CONGRESSIONAL RECORD—SENATE

July 28, 1999

MUHAMMAD ALI BOXING REFORM ACT

On July 27, 1999, the Senate passed S. 305. The text follows:

SEC. 2. FINDINGS.

The Congress makes the following findings:

(1) Professional boxing differs from other major, interstate professional sports industries in the United States in that it operates without any private sector association league, or centralized industry organization to establish uniform and appropriate business practices and ethical standards. This has led to repeated occurrences of disreputable and coercive business practices in the boxing industry, to the detriment of professional boxers nationwide.

(2) Professional boxers are vulnerable to exploitative business practices engaged in by certain promoters and sanctioning bodies which dominate the sport. Boxers do not have a powerful representative to advocate for their interests and rights in the industry.

(3) State officials are the proper regulators of professional boxing events, and must protect the welfare of professional boxers and serve the public interest by closely supervising boxing activity in their jurisdiction.

(4) Professional boxers and sanctioning bodies have been subject to unfair and unethical business practices that may be violative of State regulations, or are onerous and confiscatory.

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

(6) The sanctioning organizations which have proliferated in the boxing industry have not established credible and objective criteria to rate professional boxers, and operate with virtually no industry or public oversight. Their ratings are susceptible to manipulation, have deprived boxers of fair opportunities for advancement, and have undermined public confidence in the integrity of the sport.

(7) Open competition in the professional boxing industry has been significantly interfered with by restrictive and anti-competitive business practices of certain promoters and sanctioning bodies, to the detriment of the athletes and the ticket-buying public.

SEC. 3. PURPOSES.

The purposes of this Act are—

(1) to protect the rights and welfare of professional boxers by preventing certain exploitative, oppressive, and unethical business practices they may be subject to on an interstate basis;

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

(3) to promote the honorability of professional boxing and enhance the overall integrity of the industry.

SEC. 4. PROTECTING BOXERS FROM EXPLOITATION.

(a) In general.—The Professional Boxing Safety Act of 1996 (15 U.S.C. 6391 et seq.) is amended by—

(1) redesignating section 15 as 16; and

(2) inserting after section 14 the following:

"SEC. 15. PROTECTION FROM EXPLOITATION.

"(a) CONTRACT REQUIREMENTS.—

"(1) 1-YEAR LIMIT ON COERCIVE PROMOTIONAL CONTRACTS.—Neither a promoter nor a sanctioning organization may require a boxer, in a contract arising from a professional boxing match that is a mandatory bout under the rules of the sanctioning organization, to grant promotional rights to any other professional boxing match.

"(b) EMPLOYMENT AS CONDITION OF PROMOTION, ETC.—No person who is a licensee, manager, matchmaker, or promoter may require a boxer to employ, retain, or provide the services of any individual or business enterprise (whether operating in corporate form or not) recommended or designated by that person as a condition of—

"(1) such person's arranging for the boxer to participate in a professional boxing match; or

"(2) such person's arranging for the boxer to participate in a professional boxing match.

"(c) EMPLOYMENT.—In any action brought against a boxer to recover money (whether as damages or as money owed) for acting as a licensee, manager, matchmaker, or promoter for the boxer, the court, arbitrator, or administrative body before which the action is brought may deny recovery in whole or in part under the contract as contrary to public policy if the employment, retention, or compensation that is the subject of the action was obtained in violation of subsection (b)."

"SEC. 16. CONFLICTS OF INTEREST.—Section 9 of such Act (15 U.S.C. 6396) is amended by—

"(1) striking "No member" and inserting "(a) REGULATORY PERSONNEL.—No member"; and

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

"(b) FIREWALL BETWEEN PROMOTERS AND MANAGERS.—

"(1) 1-YEAR LIMIT ON COERCIVE PROMOTIONAL CONTRACTS.—"(A) The period of time for which promotional rights to promote a boxer may be granted under a contract between the promoter and the boxer, or the boxers' promoter, may not exceed 12 months in length if the boxer is required to grant such rights with respect to a boxer, as a condition precedent to the boxer's participation in a professional boxing match against another boxer who is under contract to the promoter.

