mr. LUECKENHOFF. I am Tim Lueckenhoff, and I am the President of the Association of Boxing Commissions, an organization of 46 state and four tribal boxing Commissions throughout the United States. My sincere appreciation is extended to this Subcommittee for this opportunity to present testimony. The information provided to you today will address current issues, problems facing professional boxing, the success of current Federal legislation, and the ABC's recommendation for further legislative reform.

The enactment of the Professional Boxing Safety Act of 1996 for the first time provided a Federal mandate as to certain minimal safeguards and requirements for every professional boxing contest held in the United States. In 2000, amendments to the Professional Boxing Safety Act were enacted through the Muhammad Ali Box-

ing Reform Act. These amendments focused primarily on economics as opposed to safety reforms.

One significant incident occurred in 2000 that I would like to bring to your attention. A sanctioning body threatened the state Boxing Commission 5 minutes before a nationally televised world title bout with the withdrawal of their sanction unless one of the member judges was allowed to judge the bout. The Commission under the threat allowed the unassigned official to judge the bout.

In the written comments previously provided to you, significant benefits of this Act have been outlined as well as other specific violations. While the various provisions of the Federal legislation provide basis for major reform in the industry historically burdened by inequity and propriety and criminality, additional measures are needed, particularly as to enforcement. The ABC is not aware of any such court action having been brought by the U.S. attorney general or state attorney general regarding the Professional Boxing Safety Act.

There appears to be a need for an administration of these Federal laws on a nationwide basis, while the ABC is in place and has potential to perform such a function, it has been and continues to be without source of funding. The measures that the ABC does take are performed by a handful of individuals who serve on respective boxing Commissions which form its membership.

The needed administration of the Federal laws could be accomplished by either providing funding for the ABC toward this effort or creating a Federal boxing administration. In either instance, it would be imperative to maintain the autonomy of the state and tribal boxing Commissions but at the same time provide an entity to administer Federal laws in support of the respective boxing Commissions.

In addition to these amendments to the existing Federal law, the ABC recommends additional provisions. I have provided you a detailed explanation of each of the provisions in my written comments, however, I will briefly outline each suggested change or addition.

It is recommended that there be a Federal mandate that judges and referees are to be assigned to each boxing contest, including championship bouts solely by the Boxing Commission that is regulating the boxing event without any interference from a sanctioning organization. All boxing officials must be trained and tested by the ABC or Federal boxing administration to be sure the official possesses the necessary skills to perform effectively.

Boxing contests held in states or on tribal land where there is not a Boxing Commission should not be permitted, should only be permitted if the promoter agrees among other things to provide liability insurance coverage for each member of the respected Boxing Commission whom is a member of the ABC and who will participate in the regulation of the boxing contests held in the state or Indian land without a Boxing Commission. There is a need to provide reciprocal enforcement of all suspensions imposed by a Boxing Commission. Currently this enforcement is applicable only to suspensions imposed on boxers for recent knockouts, injuries or a physician's denial of certification.

Mandatory licensing should be enacted. Such as the requirement, mandatory licensing guidelines should be enacted such as requirements that each Boxing Commission develop a criteria for review of each boxer's record, suspensions, medical and administrative and other relevant matters which serve as a basis for licensure. There should be a Federal provision for the creation of a centralized medical data bank into which all medical examinations undergone by a licensed boxer are placed. With this information, it should be accessible to each boxing commissioner. Promoters should be required to post collateral such as a surety bond, an irrevocable line of credit or cash. The ABC does not imply that the adoption of these measures would constitute a solution as to the problems associated with professional boxing.

However, the adoption of such measures outlined herein would significantly advance the economics and integrity of the sport of professional boxing. Thank you for your time and consideration. I would be happy to answer any questions you would have of me. Thank you.

[Prepared statement of Mr. Lueckenhoff follows:]

PREPARED STATEMENT OF TIM LUECKENHOFF, PRESIDENT, ASSOCIATION OF BOXING COMMISSIONS

As the President of the Association of Boxing Commissions ("ABC"), an organization of 46 state and tribal boxing commissions located throughout the United States, my sincere appreciation is extended to this Subcommittee for this opportunity to present testimony. My testimony will address current issues and problems facing professional boxing, the success of current federal legislation and the ABC's recommendation for further legislative reform.

Professional boxing is the only major sport in the United States, which operates in the absence of any private sector association, league, centralized association or collective organization to establish and enforce uniform rules, business practices and ethical standards. Other than the federal laws discussed below, State and tribal boxing commissions have been left to enact and enforce laws and regulations, applicable only within the borders of their respective states and tribal lands, which provide certain safeguards to the boxers, both physically and economically. However, these state and tribal laws and regulations are varied with differing degrees of stringency and enforcement.

The enactment of the Professional Boxers Safety Act of 1996, codified as 15 U.S.C. § 6301, *et seq.* (hereinafter, "PBSA"), for the first time, provided a federal mandate as to certain minimal safeguards and requirements applicable to *every* professional boxing contest held within the United States. One of the most significant and far-reaching of these reforms was the requirement that a boxer secure, and produce, a federal identification card as a prerequisite to the boxer's participation in every boxing contest held in the United States. This effectively eliminated such untoward activity as, for example: (1) a boxer being knocked out during a fight in one state on Friday night and, then, participating in a fight on Saturday night in another state under a false name; and (2) a promoter illegally transporting an individual across the U.S. border to participate in a fight under an assumed name, and, following the individual being knocked out in the first or second round (thus, enhancing the record of the boxer under contract to the promoter), dumping the beaten individual back into the country from whence he came. The PBSA also mandated minimal protective measures such as: (1) a physical examination of each boxer by a physician certifying whether or not the boxer is physically fit to safely compete; (2) the continuous presence of a ringside physician, as well as an ambulance or medical personnel with appropriate resuscitation equipment, at each boxing contest; and (3) health insurance for each boxer to provide medical coverage for any injuries sustained in a boxing contest. The PBSA also prohibited certain conflicts of interest; expressly barring, among other things, a member or employee of a boxing commission from belonging to, or receiving any compensation from, a sanctioning organization, a promoter or any other person having a financial interest in an active boxer.

In the year 2000, amendments to the PBSA were enacted as the "Muhammad Ali Boxing Reform Act." These amendments focused primarily on economic, as opposed

to safety, reforms; specifically addressing disreputable and coercive business practices, pervasive in the boxing industry, such as: (1) unexplained and unjustified changes in the ratings of boxers by sanctioning organizations (in some instances premised upon the payment of briborous monies, as opposed to the record of a boxer), (2) questionable scoring by judges who are members of sanctioning organizations, (3) boxers being coerced into signing inequitable contracts with promoters as a condition of being able to participate in a boxing contest against a particular opponent, and (4) promoters unjustly deducting significant portions of a boxer's purse for the promoter's own use. In light of this legislation, sanctioning organizations are now required to, among other things: (1) annually submit to the FTC or, in the alternative, publish on the Internet, its written criteria for the ratings of boxers; (2) post on the Internet an explanation for changing the rating of a boxer previously rated among the top ten; and (3) provide boxers with notice that the sanctioning organization will, upon request of the boxer, provide the boxer with a written explanation of the organization's rating criteria, its rating of the boxer, and its rationale for such a rating. Sanctioning organizations also are required to provide to the applicable boxing commission: (1) all charges it will assess a boxer participating in an event sanctioned by the organization; and (2) all payments the organization will receive for its affiliation with a boxing event from the promoter, the host of the event and any others.

As to promoters, the "Muhammad Ali Boxing Reform Act" requires the promoter to make certain disclosures to the applicable boxing commission and to the boxer. As to the boxing commission, the promoter is to disclose: (1) a copy of any written agreement between the boxer and the promoter, as well as a statement, made under oath, that there are no other written or oral agreements between the promoter and the boxer regarding a particular boxing contest; (2) the amount of the boxer's purse the promoter will receive, as well as all fees and expenses that will be assessed by, or though, the promoter to the boxer including training expenses; (3) the amounts of compensation or consideration the promoter has contracted to receive as a result of the boxing contest; and (4) any reduction in the boxer's purse contrary to the terms of the contract. In addition, the promoter is to disclose to the boxer Items (2), (3), and (4), above.

The "Muhammad Ali Boxing Reform Act" also requires judges and referees to disclose to the appropriate boxing commission a statement as to all consideration, including reimbursement for expenses, that the judge or referee will receive from *any* source for participation in the match.

