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IN THE HOUSE OF REPRESENTATIVES

OCTOBER 21, 1998

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

AN ACT

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

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

3 **SECTION 1. SHORT TITLE.**

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

1 **SEC. 2. FINDINGS.**

2 The Congress makes the following findings:

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

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

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

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

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

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

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

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

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

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

13 **SEC. 3. PURPOSES.**

14 The purposes of this Act are—

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

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

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

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

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

4 (1) redesignating section 15 as 16; and

5 (2) inserting after section 14 the following:

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

7 **“(a) CONTRACT REQUIREMENTS.—**

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

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

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

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

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

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

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

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

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

19 “(ii) unenforceable.

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

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

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

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

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

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

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

19 “(c) ENFORCEMENT.—

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

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

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

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

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

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

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

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

22 “(B) a manager—

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

1 “(ii) to be employed by or receive
 2 compensation or other benefits from a pro-
 3 moter,
 4 except for amounts received as consideration
 5 under the manager’s contract with the boxer.

6 “(2) EXCEPTION FOR SELF-PROMOTION AND
 7 MANAGEMENT.—Paragraph (1) does not prohibit a
 8 boxer from acting as his own promoter or man-
 9 ager.”.

10 **SEC. 5. SANCTIONING ORGANIZATION INTEGRITY RE-**
 11 **FORMS.**

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

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

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

18 **“SEC. 16. SANCTIONING ORGANIZATIONS.**

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

23 “(b) APPEALS PROCESS.—A sanctioning organization
 24 shall establish and publish an appeals procedure that af-
 25 fords a boxer rated by that organization a reasonable op-

1 portunity, without the payment of any fee, to submit infor-
2 mation to contest its rating of the boxer. Under the proce-
3 dure, the sanctioning organization shall, within 14 days
4 after receiving a request from a boxer questioning that
5 organization's rating of the boxer—

6 “(1) provide to the boxer a written explanation
7 of the organization's criteria, its rating of the boxer,
8 and the rationale or basis for its rating (including
9 a response to any specific questions submitted by the
10 boxer); and

11 “(2) submit a copy of its explanation to the
12 President of the Association of Boxing Commissions
13 of the United States and to the boxing commission
14 of the boxer's domiciliary State.

15 “(c) NOTIFICATION OF CHANGE IN RATING.—If a
16 sanctioning organization changes its rating of a boxer who
17 is included, before the change, in the top 10 boxers rated
18 by that organization, then, within 14 days after changing
19 the boxer's rating, the organization shall—

20 (1) mail notice of the change and a written ex-
21 planation of the reasons for its change in that box-
22 er's rating to the boxer at the boxer's last known ad-
23 dress;

24 (2) post a copy, within the 14-day period, of the
25 notice and the explanation on its Internet website or

1 homepage, if any, for a period of not less than 30
2 days; and

3 (3) mail a copy of the notice and the expla-
4 nation to the President of the Association of Boxing
5 Commissions.

6 “(d) PUBLIC DISCLOSURE.—

7 “(1) FTC FILING.—Not later than January
8 31st of each year, a sanctioning organization shall
9 submit to the Federal Trade Commission—

10 “(A) a complete description of the organi-
11 zation’s ratings criteria, policies, and general
12 sanctioning fee schedule;

13 “(B) the bylaws of the organization;

14 “(C) the appeals procedure of the organi-
15 zation; and

16 “(D) a list and business address of the or-
17 ganization’s officials who vote on the ratings of
18 boxers.

19 “(2) FORMAT; UPDATES.—A sanctioning orga-
20 nization shall—

21 “(A) provide the information required
22 under paragraph (1) in writing, and, for any
23 document greater than 2 pages in length, also
24 in electronic form; and

1 “(B) promptly notify the Federal Trade
2 Commission of any material change in the in-
3 formation submitted.

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

11 “(4) INTERNET ALTERNATIVE.—In lieu of sub-
12 mitting the information required by paragraph (1)
13 to the Federal Trade Commission, a sanctioning or-
14 ganization may provide the information to the public
15 by maintaining a website on the Internet that—

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

20 “(B) contains all the information required
21 to be submitted to the Federal Trade Commis-
22 sion by paragraph (1) in a easy to search and
23 use format; and

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

1 (b) CONFLICT OF INTEREST.—Section 9 of such Act
2 (15 U.S.C. 6308), as amended by section 4 of this Act,
3 is amended by adding at the end thereof the following:

4 “(c) SANCTIONING ORGANIZATIONS.—

5 “(1) PROHIBITION ON RECEIPTS.—Except as
6 provided in paragraph (2), no officer or employee of
7 a sanctioning organization may receive any com-
8 pensation, gift, or benefit directly or indirectly from
9 a promoter, boxer, or manager.