"(B) A promoter exercising promotional rights with respect to such boxer during the 12-month period beginning on the day after the initiation of any individual or business enterprise (whether operating in corporate form or not) recommended or designated by that person as a condition of—

"(1) shall be considered to be in restraint of trade and contrary to public policy; and

"(ii) unenforceable.

"(C) Nothing in this paragraph shall be construed as pre-empting any State law concerning interference with contracts.

"(D) PROMOTION RIGHTS UNDER MANDATORY BOUT CONTRACTS.—Neither a promoter nor a sanctioning organization may require a boxer to enter a contract as contrary to public policy if the employment, retention, or compensation that is the subject of the action was obtained in violation of subsection (b)."

"(2) PROMOTION AGREEMENT.—A promotion agreement in which the promoter agrees to promote a professional boxing match that is a mandatory bout under the rules of the sanctioning organization, to grant promotional rights to any professional boxing match that violates subsection (a) is considered to be in restraint of trade and contrary to public policy.

"SEC. 17. FINANCIAL SECURITY AND INTERSTATE TRADE.—In any action brought against a boxer, that violates subsection (a) is considered to be in restraint of trade and contrary to public policy; and

"(i) unenforceable.

"(C) Nothing in this paragraph shall be construed as pre-empting any State law concerning interference with contracts.

"(2) PROMOTION RIGHTS UNDER MANDATORY BOUT CONTRACTS.—Neither a promoter nor a sanctioning organization may require a boxer to enter a contract as contrary to public policy if the employment, retention, or compensation that is the subject of the action was obtained in violation of subsection (b)."
law) to have a direct or indirect financial interest in a professional boxing match as an unlicensed manager or management company; or

“(B) a licensed manager or management company (or a manager or management company that, under State laws, is required to be licensed), except for amounts received as consideration under the manager’s contract with the boxer.

“(2) EXCEPTION FOR SELF-PROMOTION AND MANAGEMENT.—Paragraph (1) does not prohibit a boxer from acting as his own promoter or manager.

(c) EFFECTIVE DATE.—The amendments made by subsection (a) apply to contracts executed after the date of enactment of this Act.

SEC. 5. SANCTIONING ORGANIZATION INTEGRITY REFORMS.

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

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

(2) inserting after section 15 the following:

SEC. 16. SANCTIONING ORGANIZATIONS.

(a) OBJECTIVE CRITERIA.—A sanctioning organization shall establish objective and consistent written criteria for the ratings of professional boxers.

(b) APPEALS PROCESS.—A sanctioning organization shall establish and publish an appeals procedure that affords a boxer rated by that organization a reasonable opportunity, without the payment of any fee, to submit information to contest its rating of the boxer. Under the procedure, the sanctioning organization shall, within 14 days after receiving a request from a boxer questioning that organization’s rating of the boxer—

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

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

(c) NOTIFICATION OF CHANGE IN RATING.—If a sanctioning organization changes its rating of a boxer who is included, before the change, in the top 10 boxers rated by that organization, or who, as a result of the change is included in the top 10 boxers rated by that organization, then, after changing the boxer’s rating, the organization shall—

(1) within 5 business days mail notice of the change and a written explanation of the reasons for its change in that boxer’s rating to the boxer at the boxer’s last known address;

(2) immediately post a copy of the notice and the explanation on its Internet website or homepage, if any, for a period of not less than 30 days; and

(3) mail a copy of the notice and the explanation to the President of the Association of Boxing Commissions if the organization does not have an address for the boxer or does not have an Internet website or homepage.

(d) PUBLIC DISCLOSURE.—

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

“(A) a complete description of the organization’s ratings criteria, policies, and general sanctioning fee schedule;

“(B) the bylaws of the organization;

“(C) the appeals procedure of the organization; and

“(D) a list and business address of the organization’s officials who vote on the ratings of boxers.

“(2) FORMAT; UPDATES.—A sanctioning organization shall—

“(A) provide the information required under paragraph (1) in a format that is readily accessible by the general public using generally available search engines and does not require a password or payment of a fee for full access to all the information;

“(B) contain all the information required to be submitted to the Federal Trade Commission by paragraph (1) in an easy to search and use format; and

“(C) is updated whenever there is a material change in the information.