While the various provisions of this federal legislation provide the basis for major reform in an industry historically fraught with inequity, impropriety and, in some instances, criminality, additional measures are needed; particularly as to *enforcement*. Pursuant to the above-referenced federal laws, the Attorney General of the United States may bring a civil action in the appropriate U.S. District Court, based upon "reasonable cause," including the seeking of injunctive relief or the obtaining of an order to restrain a person from engaging in any activity that constitutes a violation of these provisions. In addition, the "chief law enforcement officer" of a state who has reason to believe that a person or organization is engaging in practices that violate these provisions may seek an order of court enjoining the holding of a boxing contest in which the practice is involved; enforcing compliance with these provisions; and seeking the imposition of prescribed fines. Further, any boxer who suffers economic injury as a result of a violation of any provision of these federal laws may bring an action in the appropriate federal or state court and recover damages.

Notwithstanding these enforcement provisions, the ABC is not aware of *any* such court actions *ever* having been brought by the U. S. Attorney, the chief law enforcement officer of a state, or a boxer. It is not known if the problem is in the non-reporting of violations by the boxers or others for fear of reprisal by unethical promoters and/or sanctioning organizations, the non-detection of violations by the respective boxing commissions, the non-involvement of law enforcement, or otherwise. Accordingly, there appears to be the need for the administration of these federal laws on a nation-wide basis. While the ABC is in place and has the potential to perform such a function, it has been, and continues to be, without any source of funding. The measures that the ABC do take are performed gratuitously by a handful of individuals who serve on the respective boxing commissions which form its membership. The needed administration of the federal laws could be accomplished by either: (1) providing funding for the ABC toward this end, or (2) creating a federal boxing administration. In either instance, it would be imperative to maintain the autonomy of the state and tribal boxing commissions, but, at the same time, provide for an entity to administer the federal laws in support of the respective boxing commissions.

In addition to these amendments to existing federal law, the ABC recommends the following additional provisions.

First, there should be a federal mandate that judges and referees are to be assigned to each boxing contest, including championship matches, *solely* by the boxing commission that is regulating the boxing contest without any interference from a sanctioning organization. The need for such a measure is evidenced by an incident which occurred last year in regard to a nationally televised, championship fight held in a mid-Western state. Well before the date of the fight, as to the officials who would "work" the fight, the sanctioning organization and the state boxing commission agreed that the sanctioning organization would designate the referee and one judge, and that the state boxing commission would designate the other two judges. Less than five minutes before the live nation-wide televised coverage was to commence, a representative of the sanctioning organization threatened a state boxing commission member with a withdraw of the organization's sanction, reducing the status of the fight to a non-title one, if the state boxing commission did not agree to replace one of the judges designated by the state boxing commission with a judge designated by the sanctioning organization. The state boxing commission member capitulated.

As a curative measure regarding championship matches, federal legislation could provide for the following procedure. Based upon certain prescribed criteria, the respective boxing commissions would submit to the ABC or a federal boxing administration a list of names of those judges and referees deemed to be worthy of officiating at a championship match from which a "pool" of such qualified judges and referees may be comprised. As a prerequisite to being placed on such a list, all judges and referees would be required to participate in mandatory training courses and then be tested by the ABC or a federal boxing administration to ensure that the official possesses the requisite skills necessary to effectively perform. The boxing commission where the championship match is to take place would then select from this "pool" of officials, again without any interference from a sanctioning organization, the judges and referee who would officiate at the championship match.

Second, boxing contests held in a state, or on tribal land, where there is not a boxing commission should be permitted only if the promoter agrees, among other things, to provide liability insurance coverage for each member or representative of the boxing commission from another state who will participate in the regulation of the boxing contests held in the state, or on tribal land, without a boxing commission. This is necessary, as the sovereign immunity which may provide such protection when the boxing official performs such duties in his or her own state does not attach when the boxing official is functioning in a different state.

Third, there is the need to provide for the reciprocal enforcement of *all* suspensions imposed by a boxing commission. Currently, such reciprocal enforcement is applicable only to those suspensions imposed on boxers for: (1) recent knockouts or a series of consecutive losses, and (2) an injury, ordered medical procedure, or physician denial of certification. If, for example, one boxing commission suspends a boxer for falsifying documents or for inappropriate behavior, the boxer should not be able to totally negate the suspensive sanction merely by traveling to another state. Similarly, if a suspensive period is imposed on a licensee other than a boxer, such suspension, likewise, should be reciprocally enforced.

Fourth, additional mandatory safety measures should be enacted, such as a requirement that each boxing commission develop criteria for the review of each boxer's boxing record (win-loss-draw/knock-outs), suspensions (medical and otherwise) and other relevant matters which serve as a basis for licensure.

Fifth, there should be a federal provision for the creation of a centralized medical data bank into which all medical examinations undergone by every licensed boxer is placed, with this information being accessible to each boxing commission. This would assist each boxing commission in determining if a license should be issued, and may avoid a boxer having to duplicate such medical exams in regard to each jurisdiction in which he or she seeks licensure. In this regard, a "medical information release" form should be signed by those boxers who agree to do so.

Sixth, currently the federal law provides that "it is the sense of Congress" that certain "health and safety disclosures" be made to a boxer including the risks associated with boxing and the risk and frequency of brain damage. It is suggested that such disclosures be made mandatory, and that the disclosure be made at the time of the issuance of a federal identification card. The boxer should be required to sign a document acknowledging that such disclosures were made.

Seventh, promoters should be required to post a collateral (*e.g.*, surety bond, irrevocable letter of credit, cash) to ensure the payment of all purse monies and other expenses.

While it certainly is not suggested that the adoption of these measures would constitute a panacea as to the problems attendant to professional boxing, the adoption of such measures would provide significant inroads toward improving the safety, economics and integrity of the sport of professional boxing.

Senator DORGAN. Mr. Lueckenhoff, thank you very much. A vote has just begun. There is 10 minutes remaining in a vote over in the Senate. We would like to take a 10-minute recess. Senator McCain and I would go and vote and with your permission we will come back and ask questions. The Subcommittee will be in recess for 10 minutes.

[Recess.]

Senator DORGAN. Let me begin with you, Mr. DiBella. Mr. Lueckenhoff described the sanctioning bodies 5 minutes before the fight. As I heard that, I was curious. Is not it the fact that HBO and Showtime, the television really runs the show here. How can a sanctioning body get by 5 minutes before the fight when the money is really in the hand and running through the hands of the television folks at this point?

Mr. DiBella. Remember first, the television folks are not paying the fighters. The television folks pay the promoter. The promoter pays the fighter. Sanctioning regulations are unregulated by state law or Federal law other than the Ali Act which nobody is enforcing. The sanctioning bodies insist upon involvement in the selection of judges or they threaten to pull their sanction of the fight. The state athletic Commission goes along with them and there is usually a process in which the state Commission is symbiotic with these corrupt sanctioning organizations and determining what judges are there. As I think I tried to illustrate in my statement, these judges are inherently biased.

Senator DORGAN. Mr. Sugar?

Mr. Sugar. Just to add to what Mr. DiBella said, it is also not of minor interest that two of the three major sanctioning bodies, these alphabet soups that Senator McCain thankfully used my phrase, are outside the boundaries of the United States. The WBA and the WBC which might be one of the reasons they were investigating the various and sundry sanctioning bodies, the only one they came down on was the IBF in the U.S. and not the WBA and the WBC. They get away with capital M murder.

Senator DORGAN. Are the Sanctioning bodies by and large corrupt?

Mr. Sugar. They have been called Los Banditos. Would that be a good answer. If they are not corrupt, they failed their function.

Mr. DiBella. Senator Dorgan, to complete the question you asked before, when I was at HBO we were doing a fight between McCallum, it was a world title fight between two champions. At the last moment, the sanctioning body of one of the champions was pulled from his organization, he was stripped by his sanctioning body for fighting another world champion and not the untalented No. 1 contender of the organization. At the time we went ahead and televised the fight any way. But the sanction was still pulled from that fighter by the sanctioning body.

Senator DORGAN. Mr. Steward, you described the training of Lennox Lewis for the upcoming fight in June. You said that in addition to the regular type of training you would use to prepare a boxer

for a fight, you are on this occasion having to prepare a boxer for more than that. We know that Mr. Tyson has bitten off part of the ear of a fighter. Describe what you are doing here.

Mr. STEWARD. I won't say I am preparing Lennox. In fact, this is the first time I have publicly even mentioned that. For the most part I am concentrating strictly on just the fight being a fight because I do not want to drift. It would take away from the fight of speaking too much about Mike Tyson's unfair tactics, but I am doing things separate, not with Lennox so much, with officials and people to try to protect him. I get this on Lennox's mind he won't be able to function at all when he is worried about being bit or elbow being twisted. It is just bad enough to be fighting Tyson, who is a very devastating puncher, and one of the best in the heavy-weight division.

I would like to address something they were speaking on. We could have horror stories told the next 2 hours about the ruthless practices of the organization and I have had a lot of experiences myself. I think ultimately the only solution is going to be, and you hit on it in the beginning, the most powerful force really in boxing which I don't think has been utilized right now is the networks, the broadcast places. The money, the revenue, the multimillions of dollars for the most part has been paid out and spent on financing this boxing game primarily is from the networks. And I think they are going to have to somewhere along the line get more involved and step up to the plate and have certain things that they have more power and start exerting their power. If they do not make this money available a lot of these things eventually won't take place. But right now they are laying back and letting these other organizations do what they want.

Senator DORGAN. You are suggesting the networks would use their power for good. It seems to me not just with respect to sports but generally, the networks are in a race to bottom here with respect to taste and character. You just look at the programming these days. My own impression would be that I wouldn't expect the networks to come in and see if they can raise standards with respect to boxing.

Mr. DiBELLA. Senator, are not the networks just televising what you and most of the public wants to see.

Senator MCCAIN. Tonight on Fox, there Refrigerator Perry will fight Riddick Bo.

Mr. DiBELLA. The ratings were extraordinary the last time they did celebrity boxing. The Mike Tyson fight in Memphis, which should not be taking place will probably do a tremendous amount of business. If you do not want to see it, don't buy it. It is on pay-per-view television. If people were not to buy this fight, if it was not a likelihood that this fight was something to do something like \$100 million worth of business, the states that were running and standing on line to host the site would not have done so. The only reason they stood in line was because of the almighty dollar and because of the public's fascination with Mr. Tyson, who is now the Jerry Springer show.

Mr. SUGAR. I will not be covering that fight in Memphis. The reason is, and Lou has alluded to it, that this sport which I am proud of and I am here to defend it and try to make what you gentlemen

have done into some sort of biting law which is enforceable and has teeth. I came to defend both the sport and Mike Tyson. Mike Tyson has become the poster boy in boxing. He is as much that as Count Dracula is to the Red Cross blood drive. Boxing is a blood assault that has been legalized.

The only reason that raises it to this level of a sport is its rules and regulations which we hear about to make them enforceable. Mike Tyson admits to none of those. He tries to, as Mr. Steward said, break elbows, bite ears, hit, you name it, with elbows, with heads, it doesn't matter. Knock down referees. That was a good one.

If on June 8th and I hope as Mr. DiBella said there will be a couple of me, at least two or three of me, if on June 8th I feel a growing need, an urge to see the home of Elvis, instead of going to Memphis, I am going to Cleveland, Ohio to see Elvis Grbac's home. I am not going to Memphis and I wish people wouldn't look at Mike Tyson as part of boxing. He is separate and distinct.

Senator DORGAN. Mr. Sugar, thank you. Mr. Lueckenhoff, let me ask you, in your testimony you are not aware of any court action that has ever been brought by U.S. attorney, chief law enforcement officer of a state?

Mr. LUECKENHOFF. That is correct. Since becoming president of the Association of Boxing Commissions, I have sent letters to attorneys general regarding violations of the law. No response.

Senator DORGAN. Why will they not respond?

Mr. LUECKENHOFF. Most of the time they are not aware of the law. It is small potatoes to them.

Senator DORGAN. Are any of you aware of a fighter named Mouse?

Mr. SUGAR. Bruce the Mouse Straus?

Senator DORGAN. Yes. I read a lengthy piece in Sports Illustrated. I think it was called The Opponent and actually features him, among others. I do not know anything about him except what I read and saw, but he is a person who essentially falls through the cracks of everything because he is able to be knocked out in Atlanta one night, go to Dallas two nights later, get knocked throughout and nobody has any records of who he is.

Mr. SUGAR. Sometimes he wins. Bruce the Mouse Straus. In fact if Bruce the Mouse Straus doesn't like anybody, he will adopt their name so their name goes in the record book as a loser.

Senator MCCAIN. Hasn't that stopped with the ID card?

Mr. SUGAR. No. Because he is also the promoter of the fights, and when a fighter doesn't come, he fills in for them. He filled in twice one night on his own card and came down the aisle and he said you fought an earlier fight and he said that was my twin brother Moose. He is the one filling out the card.

Mr. DiBELLA. Much more important on focusing on Bruce the Mouse Straus what happens to be one of the more amusing characters in the history of boxing. Focus on Stephan Johnson, who was found by the Canadian Boxing Commission to have a bleed on his brain and that information never traveled to a state athletic Commission in the U.S. which allowed him to fight. Based on him being allowed to fight in a state that had a sub par Commission and no ability to check on this guy's health, he was later allowed to fight

in the state of New Jersey, where he suffered a life-ending injury in the ring. That is the problem.

Yes, Bruce the Mouse Straus is a nice funny story and yes he has fought under fictitious names and been knocked out four times in a month. But consider the fact that a young man lost his life because a state athletic Commission in this country could not receive information that was of record in Canada where he was fought and subsequent to the ending of the fight was found to have a bleed on his brain. That is completely unacceptable.

Senator DORGAN. Mr. DiBella, the point about Mouse is somebody who can get knocked out four times in a week is risking their health and risking their life. There is nobody that will stand up for fighters. The major thing is there needs to be something that protects fighters. We hope future steps will be taken to address those issues. Mr. Steward, one point and then I am going to call on Senator McCain.

Mr. STEWARD. I would like to point out even though Bruce the Mouse Straus or whatever his name is, he is part of our botching folklore but he primarily operates in small locations, in the midwest. So the passbook is working for the most part. I know, as a manager and trainer that the passbooks was one of the best steps made I think toward getting consistency and regulation. For the most part, they are very effective. Still certain guys will find the Kentuckies and Indianas and Iowas. That is why we need a Federal law that can stop them from running anywhere in the cracks. He doesn't go to the major cities. Not in Las Vegas, not in New York. And he was—

Senator DORGAN. Senator McCain.

Senator MCCAIN. Thank you, Senator Dorgan. Just picking up on what our previous conversation, the ID card is not effective?

Mr. STEWARD. It is effective. We should not discount that. It is always a little loophole. Primarily operates off the beaten path type towns. That is where he is operating at. But I think the idea is a very good system. I have had a lot of problems with fighters that couldn't fight that night because he left it at home. The main event when he could not fight and in his own state where he was registered at so it is a very effective law.

Mr. DiBELLA. It works, but there are some states that are so ineffectual in their regulation it is almost irrelevant.

Senator MCCAIN. The ID card?

Mr. SUGAR. The ID card I think will work and you can better it because there is a way technologically where you put it into a machine and you, it doesn't punch out until the fight's over and all of the material that is necessary is not only punched into that but bashes up on a central locale and this is going to be yes, suspensions, injuries, questions about injuries.

Senator MCCAIN. Perhaps the ID card system should be expanded to honor suspensions for reasons other than physical injury. Maybe that was a mistake we made in the first law. Mr. Lueckenhoff?

Mr. LUECKENHOFF. Yes. We are only aware of a couple of states where ID cards have been altered. But for the most part fighters fighting under false names have stopped. There is a problem with state boxing Commissions getting complacent to where they know

the fighter and they do not require to look at the Federal ID card. That gets to be a real problem because of the expiration date on them. I want to leave you with the fact that the ID card has been one of the positive things coming out of the Federal law being in Missouri in the midwest and in Oklahoma, where Mouse Straus was fun. He did not fight many times in Missouri, but we had a real problem in the midwest with that and the ID card has taken care of that problem for us.

Senator MCCAIN. I want to also say Mr. Steward, I appreciate you being here. You are the smartest man in boxing that I know.

Mr. STEWARD. Thank you.

Senator MCCAIN. The work you have done with a long line of fighters is pretty marvelous. I have watched you motivate your fighters on occasion and you are probably a pretty good student of how to motivate people. You would have made a great football coach, as well as what you have done in boxing.

Mr. DiBella, I thank you and thank you for going against the grain quite often. It would have been much easier for you to get along by going along and you probably would have been wealthier today.

Mr. Sugar, I have been enlightened and entertained by you for perhaps longer than you would like me to recollect.

Mr. SUGAR. You do not mind if I do not repeat that to my bride, do you.

Senator MCCAIN. I thank you for being here. Mr. Lueckenhoff, I want to thank you and Mr. Greg Sirb, your predecessor. Mr. Lueckenhoff, would you support this legislation in its general form with some changes?

Mr. LUECKENHOFF. Yes. The ABC would support with the preface that the state boxing commissions need to maintain their autonomy.

Senator MCCAIN. Basically, Mr. Steward, what this would do would provide an administrator, appointed by the President, whose functions would be to protect the health and safety of a fighter while enforcing these existing laws. There has not been one single action brought by a state attorney general.

Mr. SUGAR. In fact, Senator McCain, may I? There was a case in Puerto Rico in which a fighter named Hertado had to go to court to get out of an onerous option contract by Don King. He was the No. 1 rated contender and he was going to fight Randall Bailey so not even there, which is one of the premises of the bill.

Senator MCCAIN. I will come to you in just a minute, Mr. Steward. Do you have to catch a plane?

Mr. STEWARD. Yes. Two other things. Let me just make a couple of comments if I could. One, I think that this administrator would have a beneficial effect on these sanctioning organizations if you want to dignify them by saying that, because he could really lend credence to what a real champion is. We tried to do so today. One of them is management. The manager's role is vague today. But I think a lot of people who are licensed as managers, do not qualify to be managers. And they should have some system set up where they have to go through certain tests and requirements, much like a lawyer or doctor.

Senator MCCAIN. For example, the son of a promoter.

Mr. STEWARD. Yes. Let me tell you another good example. Just recently we had a Don King situation, and I don't fault Don. I think he had a fighter that was fighting, Carl Daniels. While they were negotiating back and forth trying to get done up to 800,000, 900,000, there was a purse bid. Don had one of his guys place a purse bid. It may be a total of \$2 million and so all he has to do according to the rules is to pay this man 25 percent really for 25,000.

I have been involved in two cases recently. Also one over in Spatafor, where these guys have got their wives as managers and they have got friends and they do not know the rules. Manager should know certain things about boxing and what the rules are. You are dealing with a person's life. So life to some degree, and also in the suspensions medically. I have boxers who I see on the suspension who cannot fight for 90 days are in the gym in 2 weeks. Brain is still damaged. A lot of these guys are ruined for life.

I said do not let Roberto go nowhere near a ring for 6 months. Roberto Duran has not been knocked down since then. I saw a young white girl looked like she was about 18 years old, weighed 120 pounds, big strong guy beating her up. The guy said she wants to be here and be like the guys, she is going to have to learn to take a beating. These are things that we cannot regulate that goes on in these gymnasiums. Setting up some national guidelines, if you are under suspension you are not to be boxing if you are caught 20 or 30 days. A lot of these other loophole things that I think we can have a chance to have some input.

Mr. SUGAR. There are two things. Mr. DiBella said it once and now Mr. Steward did and a thought occurred to me which I know is a breakthrough and that is why with the Uniform Athletes Agent Act already on the books are not these managers somehow some way considered to be agents and enforceable under that basis.

Mr. DiBella. Why is no one doing simple math? A promoter is taking his money from the overall revenue. He doesn't have to tell anybody what he is making.

Senator McCAIN. Disclosure.

Mr. DiBella. By the way, I would also support disclosure by television networks because a fighter has the right to know the money that is being paid with respect to his services and that is a regulation of television networks that I think would be a positive.

Senator McCAIN. We will work on that. Why should a promoter get 30 percent of Roy Jones' purse right off the top?

Mr. SUGAR. For Don King that is low.

Mr. DiBella. For most promoters, that is not so out of line. There is nothing regulating that. Hey, a manager who does virtually nothing now is allowed to take 33 percent prior to deduction of the trainer's expenses, corner man's expenses.

Senator McCAIN. Disclosure would shed some light on that. I do not know how you pass a law that dictates how much somebody gets, but certainly full disclosure is important.

Let me mention a couple other things real quick and maybe I am just venting. I have watched the Mayweather-Castillo fight, I watched the Johnny Tapia and Medina fight. Both terrible decisions.

Mr. SUGAR. I disagree with you on Mayweather.

Mr. DiBella. You are right, Senator.

Mr. SUGAR. Would you please after listening to Harold Letterman explain ring generalship. Even General Patton couldn't do that, define it.

Senator McCain. I mean, I can list you some terrible decisions and there is one thing in common, if I might finish. That is, the fighter who is going to earn the most money is the one that won. Bert, it may have been that ring generalship, but would that ring generalship have counted if Castillo had been the one exercising the ring generalship? I just want some general comments about the quality of judging in boxing today and go ahead, Lou.

Mr. DiBella. If you are a sanctioning body, and your profit, quote unquote on an event is based upon 3 percentage points of the fighter's purses, who are you going to want to win? The guy that can generate \$5 million to \$10 million a fight.

Senator McCain. The guy from Mexico that beat Ayala in San Antonio.

Mr. Steward. That is my main gripe coming here today. What I am saying is it is hurting the public. People are being duped when you are paying this kind of money watching pay-per-view, just HBO alone. Just recent fights. I think knowing the fact that the promoters are taking out officials the night before and they are not telling what all they are doing, I saw them put \$5,000 in each of the judge's pockets, have a nice dinner. They give you a beautiful girl for the night. Without being paid to fight, he is going to vote according to what is the best for that particular promoter.

Mr. DiBella. The guy at the Four Seasons has a different agenda from the guy staying at Motel 6.

Mr. Steward. We need to have some system set up where officials just like in basketball, baseball and football, we have a top line of officials and they are selected by this governing body and not letting officials being selected by the promoter. As long as you let that happen by individual managers and promoters picking individuals, just like for the Super Bowl, I don't think you are going to have a certain team. I do not know how it happens. You need to have some system where certified qualified top officials like for this Tyson Lewis fight. They should be picked by this governing body and they should be certain if they make bad decisions that are so far out like the Taglia fight that they should be held before border review. Maybe the decision is not changed, but they should be maybe put on suspension, overwhelmingly approved by looking at it. They would make them accountable. Officials write and do what they want and never have to be accountable for anything and just walk away. That has to change.

Mr. SUGAR. If your USBA exists with someone overseeing it then there are tests for officials whether we honestly disagree or not. The good ones go, the bad ones stay. I must compliment you on one thing, Senator. Unlike Senator Roth after the James Toney-Dave Tiberi fight, and he called it the gripes of Roth, whole investigation, the whole field was crooked because he disagreed with the decision. This is the valid place to have this forum. And I think if you do an overall USBA or, czar, or whatever it is, that can be the office of judging judges if you will.

Senator MCCAIN. Mr. Lueckenhoff, you can respond to this as well as the others. Julio Cesar Chavez a couple of years ago was at the end of his career. He wanted to fight Castillo in Las Vegas. Las Vegas told him: you are not qualified to fight. Guess who sanctioned the fight? The Boxing Commission in the state of Arizona, and you'll recall Cesar Chavez was rendered unacceptable in the sixth round. Mr. Lueckenhoff, this is one of the things, at my embarrassment, my own state's boxing commission, that motivates me to have this boxing Czar, which Senator Dorgan and I and others resisted for years, as we tried to find other ways to help this sport because of our, I speak for myself, personal dislike of government bureaucracies, bigger government, *et cetera*. You want to respond to that?

Mr. LUECKENHOFF. Certainly I do. I agree with you. That upset a lot of the members of the ABC. As I mentioned in my statement, we want all suspensions to follow through and be carried through.

Senator MCCAIN. He wasn't suspended. Chavez wasn't suspended. He just was not allowed to fight there.

Mr. LUECKENHOFF. See, I agree. I think denials have to be involved there. Tennessee, if they did not have the law to deny the license and they have to let him fight obviously. I am not sure whether they do or not so I think all medical suspensions or denials need to, each state needs to follow those and that is where I think this national—

Senator MCCAIN. If Tennessee would have followed what Nevada did, there would not be a fight in Memphis, Tennessee.

Mr. SUGAR. And Washington, D.C. and California and Texas and West Virginia and Georgia all stood in line. And do you know, Senator it cost \$10 for Mike Tyson to get a license in Georgia. Which is less than a dog license, which might tell you something about this sport, or maybe Mike Tyson.

Senator MCCAIN. It is a tragedy for a human being.

Senator DORGAN. If you will yield on that point. The issue here is just one word. Money. It is all about money. Nothing else. After one state, Nevada, said we won't sanction you to fight, other states in other areas jumped in line to see if they couldn't attract the fight. Why? Money.

Senator MCCAIN. We are not embarrassed about saying it is about money.

Senator DORGAN. Not a bit. It is not about protecting the reputation of the sport. It is about money. And so I am sorry. You wanted to finish.

Senator MCCAIN. No. No. This is what is motivating me to take action. Mr. Lueckenhoff, go ahead.

Mr. LUECKENHOFF. I have one comment about the officials. We certainly support a pool of officials. In my written comments we indicate that officials need to be trained just like any professional does whether they be an accountant or a doctor or whatever, they need to have training and they need to be tested so the ABC has developed an officials training seminar that will be taught for the first time down in Miami and we think this is the way to go.

Senator MCCAIN. Will every state be required to participate?

Mr. LUECKENHOFF. We are sending out voluntary compliance, but we are looking for you to help us out. We feel that these officials need to be qualified and tested and educated.

Senator MCCAIN. Go ahead.

Senator DORGAN. Is the Lewis-Tyson fight likely to be the biggest money fight of all time?

Mr. STEWARD. In addition to being the biggest money fight, it will probably be the most viewed live event in the history of the world. It could be a disaster for the sport, too, as well.

Senator DORGAN. Mr. Steward, you will be involved in that fight on behalf of Mr. Lewis. Who at this point will judge and referee that fight? Do you know?

Mr. STEWARD. Well, I made it very adamant that I had a say-so in the referee because I think the referee will be the most important referee in the history of boxing. I was able to convince them to get a guy, Eddie Cotton. Not too many to select from. You can choose among one hand. The other officials are pretty much left, but they had a strong commitment. Left for whoever just to pick whoever.

Senator DORGAN. What do you mean by that?

Mr. STEWARD. Who picks the judges?

Senator DORGAN. It is a big deal. That is why I am asking the question.

Mr. STEWARD. You have so many promoters around, like the Lewis Lennox fight.

Senator MCCAIN. Who will have the final say?

Mr. DiBELLA. You have two ratings organizations in tandem—

Mr. STEWARD. That is why we need to say the government can pick the officials.

Mr. DiBELLA. Two sanctioning bodies will pick the officials with the state athletic Commission. That is my understanding.

Senator DORGAN. But my point is this. This is going to be a very big fight. It is going to be a very big fight. It is now mid to late May. The fight is a few weeks away. Senator McCain suggested a recent history of fights with decisions that in some cases appear to be incompetent. In other places, and circumstances it is perhaps corrupt. But in any event, the question is who is going to be the referee and who are going to be the judges and who is going to select them for this fight. At this point, you say Mr. Steward that you do not know who the judges are?

Mr. STEWARD. No system is set up. That is why we need to have a governing body and pick these officials, not have the promoters pick officials. We are going to favor them the most. Going back to Holyfield and Lewis which is a perfect example. They told me they had a woman they wanted to have named Jean Williams. They came up to my suite and I told them no. She was primarily into amateur boxing. I do not like it that much any way. I insisted that I did not want her.

After 2 days they said look, Bob Lee has said that he wants her and Bob Lee through this connection and that connection, they had two or three other people come up to talk to me. I said I do not care. I do not want her in a fight of this type because I know her connections. They overrode me, said Evander, used to be the manager on this case. We are going to work her anyway. At the end

of the fight, Lennox was cheering to the crowd, I cussed him out and nobody in the place ever knew why I was going crazy. If he hadn't have went out and won the 12th round big, he wouldn't even have got a draw, and that is because once again here is a woman that renders a bad decision, she is not accountable to anything. But still, this is what hurts boxing.

Senator MCCAIN. Reports were that she had a significant debt that was paid off.

Mr. STEWARD. Yes. The rewards for doing things that is good for the favorite promoter is you get other trips. You get more next fights. That is how you are rewarded.

Mr. DiBELLA. When he says favored promoter, judges have to go to meetings by organizations where promoters get promoter of the century, of the decade, fighter of the year. Emanuel is not wrong when he says there is no system for making these judges. The system stinks. Three judges are all going to be affiliated with the World Boxing Council. IBF moved aside and all three officials will be WBC officials, is that correct? Yes. There are three officials, all of whom will be affiliated with the World Boxing Council.

Senator MCCAIN. That is comforting.

Mr. DiBELLA. They had to bring in a state commissioner from New Jersey and the referee will be imported from another state because they have nobody in the state of Tennessee that knows what they are doing when it comes to boxing.

Mr. DiBELLA. The WBC is pretty good at this because in the Tyson-Douglas fight in 1990 when the referee who counted out Tyson but two rounds earlier had not counted out Douglas when he went down and would not change his opinion never got another refereeing job. I don't think he was ever seen again.

Senator MCCAIN. Fortunately, the Tyson fight is not going to go to the judges. That still doesn't change the fact that it is just a sorry and sad situation. As you mentioned, having to import commissioners. How many fights are going on in the state of Tennessee that are basically unregulated and the fighters end up losing. I think Mr. Jones can testify as to the importance of the referee, though.

Mr. STEWARD. There was a popular and influential person and it has been about 2 weeks Bill Clancy, Bill Clancy, and I told them I do not care what I am not going to accept him because he doesn't have the experience in the big fight. But that shows there is no system, though. No system at all.

Senator DORGAN. Mr. DiBella?

Mr. DiBELLA. Right now the New York staff commissioner job is open. Commissioner Ray Kelly stepped aside and now there is an open job. There is rumored to be an individual who is being considered for the job who is very politically connected person and basically got on the Commission vis-a-vis patronage. This person is likely to get the job.

When Holyfield fought Lewis the first time in Madison Square Garden, there were inspectors that surrounded the ring. Inspectors that had been chosen by the Commission were inspectors with a great deal of experience. Unfortunately, an election occurred right around the time of this fight. And the person that is now being considered for the New York State commissionership was on record as

moving those inspectors off their positions, replacing them by completely inexperienced inspectors from the new political party in control, and went on the record and basically said did you forget, when it was asked about switching inexperienced people for people who knew what they were doing said I guess you forgot who won the election. And that provides you with a lot of the reason that state regulation of boxing doesn't work.

Mr. SUGAR. Which also brings to mind the Czar, as we have commonly called him, being appointed by the President. He now is a political person, is he not? I mean by definition, he has to be, regardless of which party and I know I am talking to both of them.

Senator MCCAIN. But I think you are talking about such a high visibility position that no President would politicize that. He would select the most qualified, as, for example, other government agencies that are "independent" agencies, and it would require confirmation by the Senate and so if it was a blatant political kind of a thing, the Senate would not confirm. And that is our check and balance appointment to any independent agency, and if you do not have a President appointed? Who do you have appointed. Do you see, Bert?

Mr. SUGAR. Why not this Committee?

Senator MCCAIN. Well, we would love to, but I think——

Mr. SUGAR. I know that is out of your purview but probably you would know more. He is going to have to come with your recommendation?

Senator MCCAIN. In this bill is a list of qualifications that would be necessary in order to fulfill the job. But as important as Senator Dorgan and I are, I am the loser and I am not sure my judgment would be viewed more favorably than that of the President of the United States, although I am sure we would have an input because the nominee would have to go through this Committee process in that situation.

Look, I have taken way too much of you all's time, Senator Dorgan's time, and everybody else's time. I'd like to sit here for the next three or 4 hours and hear some very entertaining and interesting stories, but I think that the fact that you are here and the fact that we have made a record, is going to overcome a lot of bias and a lot of resistance within the states who see this as an erosion of their authority. The patronage jobs and the states are not willingly going to go along with this proposal and your testimony here, I think, has been extremely important and helpful in this effort. I do not believe that any of us who love boxing are satisfied with the state of professional boxing in America today.

I thank you, Senator Dorgan, for holding this hearing and I consider it a great personal favor, you being so involved in this issue.

Senator DORGAN. Senator McCain, thank you very much. I do not know whether there are bridges that you have not yet burned today, and hope that you are not having to travel soon over the bridges you have burned, but I think your testimony has been extraordinary. We appreciate your candor and your frankness.

This has not been a good time for the sport of boxing and as I said when I began, we have some wonderful young athletes, some of the best athletes in the world who aspire to do good things and perform in this sport, and then discover that there are people out

there who want to use them up and throw them away and we need to do better than that.

I want to especially thank Mr. Lueckenhoff. Mr. Sugar, I have been listening to you for years. Mr. DiBella, thank you, Mr. Steward, thank you for what you have done to the sport and especially to Mr. Jones, who, the record should show, has stayed during this entire proceeding. I have deep admiration for not only your skills but also your character and appreciate what you are trying to do for the sport of boxing.

We hope to make progress again on this legislation. We expect there will be some states who will not want to see any kind of consolidation of authority, but I think it is inevitable that we do that and I am pleased to work with Senator McCain's lead on this and we will work hard to try to make some progress. Again, thank you all and this hearing is adjourned.

[Whereupon, the hearing adjourned at 3:05 p.m.]

## A P P E N D I X

### PREPARED STATEMENT OF TEDDY ATLAS, BOXING TRAINER AND COMMENTATOR

The following is my testimony that would have been delivered at the May 22, 2002 Hearing before the Senate Commerce Committee. Please understand any confusion regarding my appearance was not related to any lack of desire to assist in the difficult task before you. Instead it apparently originated out of misinterpretation of my reason in wanting to attend in the first place. I have obligations as a Commentator for ESPN and a commitment to my fighters. In no way do these commitments overshadow my desire to help the sport of boxing. I have not only been an advocate of the formation of a Federal Commission, but have also challenged politicians to stand up and help. Furthermore, in no way did my incentive relate to seeking publicity in such a forum, but instead solely to help the sport that has been a major part of my life for over twenty-five years.

I have openly been an advocate of boxing reform as evidenced by my calling upon Senator McCain several times during our weekly Friday Night Fight broadcasts. The last time originated out of another poor exhibition of rule interpretations from another weak boxing commission. I can see that Senator McCain has not only heard the outcry, but has responded. I, too, will respond. The following is what my testimony would have been in regards to the responsibilities of a Federal Boxing Commission.

Allow me to acknowledge that one of the other guests scheduled to attend your Hearing is the great Mohammed Ali. If there had been a Federal Commission in place when Mr. Ali was fighting, he would not have been allowed to fight and endure a horrific beating by Larry Holmes. If this had not taken place, then perhaps Mr. Ali would have been able to readily read his statement himself in its entirety.

I am very thankful that this Hearing has been called to evaluate the formation of a Federal Boxing Commission. When this country was young (as in the case of an up and coming preliminary fighter), it had areas that were strong and some that were weak. Nevertheless, it recognized the weaknesses needed strengthening for all to succeed. Some of those areas were in the West, the Wild West, and the strength required was lawful regulation. Eventually, Billy the Kid and the like (WBC/WBA/IBF) were removed. Today we do not have to do this in the same way as the Wyatt Erps and others took control. As sheriffs began to pop up in other towns, laws spread. However, every once in a while one of the smaller towns, beyond the prairies (like Tennessee), would fall a little short of the law! As the country continued to develop, the government understood the need to reach out and "blanket" states with more efficient rule.

To further extrapolate to the sport of boxing, we not only need more efficient law, but we also need to know what the laws should be and have confidence that they will be enforced everywhere. We need to eliminate the "Dodge Cities" of boxing and chase out the "gun slingers" and create a town that can grow and flourish. We need a Boxing Czar appointed by the President, but only after a great search.

We need the right person, not a political hack, but a man with care and understanding of the conventional and practical needs of boxing. This must be a man without ties to managers, promoters, but still a man familiar with the sport. It must be a man unafraid to make enemies, and a man sensitive to the realities of boxing. The sport needs an individual who can administrate; who is proactive with a vision and intellect for reform. I believe his term should be limited to help protect against familiarity and corruption, so often connected with the sport today.

Committees and Subcommittees should be formed to oversee the various departments requiring close monitoring. These areas include, but are not limited to the following:

#### I. OFFICIATING

I suggest developing a panel to oversee and regulate officiating. This would include monitoring judges' performances and even suspension of judges who have shown a predisposition or a pattern of either incompetence or corruption. Fur-

thermore, there should be proper training/certification of these officials including clear criteria on scoring and refereeing. Other sports regulate and oversee the performances of their officials. Separate and eliminate the contact between officials and promoters/managers. It remains a common practice to see a manager, promoter, or world body entertaining officials at fancy restaurants and conventions before a fight. When is the last time anyone heard of George Steinbrenner taking the Umpires out for dinner prior to a baseball game with the Yankees?

## II. MEDICALS

There must exist conformity as to what medical requirements are necessary for fighters. These minimum standards must be upheld from state to state. I suggest the right medical people come up with these answers such as Dr. Flip Homansky and Dr. Margaret Goodman from the State of Nevada. They are both experienced and have proven themselves to not only be competent, but also reform minded with a practical idea of application.

## III. RATINGS

Hopefully with the formation of such a commission, the power of the corrupt organizations will have been completely eliminated (such as what took place with the IBF being found guilty of selling ratings). A panel then needs to be formed to actually rate the fighters. This has to be done by merit and not by relationships. I recommend regional boxing writers who routinely cover fights supplemented with some strong independent commissioners or former commissioners (such as Marc Ratner and Greg Sirb). This could be done through an advisory panel.

## IV. TRAINING/GYMS

Trainers and managers should be tested more thoroughly before being allowed the responsibility of guiding a young fighter. There should be periodic drug testing of trainers and managers. Perhaps this would even eliminate some of the poor choices made in matchmaking and training. We also need monitors in the gyms to ensure fighters and trainers on suspension are not working. I suggest a hotline number for gym owners to confidentially report if a fighter/trainer is working while under suspension. I would even support a \$10,000 fine for gym owners that do not report such infractions. This will help a tremendous amount in preventing potentially injured fighters from training too soon after a serious loss/ knockout. Fighters AND their trainers with 6 straight losses, or trainers (and their fighters) having three knockouts in a row be placed under a 2-year suspension.

## V. STATE COMMISSIONS

The right people should be selected by the Federal Boxing Commission Czar to run the state commissions in accordance and in alliance with the Federal Commission. All politically appointed patronage jobs must be eliminated. A prime example is what has taken place over the last few years in the State of New York. We need people of merit with background in the sport. Stop insulting us with the status quo of individuals filling many of these positions throughout the country. We don't allow this in legal firms and hospitals, as it would be unethical or dangerous. The same applies here. Let these people find "easy" jobs where they can't hurt anyone.

## VI. TELEVISION/CONTRACTS

Fighters require delegates or liaisons to assist in negotiations. Too often promoters or agents deal directly with television, and fighters are unaware of the "full" deal. Incorporated along with this would be legal counsel available to act as a monitor, arbitrator to fighters in regards to management and promotional deals.

In conclusion, I would like to mention financing a Federal Boxing Commission. I do not expect the Federal Government to absorb the bill. Although I must say the lives that boxing influences and saves outnumber most of the political programs that fall short of the jobs they were intended to do when it comes to rehabilitation and saving our youth. The financing for this commission can come from the same monies that are now given to the Ratings Organizations for "Sanctioning Fees." This contribution, as well as a 2% tax from large successful promotions, such as De La Joya-Vargas, or even Tyson-Lewis could assist in subsidizing the costs of running a commission.

If these areas can be policed by the proper government support, as in the example set by other sports, then boxing can do what it does best when given the right op-

portunity. It can bring out the best in people; help them find themselves; and develop confidence and dignity through the tool of discipline and a structured road. Not all will become champions, but many will become better people. I would hate to think that the other more corporately amenable sports would be the only ones where there is enough care to structure and secure the athletes. That would mean that those participants are more worthy than the ones in boxing. I hope not.

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PREPARED STATEMENT OF DON KING, CHAIRMAN, PRESIDENT AND CEO, DON KING PRODUCTIONS, INC.

Ladies and gentlemen. Thank you for your invitation to participate in your hearings today on the federal regulation of the sport of boxing. Nothing would please me more than to be with you today. Unfortunately, however, due to a prior commitment critical to my business, I am unable to appear personally. However, I have prepared this statement and offer it for the record.

Boxing is alive and well. It is a global sport ranking probably second only to soccer. Major fights are televised to billions worldwide with audience levels comparable only to the Olympics and the World Cup.

Unlike other popular sports in the United States, boxing's simplicity is universal and the rules are easy to understand. It is an honorable tradition dating back to antiquity and more than any other sport, incorporates athletic prowess, bravery, courage, endurance, pageantry, excitement and compassion, all at the same time.

Boxing is governed by four major world sanctioning organizations, viz., the World Boxing Council (WBC), the World Boxing Association (WBA), the World Boxing Organization (WBO) and the International Boxing Federation (IBF). The first three are controlled by Hispanics in developing countries and the last by an African American woman in the United States.

**Free Enterprise and Diversity**

While there is no question that boxing is big business, it has historically been one of the last bastions of free enterprise. The fact that my company is the most successful boxing promotional company in the world demonstrates the fact that pioneers and trailblazers like me can succeed in this land of opportunity.

This is not to say that it has been easy for me. When I first entered boxing as a promoter and obtained the right to promote the fight between Muhammad Ali and George Foreman, because of the color barrier, I was forced to take the fight away from the country that I love and promote it in one of the poorest countries in the world, Zaire. Although that fight has come to be known as the "rumble in the jungle," the posters for that fight carry the original name I gave it: "from the slave ship to the championship." You may be interested to know that although I promoted the fight, I do not have any rights to it, since, being unsophisticated at that time, I unwittingly relinquished my rights to people I trusted. But it bought me my economic emancipation, and I have never looked back.

I recognize that reform and progress are diametrically opposed to custom and tradition, and that being a maverick, I make some people uneasy. How is it that a black man from the ghetto, a former numbers man, a convicted felon no less, was able to come to such prominence in such a major sport? Is something going on? Given boxing's sordid past, surely he must be involved in similar unsavory activity. The reality is that I am a victim of my own success. I am the gadfly, rocking the boat, and should learn to stay in my place. Simply, I am an American and I believe in America!

I hold these truths to be self-evident, that all men are created equal, that they are endowed by their creator with certain unalienable rights, that among these are life, liberty and the pursuit of happiness. I live and breath these sacred and solemn words. They are my soul. I am part of the evolutionary process of this great nation. It is why I say "only in America could a Don King happen."

I also understand that while recent Congressional attempts at reform were made in the spirit of the betterment of boxing and the fighters, in my humble opinion Congress needs to take a serious look at the inequity of targeting boxing for specialized treatment as well as the unintended consequences of its reforms.

No other major sport in the United States, be it baseball, basketball, football, etc. has the record of diversity that boxing has. While the participants in these sports are predominantly minorities, the teams and the sports themselves are controlled almost exclusively by non-minorities. Given the Congressionally enacted monopoly for baseball and the professional leagues for the other sports, it is almost impossible for minorities to gain a foothold in these sports.

A short anecdote of mine illustrates this point. A few years back, I was offered the opportunity to purchase a major league baseball team. The owner was having some problems with the other team owners and told me point blank that the best way he could think of to get even with them was to sell the team to an African American. Nothing was more frightening to them than that and they accommodated his every whim and caprice and made him an offer he couldn't refuse in order to prevent such an enormous calamity.

As you know, even non-minorities have difficulty entering the market for other sports. The recent failure of Vince McMahon's and Fox's XFL football league demonstrates the difficulty of entering the other sports markets. We should be proud of boxing's free enterprise history and do everything in our power to preserve and enhance it.

### **The Media Companies' Attempt to Control Boxing**

I say this with some trepidation, however, as there have been certain developments in recent years, particularly by the major media companies to control the sport. HBO which is owned by AOL Time Warner; Showtime which is owned by Viacom; and ESPN which is owned by Disney, all have begun signing exclusive multi-fight agreements directly with fighters. These companies are not regulated by any boxing commissions.

Under these exclusive agreements which often contain terms beyond those permitted by law to promoters under current legislation, the media companies have begun acting as the fighters' de facto promoters. They control when the fighters fight, who they fight, where they fight and how much they are paid. The questions must be asked: is it fair or even legal to regulate promoters and not the media companies as well? Does this really enhance free enterprise and the entrepreneurial spirit of this great nation?

A few years ago when I was Mike Tyson's promoter, I tried to promote a fight between him and Lennox Lewis, but was blocked by Showtime and HBO which had exclusive agreements with Tyson and Lewis, respectively. While the world sanctioning organizations have been much maligned recently by these same media companies, the reality is that the June 8th Tyson/Lewis fight only came about because the WBC had made Mr. Tyson the mandatory challenger to Mr. Lewis. This meant that if HBO and Showtime did not reach an agreement for the fight, the WBC would have put the fight up for a purse bid. Under the purse bid rules, the other promoters, like me, could have bid for the fight. The highest bidder would have obtained the right to promote the fight, and HBO and Showtime would not have necessarily had any rights to televise it. The bottom line is that it was due to the role played by a world sanctioning organization, the WBC in this case, that made this fight happen.

But even more importantly, one need only look to what happens when any promoter is eliminated from the equation. The last real mega-fight equivalent to the upcoming Tyson/Lewis fight is the Holyfield/Tyson II fight on June 28, 1997, notoriously known as the "bite fight." That fight generated 2 million pay per view buys and to date is the largest grossing fight ever in the history of the sport.

When that fight was held, the pay per view universe in the United States consisted of about 33 million homes and the retail price per household for the fight was \$50. For that fight, I guaranteed purses to Tyson and Holyfield totaling \$63 million. Today, the universe is 50 million homes (more than 50 percent higher than the number in 1997), and the retail price for the fight is \$60, \$10 higher than in 1997. Yet, instead of fighting for more money, Tyson and Lewis are fighting for a combined \$35 million in guaranteed purses, nearly 1/2 of what I paid 5 years ago. Again, the questions must be asked: is this what happens when the media companies are not only the broadcaster, but also the promoter? Is this good for the sport? Is it good for the public? Is this free enterprise at work? Or is it restraint of trade? Or vertical price fixing?

It is my belief that allowing the major media companies to become boxing promoters is dangerous and that legislation should be enacted to protect the fighters and promoters from the predatory practices of the media companies. Just as it is important for a promoter to deal at arms length with a fighter's manager, so too is it critical to the integrity of this sport that the licensees of rights to a fight be at arms length with the promoter. Combining the role of licensee and promoter is just as dangerous as combining the role of promoter and manager.

While the traditional promoters are regulated under the Muhammad Ali Boxing Reform Act and state athletic commission laws, the media companies are virtually free from regulation. For example, HBO and Showtime are effectively acting as the promoter of Tyson/Lewis; however, they are not required to file their agreements with Tyson and Lewis with the Tennessee State Athletic Commission since they are

not technically “promoters” under the Ali Act. Instead, if they hire a local promoter to work the fight and if the local promoter is not a party to the master agreements for the fight, those agreements may never be filed with the commission. Furthermore, the disclosures under the Ali Act which require the promoter to inform the fighters how much revenue is to be earned from the event may not necessarily be provided since the “promoter” will not truly be exploiting the rights to the fight.

It is my view that the Ali Act should be revised to clearly make these *de facto* promoters subject to the same rules as the traditional promoters. The playing field should be leveled for all promoters, even if these companies nominally call themselves broadcasters.

Another fact which needs to be considered is that the media companies sign exclusive agreements with only the very best fighters. They are not interested in performing the traditional role of promoters in developing fighters. My company has approximately 140 boxers under contract. One of our primary objectives is to develop young and up and coming boxers. To do this, we effectively allocate part of the license fees being paid by the media companies to these many other fighters so that they can sustain themselves during the early part of their careers.

While the media companies insist on televising primarily title fights which are sanctioned by the major world sanctioning organizations, they criticize them unmercifully and urge the fighters signed with their network to relinquish their titles if the media companies do not approve of the opponent.

Congress must ask itself what will happen to all the young and up and coming fighters if the media companies are successful in putting the traditional promoters and the sanctioning organizations out of business. Will the sport be the better if a handful of huge corporate monoliths control the sport?

The power of the media companies is awesome and my statements here today may be the beginning of my demise. However, I owe it to America and to the sport I love to tell it like it is. The reality is that as big as the media makes me out to be, I am a small fry compared to these giants, and Congress should be wary about their true intentions. In the end, they will control not only what we read and think about the sport, but they will control the sport and its makeup as well. That is what Congress must correct.

#### **The Pay per View Cartel**

Another area that I believe must be addressed by federal legislation is the unfair business practice that exists between the major media companies and the cable pay per view distributor, in demand. Many people do not realize that when they pay \$50 dollars to see a fight on pay per view, half the money, or \$25 dollars, goes to the cable operators.

While there are a number of cable operators in the United States (although I would note that there are fewer and fewer that are independent of the major media companies), they have gotten together and created a cartel called “In Demand”. In Demand is owned by AOL Time Warner, AT&T, Comcast, Cox and Adelphia, although AOL Time Warner controls the company. Additionally, almost all cable operators in the United States are in demand “affiliates,” through its relationships with the cable operators, In Demand effectively controls the pay per view distribution of all boxing events in the United States and is able to extract an exorbitant 50 percent fee from promoters for itself and its affiliates.

The reality is that when you purchase a movie over the same pay per view channel, the cable operators only get about \$2. For roughly the same amount of broadcast time, a boxing promoter must pay 1,250 percent more. The American public and fighters are suffering as a result of this cartel because if a promoter did not have to pay half the money to the cable operators, the \$50 pay per view price tag could be reduced for the consumer and there would be even more money available to the fighters.

While there is no question that other sports such as baseball have difficulties with respect to cable distribution (the squabble between the YES network and Cablevision is a recent example), by and large, their problems pale in comparison to the ones plaguing boxing and for the most part resolve themselves through free negotiation and without coercion in a free marketplace.

I know for a fact that if there is free competition, the amount that a pay per view distributor is willing to take to televise the program decreases dramatically. You may have heard of DIRECTV which is a satellite broadcaster. A few years ago, DIRECTV and a company called United States Satellite Broadcasting (USSB) were distributing their programming over the same satellite system. We had been using USSB for our pay per view events and like the cable operators, USSB was taking about 50 percent of the retail price.

Because the fights were coming over the same satellite used by both DIRECTV and USSB, even if you only subscribed to DIRECTV, you could still purchase a pay per view fight from USSB. The same was true if you only subscribed to USSB and not DIRECTV. This was materially different from the cable operators since each cable operator owns the cable line going into each home.

When DIRECTV learned how much USSB was earning from the pay per view fights, they offered us a deal to be the exclusive distributor of our fights over the satellite system for substantially less than the 50 percent USSB was taking. When USSB discovered this, they countered with a very lucrative deal that they admitted effectively reduced their 50 percent share.

This proved to me that if there was free competition, the amount that a cable or satellite distributor would be willing to take to distribute a pay per view fight was substantially less than 50 percent of the retail price. It is my view, therefore, that the in Demand cartel is hurting fighters and American consumers and must be regulated to enhance free competition.

#### **Muhammad Ali Boxing Reform Act Compliance**

With respect to the Ali Act, we have been told by a number of state boxing directors, including Marc Ratner (Nevada), Greg Sirb (Pennsylvania), Ray Locascio (New York), Chris Meffert (Florida), Billy Lyons (Mississippi) and Peter Timothy (Mashantucket Pequot Tribal Nation), that my company is the only one that has complied with the full letter of the law. I understand that I was the principal target of this law, but the reality is that it is the law of the land and if my company has to file all its agreements and disclose how much revenue it is earning from the fight, it is only fair and just that the other promoters (including the television companies which are acting as *de facto* promoters) should also have to comply.

#### **Coercive Agreements**

Now as we look back at the Ali Act, one of our principal concerns is that the fighters could use it to attack an otherwise valid agreement because the law itself is extremely broad and subject to different interpretations.

Specifically, the Ali Act prohibits a promoter from having a promotional agreement with a fighter for more than one year if the agreement is "coercive." A coercive agreement is defined as one the fighter signs as a "condition precedent" to getting a fight with another fighter who is already under contract to the promoter. While I entirely support the policy behind this provision, the reality is that it is being used by boxers to circumvent deals which they voluntarily entered into with the advice and consent of competent legal counsel. Since there are criminal penalties involved, my attorneys have advised me that prior to signing a fighter to a three year promotional agreement, I should obtain an affidavit (signed by the boxer under the penalties of perjury and only after review by his attorney), that he is voluntarily entering into a promotional agreement with my company and not as a "condition precedent" to getting a fight with another fighter. The reality is, however, that even with these affidavits, some fighters are trying to use the Ali Act to try to circumvent their contracts after they have fought for me and become champions under my promotion.

Congress should look to create a safe harbor to the coercive agreement rule. This safe harbor would provide that if the fighter is represented by a licensed attorney or licensed manager, the coercive agreement rule would not apply. Under this safe harbor, Congress could be assured that if a fighter is signing a promotional agreement with a promoter, he is being adequately represented. As long as the promoter lives up to his end of the bargain, the fighter should not be able to later threaten a lawsuit for violation of the Ali Act simply because he fought one of our other fighters during the term of his promotional agreement.

#### **Ali Act Filings**

The Ali Act requires a promoter to file all agreements with the fighters with the applicable state athletic commission and to disclose to the fighter the amount of gross revenues to be received by the promoter from the event.

Although the Ali Act provides rules for keeping the fighter agreements confidential, the reality is that the media companies have been able to obtain the amount of purses being paid to the fighter for the bout. More importantly, they have then been able to learn the amount of compensation to be earned by the fighters for their future bouts and then use this information to negotiate lower license fees which they are willing to pay for the fighter's future bouts. Media companies simply do not care about the fact that part of their license fees are being used by the promoter to pay purses of undercard boxers so that they can earn a living and hopefully develop into main event fighters. The media companies are only interested in the "creme-de-la-creme" fighters and not in maintaining the sport itself. Only promoters

bear the responsibility for developing fighters, and thus they play a crucial role in the perpetuation of the sport.

As a result of media companies gaining access to this information, instead of being able to negotiate higher license fees from the media companies, the license fees have been decreasing and as a consequence, the amount that we as promoters are able to pay the fighters and particularly the undercard fighters is being reduced dramatically. I am confident that this was not Congress' intent in requiring the promotional agreements to be filed, but it is a reality and Congress needs to address the benefits of requiring these filings versus the costs to the fighters and the sport in general.

#### **Ali Act Disclosures**

We are also concerned about the rule in the Ali Act requiring a promoter to disclose to all undercard boxers fighting in the event the amount of gross revenues to be received by the promoter. This information is proprietary and is not at all relevant to the undercard boxers. The reality is that the undercard bouts are not televised and the arena is substantially empty when their fights take place, except for friends and relatives of the boxers who in most cases have obtained their tickets for free. These fights are included as part of the event, not because they generate additional revenues for the promoter, but because the promoter has an obligation to the sport of boxing to promote and develop these fighters so that they can hopefully become main event fighters. Their purses effectively represent an investment by the promoter in the boxer. No legitimate policy is served by requiring this information to be disclosed to undercard fighters.

With respect to the main event fighters, many of these fighters receive upsides in their bout agreements and obtain audit rights to verify the amount of the upside. Additionally, the main event fighters are in a superior bargaining position compared to the undercard fighters and the managers and attorneys already know their value. The disclosure of gross revenues is irrelevant to the main event fighters since it does not require disclosure of how much the opponent is earning nor the other expenses of the promoter. Requiring a promoter to disclose such amounts gives a distorted picture to these fighters and serves no legitimate purpose. What is required (and in fact what already exists under state boxing laws) are mechanisms to ensure that the promoter pays the fighter the agreed upon purse.

#### **Reciprocity**

Another issue that I feel must be addressed relates to the reciprocity among the various state athletic commissions. As you may know, there is an association in the United States called the Association of Boxing Commissions (ABC); however, the ABC's decisions do not have to be followed by the various state athletic commissions. I personally believe that it is an abomination that other state athletic commissions did not respect the reasoned decision of the Nevada State Athletic Commission (NSAC) to reject Mr. Tyson's application for a boxing license, especially after Mr. Tyson testified, under oath, in his hearing that he had not bitten Lennox Lewis during the press conference in New York and later admitted that he did bite him. The NSAC is the most respected boxing commission in the world and the ABC also recommended that other commissions honor the NSAC's decision. Although many boxing Commissions did honor Nevada's decision, it is our view that the decision should have been respected and followed by all boxing commissions in the United States.

#### **Federal Boxing Commission**

This segue ways into whether there is a need for a federal boxing commission to regulate boxing in the United States. As I alluded to earlier, the ABC already provides quasi federal oversight and I believe that Congress should recommend that its decisions be followed by the other commissions. That being said, I do not believe that we should take away from the states the power to regulate the fights taking place in their respective jurisdictions. I am concerned that creating a federal agency might affect the entrepreneurial spirit of boxing. Additionally, such an undertaking would be very expensive and effectively require the creation of huge federal bureaucracy to replicate what already exists at the state level. There still would be a need to staff and house local commissions in each of the major boxing states since the commissions effectively run the shows. They conduct the weigh ins, select the referees and judges, hold hearings, engage medical personnel, oversee the anti-doping and ensure payment of the fighters' purses. It is my view that to recreate this at the federal level would be an unnecessary expenditure of taxpayers' money.

**Retirement Plan**

One of the most troubling things for me as a promoter is to pay hundreds of thousands of dollars (if not millions) to a fighter only to see it squandered on extravagances. The worst thing is that I am then blamed for the fact that some fighters later end up destitute and on public welfare. Although we counsel our fighters and encourage them to save for their retirement, the reality is that many fighters come from the lowest rung on the socioeconomic ladder and do not have the training and experience to see that their career will be over in just a few years and that the money they make now must last a lifetime.

One of my favorite mottos is "prevention is better than cure." therefore, I am strongly in favor of mandatory retirement deductions from a fighter's purse to fund a retirement plan for the boxers. The contributions would kick in only after the gross purse reaches a certain level, e.g., \$25,000, and would be an increasing percentage as the purse increases. There could be exceptions if the fighter demonstrates that he has established his own retirement plan or for early withdrawals, such as for medical needs. A retirement plan would help ensure that the boxer lives a dignified life after he retires and does not become another burden to society. We owe this to the fighters who provide us with such wonderful and glorious entertainment.

Finally, I would again like to thank the Committee for giving us the opportunity to express our views. To the extent that you feel the need for new legislation, we would welcome the opportunity to provide you with our comments. I would respectfully request that my statement be made part of the official record. Thank you.