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

12 “(A) the receipt of payment by a promoter,
13 boxer, or manager of a sanctioning organiza-
14 tion’s published fee for sanctioning a profes-
15 sional boxing match or reasonable expenses in
16 connection therewith if the payment is reported
17 to the responsible boxing commission under sec-
18 tion 17; or

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

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

1 “(11) SANCTIONING ORGANIZATION.—The term
2 ‘sanctioning organization’ means an organization
3 that sanctions professional boxing matches in the
4 United States—

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

7 “(B) that are advertised, otherwise pro-
8 moted, or broadcast (including closed circuit
9 television) in interstate commerce.”.

10 **SEC. 6. PUBLIC INTEREST DISCLOSURES TO STATE BOXING**
11 **COMMISSIONS.**

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

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

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

18 **“SEC. 17. REQUIRED DISCLOSURES TO STATE BOXING COM-**
19 **MISSIONS.**

20 “(a) SANCTIONING ORGANIZATIONS.—Before sanc-
21 tioning a professional boxing match in a State, a sanction-
22 ing organization shall provide to the boxing commission
23 of, or responsible for sanctioning matches in, that State
24 a written statement of—

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

4 “(2) all payments, benefits, complimentary ben-
5 efits, and fees the organization will receive for its af-
6 filiation with the event, from the promoter, host of
7 the event, and all other sources; and

8 “(3) such additional information as the commis-
9 sion may require.

10 “(b) PROMOTERS.—Before a professional boxing
11 match organized, promoted, or produced by a promoter
12 is held in a State, the promoter shall provide a statement
13 in writing to the boxing commission of, or responsible for
14 sanctioning matches in, that State—

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

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

22 “(3) a statement in writing of—

23 “(A) all fees, charges, and expenses that
24 will be assessed by or through the promoter on
25 the boxer pertaining to the event, including any

1 portion of the boxer’s purse that the promoter
2 will receive, and training expenses; and

3 “(B) all payments, gifts, or benefits the
4 promoter is providing to any sanctioning orga-
5 nization affiliated with the event.

6 “(c) INFORMATION TO BE AVAILABLE TO STATE AT-
7 TORNEY GENERAL.—A promoter shall make information
8 received under this section available to the chief law en-
9 forcement officer of the State in which the match is to
10 be held upon request.

11 “(d) EXCEPTION.—The requirements of this section
12 do not apply in connection with a professional boxing
13 match scheduled to last less than 10 rounds.”.

14 **SEC. 7. ENFORCEMENT.**

15 Section 10 of the Professional Boxing Safety Act of
16 1996 (15 U.S.C. 6309) is amended by—

17 (1) inserting a comma and “other than section
18 9(b), 15, 16, or 17,” after “this Act” in subsection
19 (b)(1);

20 (2) redesignating paragraphs (2) and (3) of
21 subsection (b) as paragraphs (3) and (4), respec-
22 tively, and inserting after paragraph (1) the follow-
23 ing:

24 “(2) VIOLATION OF ANTI-EXPLOITATION, SANC-
25 TIONING ORGANIZATION, OR DISCLOSURE PROVI-

1 SIONS.—Any person who knowingly violates any pro-
2 vision of section 9(b), 15, 16, or 17 of this Act shall,
3 upon conviction, be imprisoned for not more than 1
4 year or fined not more than—

5 “(A) \$100,000; and

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

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

12 “(c) ACTIONS BY STATES.—Whenever the chief law
13 enforcement officer of any State has reason to believe that
14 a person or organization is engaging in practices which
15 violate any requirement of this Act, the State, as *parens*
16 *patriae*, may bring a civil action on behalf of its residents
17 in an appropriate district court of the United States—

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

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

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

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

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

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

8 (a) DEFINITIONS.—Section 2 of the Professional
9 Boxing Safety Act of 1966 (15 U.S.C. 6301), as amended
10 by section 5(c) of this Act, is amended by adding at the
11 end thereof the following:

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

15 (b) STATE BOXING COMMISSION PROCEDURES.—
16 Section 7(a)(2) of such Act (15 U.S.C. 6306(a)(2)) is
17 amended—

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

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

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

22 “(E) unsportsmanlike conduct or other in-
23 appropriate behavior inconsistent with generally

1 accepted methods of competition in a profes-
2 sional boxing match.”.

Passed the Senate October 8 (legislative day, Octo-
ber 2), 1998.

Attest:

GARY SISCO,
Secretary.