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

“(4) INTERNET POSTING.—In addition to submitting the information required by paragraph (1) to the Federal Trade Commission, a sanctioning organization shall provide the information to the public by maintaining a website on the Internet that—

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

“(B) contains all the information required to be submitted to the Federal Trade Commission by paragraph (1) in an easy to search and use format; and

“(C) is updated whenever there is a material change in the information.

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

“(c) SANCTIONING ORGANIZATIONS.—

“(1) PROHIBITION ON RECEIPTS.—Except as provided in paragraph (2), no officer or employee of a sanctioning organization may receive any compensation, gift, or benefit directly or indirectly from a promoter, boxer, or manager.

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

“(A) the receipt of payment by a promoter, boxer, or manager of a sanctioning organization’s published fee for sanctioning a professional boxing match or reasonable expenses in connection therewith if the payment is reported to the responsible boxing commission under section 17; or

“(B) the receipt of a gift or benefit of de minimis value.

“(c) SANCTIONING ORGANIZATION.—

“(1) Section 2 of the Professional Boxing Safety Act of 1996 (15 U.S.C. 6301) is amended by adding at the end thereof the following:

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

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

“(B) that is advertised, otherwise promoted, or broadcast (including closed circuit television) in interstate commerce.”

SEC. 6. PUBLIC INTEREST DISCLOSURES TO STATE BOXING COMMISSIONS.

(a) SANCTIONING ORGANIZATIONS.—Before sanctioning or authorizing a professional boxing match in a State, a sanctioning organization shall provide to the boxing commission of, or responsible for regulating matches in, that State a written statement of—

“(1) all charges, fees, and costs the organization will assess any boxer participating in that match;

“(2) all payments, benefits, complimentary benefits, and fees the organization will receive for its affiliation with the event, from the promoter, host of the event, and all other sources; and

“(3) additional informational as the commission may require.

A sanctioning organization that receives compensation from any source to refrain from sanctioning or authorizing a professional boxing match organized, promoted, or produced by a promoter is held in a State, the promoter shall provide to the boxing commission of, or responsible for regulating matches in, that State—

“(1) a copy of any agreement in writing to which the promoter is a party with any boxer participating in the match;

“(2) a statement in writing made under penalty of perjury that there are no other agreements, written or oral, between the promoter and the boxer with respect to that match; and

“(3) a statement in writing of—

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

“(B) all payments, gift, or benefits the promoter is providing to any sanctioning organization affiliated with the event; and

“(C) any reduction in the amount or percentage of a boxer’s purse after—

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

“(ii) a purse bid held for the event; or

“(c) JUDGES.—Before participating in a professional boxing match as a judge in any State, an individual shall provide to the boxing commission of, or responsible for regulating matches in, that State a statement in writing of all payments, including reimbursement for expenses, and any other benefits that individual will receive from any source for judging that match; or

“(d) INFORMATION TO BE AVAILABLE TO STATE ATTORNEY GENERAL.—A promoter shall make information received under this section available to the law enforcement officer of the State in which the match is to be held upon request.

“EXCEPTION.—The requirements of this section do not apply in connection with a professional boxing match scheduled to last less than 10 rounds.
“§ 9(b) amends—

(3) to obtain the fines provided under subsection (b); and

(4) to enjoin the holding of any professional boxing match in which any boxer is competing shall—

(a) to enjoin the holding of any professional boxing match involving such practices;

(b) to enforce compliance with this Act;

(c) by designating any person acting in any capacity as a condition of entering into a contract with the broadcaster; or

(d) to obtain such other relief as the court deems appropriate.

3. SEC. 8. PROFESSIONAL BOXING SAFETY ACT AMENDMENTS.

(a) Definitions.—Section 2 of the Professional Boxing Safety Act of 1996 (15 U.S.C. 6301), as amended by section 6(c) of this Act, is amended by adding at the end thereof the following:

“(12) Suspension.—The term ‘suspension’ includes within its meaning the revocation of a boxing license.”

(b) Renewal Period for Identification Cards.—Section 6(b)(2) of the Professional Boxing Safety Act of 1996 (15 U.S.C. 6306(b)(2)) is amended by striking “2 years,” and inserting “4 years.”

(c) State Boxing Commission Procedures.—Section 7(a)(2) of such Act (15 U.S.C. 6306(a)(2)) is amended by—

(1) striking “or” in subparagraph (C); and

(2) striking “documents.” at the end of subparagraph (D) and inserting “documents; and”.

(d) Standardized Physical Examinations.—Section 5(1) of the Professional Boxing Safety Act of 1996 (15 U.S.C. 6304(1)) is amended by inserting after “examination the following:”, based on guidelines endorsed by the American Medical Association, including a circulo-respiratory check and a neurological examination.

(e) CAT Scan.—Section 10 of the Professional Boxing Safety Act of 1996 (15 U.S.C. 6305(b)(2)) is amended by inserting before the period following “(2)” the words “and inserting.”

(f) Suspension.—The term ‘suspension’ includes within its meaning the revocation of a boxing license.”

4. SEC. 9. REQUIREMENTS FOR CONTRACTS BETWEEN BOXERS AND BROADCASTING COMPANIES.

(a) General.—The Professional Boxing Safety Act of 1996 (15 U.S.C. 6301 et seq.), as amended by section 6, is amended—

(1) by redesignating section 18, as redesignated by section 6 of this Act, as section 19; and

(2) by inserting after section 17 the following:

“SEC. 18. CONTRACTS BETWEEN BOXERS AND BROADCASTING COMPANIES.

(a) Contract Requirements.—Any contract between a broadcaster for the broadcast of a boxing match in which that boxer is competing shall—

(1) include mutual obligations between the parties;

(2) specify either—

(A) the number of bouts to be broadcast; or

(B) the duration of the contract.

(b) Prohibitions.—A broadcaster may not—

(1) require a boxer to employ a relative or associate of the broadcaster in any capacity as a condition of entering into a contract with the broadcaster;

(2) have a director or indirect financial interest in the boxer’s manager or management company; or

(3) make a payment, or provide other consideration (other than of a de minimus amount or value) to a sanctioning organization or any officer or employee of such an organization in connection with any boxer with whom the broadcaster has a contract, or against whom with whom the broadcaster has a contract is competing."

5. SEC. 10. ENFORCEMENT.

(a) Definitions.—Section 2 of the Professional Boxing Safety Act of 1996 (15 U.S.C. 6301), as amended by section 6(c) of this Act, is amended by adding at the end thereof the following:

(1) CONTRACT.—A provision in a contract between a broadcaster and a boxer that violates this Act is a violation of this Act, is amended by adding at the end thereof the following:

(3) Broadcasting.—The term ‘broadcasting’ includes any exercise of a license or permit issued by the Federal Communications Commission that is inconsistent with the public interest, convenience, or necessity.

(b) Broadcaster Defined.—Section 2 of the Professional Boxing Safety Act of 1996 (15 U.S.C. 6301), as amended by section 6(b) of this Act, is amended by adding at the end thereof the following:

(7) Promoter.—The term ‘promoter’ includes any person who acts as a promoter for purposes of the Professional Boxing Safety Act of 1996 or the Professional Boxing Act of 1996.

(c) Enforcement.—

(1) Contract.—A provision in a contract between a broadcaster and a boxer that violates this Act is a violation of this Act.

(2) Prohibitions; Notification.—For enforcement of subsections (b) and (c), see section 7.

(d) Suspension.—Nothing in this Act authorizes the Federal Trade Commission, the State attorneys general, the United States attorneys general, or the State or political subdivisions of a State, or any agency or instrumentalities thereof, to authorize the Secretary of the Army to construct various projects for improvements to rivers and harbors of the United States, and for other purposes, as follows:

Resolved. That the bill from the House of Representatives (H.J. Res. 188) entitled “An Act to provide for the conservation and development of water and related resources, to authorize the Secretary of the Army to construct various projects for improvements to rivers and harbors of the United States, and for other purposes”, do pass with the following amendments: