

Calendar No. 421

106TH CONGRESS
1ST SESSION

H. R. 1832

IN THE SENATE OF THE UNITED STATES

NOVEMBER 9, 1999

Received

NOVEMBER 19, 1999

Read twice and placed on the calendar

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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Muhammad Ali Boxing
3 Reform Act”.

4 **SEC. 2. FINDINGS.**

5 The Congress makes the following findings:

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

15 (2) State officials are the proper regulators of
16 professional boxing events, and must protect the wel-
17 fare of professional boxers and serve the public in-
18 terest by closely supervising boxing activity in their
19 jurisdiction. State boxing commissions do not cur-
20 rently receive adequate information to determine
21 whether boxers competing in their jurisdiction are
22 being subjected to contract terms and business prac-
23 tices which may violate State regulations, or are on-
24 erous and confiscatory.

25 (3) Promoters who engage in illegal, coercive,
26 or unethical business practices can take advantage

1 of the lack of equitable business standards in the
2 sport by holding boxing events in States with weaker
3 regulatory oversight.

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

12 (5) Open competition in the professional boxing
13 industry has been significantly interfered with by re-
14 strictive and anticompetitive business practices of
15 certain promoters and sanctioning bodies, to the det-
16 riment of the athletes and the ticket-buying public.
17 Common practices of promoters and sanctioning or-
18 ganizations represent restraints of interstate trade
19 in the United States.

20 (6) It is necessary and appropriate to establish
21 national contracting reforms to protect professional
22 boxers and prevent exploitive business practices, and
23 to require enhanced financial disclosures to State
24 athletic commissions to improve the public oversight
25 of the sport.

1 **SEC. 3. PURPOSES.**

2 The purposes of this Act are—

3 (1) to protect the rights and welfare of profes-
4 sional boxers on an interstate basis by preventing
5 certain exploitive, oppressive, and unethical business
6 practices;

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

10 (3) to promote honorable competition in profes-
11 sional boxing and enhance the overall integrity of
12 the industry.

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

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

16 (1) by redesignating sections 9 through 15 as
17 sections 17 through 23, respectively; and

18 (2) by inserting after section 8 the following
19 new sections:

20 **“SEC. 9. CONTRACT REQUIREMENTS.**

21 “Within 2 years after the date of the enactment of
22 the Muhammad Ali Boxing Reform Act, the Association
23 of Boxing Commissions shall develop and shall approve by
24 a vote of no less than a majority of its member State box-
25 ing commissioners, guidelines for minimum contractual

1 provisions that should be included in bout agreements and
2 boxing contracts. It is the sense of the Congress that State
3 boxing commissions should follow these ABC guidelines.

4 **“SEC. 10. PROTECTION FROM COERCIVE CONTRACTS.**

5 “(a) GENERAL RULE.—

6 “(1)(A) A contract provision shall be considered
7 to be in restraint of trade, contrary to public policy,
8 and unenforceable against any boxer to the extent
9 that it—

10 “(i) is a coercive provision described in
11 subparagraph (B) and is for a period greater
12 than 12 months; or

13 “(ii) is a coercive provision described in
14 subparagraph (B) and the other boxer under
15 contract to the promoter came under that con-
16 tract pursuant to a coercive provision described
17 in subparagraph (B).

18 “(B) A coercive provision described in this sub-
19 paragraph is a contract provision that grants any
20 rights between a boxer and a promoter, or between
21 promoters with respect to a boxer, if the boxer is re-
22 quired to grant such rights, or a boxer’s promoter
23 is required to grant such rights with respect to a
24 boxer to another promoter, as a condition precedent
25 to the boxer’s participation in a professional boxing

1 match against another boxer who is under contract
2 to the promoter.

3 “(2) This subsection shall only apply to con-
4 tracts entered into after the date of the enactment
5 of the Muhammad Ali Boxing Reform Act.

6 “(3) No subsequent contract provision extend-
7 ing any rights or compensation covered in paragraph
8 (1) shall be enforceable against a boxer if the effec-
9 tive date of the contract containing such provision is
10 earlier than 3 months before the expiration of the
11 relevant time period set forth in paragraph (1).

12 “(b) PROMOTIONAL RIGHTS UNDER MANDATORY
13 BOUT CONTRACTS.—No boxing service provider may re-
14 quire a boxer to grant any future promotional rights as
15 a requirement of competing in a professional boxing match
16 that is a mandatory bout under the rules of a sanctioning
17 organization.

18 **“SEC. 11. SANCTIONING ORGANIZATIONS.**

19 “(a) OBJECTIVE CRITERIA.—Within 2 years after the
20 date of the enactment of the Muhammad Ali Boxing Re-
21 form Act, the Association of Boxing Commissions shall de-
22 velop and shall approve by a vote of no less than a major-
23 ity of its member State boxing commissioners, guidelines
24 for objective and consistent written criteria for the ratings
25 of professional boxers. It is the sense of the Congress that

1 sanctioning bodies and State boxing commissions should
2 follow these ABC guidelines.

3 “(b) APPEALS PROCESS.—A sanctioning organization
4 shall not be entitled to receive any compensation, directly
5 or indirectly, in connection with a boxing match, until it
6 provides the boxers with notice that the sanctioning orga-
7 nization shall, within 7 days after receiving a request from
8 a boxer questioning that organization’s rating of the
9 boxer—

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

15 “(2) submit a copy of its explanation to the As-
16 sociation of Boxing Commissions.

17 “(c) NOTIFICATION OF CHANGE IN RATING.—A
18 sanctioning organization shall not be entitled to receive
19 any compensation, directly or indirectly, in connection
20 with a boxing match, until, with respect to a change in
21 the rating of a boxer previously rated by such organization
22 in the top 10 boxers, the organization—

23 “(1) posts a copy, within 7 days of such
24 change, on its Internet website or home page, if any,

1 including an explanation of such change, for a pe-
2 riod of not less than 30 days; and

3 “(2) provides a copy of the rating change and
4 explanation to an association to which at least a ma-
5 jority of the State boxing commissions belong.

6 “(d) PUBLIC DISCLOSURE.—

7 “(1) FTC FILING.—A sanctioning organization
8 shall not be entitled to receive any compensation di-
9 rectly or indirectly in connection with a boxing
10 match unless, not later than January 31 of each
11 year, it submits to the Federal Trade Commission
12 and to the ABC—

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

16 “(B) the bylaws of the organization;

17 “(C) the appeals procedure of the organi-
18 zation for a boxer’s rating; and

19 “(D) a list and business address of the or-
20 ganization’s officials who vote on the ratings of
21 boxers.

22 “(2) FORMAT; UPDATES.—A sanctioning orga-
23 nization shall—

24 “(A) provide the information required
25 under paragraph (1) in writing, and, for any

1 document greater than 2 pages in length, also
2 in electronic form; and

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

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

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

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

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

1 “(C) is updated whenever there is a mate-
2 rial change in the information.

3 **“SEC. 12. REQUIRED DISCLOSURES TO STATE BOXING COM-**
4 **MISSIONS BY SANCTIONING ORGANIZATIONS.**

5 “A sanctioning organization shall not be entitled to
6 receive any compensation directly or indirectly in connec-
7 tion with a boxing match until it provides to the boxing
8 commission responsible for regulating the match in a
9 State a statement of—

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

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

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

19 **“SEC. 13. REQUIRED DISCLOSURES FOR PROMOTERS.**

20 “(a) DISCLOSURES TO THE BOXING COMMISSIONS.—
21 A promoter shall not be entitled to receive any compensa-
22 tion directly or indirectly in connection with a boxing
23 match until it provides to the boxing commission respon-
24 sible for regulating the match in a State a statement of—

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

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

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

13 “(B) all payments, gifts, or benefits the pro-
14 moter is providing to any sanctioning organization
15 affiliated with the event; and

16 “(C) any reduction in a boxer’s purse contrary
17 to a previous agreement between the promoter and
18 the boxer or a purse bid held for the event.

19 “(b) DISCLOSURES TO THE BOXER.—A promoter
20 shall not be entitled to receive any compensation directly
21 or indirectly in connection with a boxing match until it
22 provides to the boxer it promotes—

23 “(1) the amounts of any compensation or con-
24 sideration that a promoter has contracted to receive
25 from such match;

1 furnished by a promoter under section 13 except to the
2 extent required in a legal, administrative, or judicial pro-
3 ceeding.

4 “(b) EFFECT OF CONTRARY STATE LAW.—If a State
5 law governing a boxing commission requires that informa-
6 tion that would be furnished by a promoter under section
7 13 shall be made public, then a promoter is not required
8 to file such information with such State if the promoter
9 files such information with the ABC.

10 **“SEC. 16. JUDGES AND REFEREES.**

11 “No person may arrange, promote, organize, produce,
12 or fight in a professional boxing match unless all referees
13 and judges participating in the match have been certified
14 and approved by the boxing commission responsible for
15 regulating the match in the State where the match is
16 held.”.

17 **SEC. 5. CONFLICT OF INTEREST.**

18 Section 17 of the Professional Boxing Safety Act of
19 1996 (15 U.S.C. 6308) (as redesignated by section 4 of
20 this Act) is amended—

21 (1) in the first sentence by striking “No mem-
22 ber” and inserting “(a) REGULATORY PER-
23 SONNEL.—No member”;

24 (2) by adding at the end the following:

1 “(b) FIREWALL BETWEEN PROMOTERS AND MAN-
2 AGERS.—

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

4 “(A) a promoter to have a direct or indi-
5 rect financial interest in the management of a
6 boxer; or

7 “(B) a manager—

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

10 “(ii) to be employed by or receive
11 compensation or other benefits from a pro-
12 moter, except for amounts received as con-
13 sideration under the manager’s contract
14 with the boxer.

15 “(2) EXCEPTIONS.—Paragraph (1)—

16 “(A) does not prohibit a boxer from acting
17 as his own promoter or manager; and

18 “(B) only applies to boxers participating in
19 a boxing match of 10 rounds or more.

20 “(c) SANCTIONING ORGANIZATIONS.—

21 “(1) PROHIBITION ON RECEIPTS.—Except as
22 provided in paragraph (2), no officer or employee of
23 a sanctioning organization may receive any com-
24 pensation, gift, or benefit, directly or indirectly, from
25 a promoter, boxer, or manager.

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

3 “(A) the receipt of payment by a promoter,
4 boxer, or manager of a sanctioning organiza-
5 tion’s published fee for sanctioning a profes-
6 sional boxing match or reasonable expenses in
7 connection therewith if the payment is reported
8 to the responsible boxing commission; or

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

11 **SEC. 6. ENFORCEMENT.**

12 Subsection (b) of section 18 of the Professional Box-
13 ing Safety Act of 1996 (15 U.S.C. 6309) (as redesignated
14 by section 4 of this Act) is amended—

15 (1) in paragraph (1) by inserting a comma and
16 “other than section 9(b), 10, 11, 12, 13, 14, or 16,”
17 after “this Act”;

18 (2) by redesignating paragraphs (2) and (3) as
19 paragraphs (3) and (4), respectively;

20 (3) by inserting after paragraph (1) the fol-
21 lowing:

22 “(2) VIOLATION OF ANTIEXPLOITATION, SANC-
23 TIONING ORGANIZATION, OR DISCLOSURE PROVI-
24 SIONS.—Any person who knowingly violates any pro-
25 vision of section 9(b), 10, 11, 12, 13, 14, or 16 of

1 this Act shall, upon conviction, be imprisoned for not
2 more than 1 year or fined not more than—

3 “(A) \$100,000; and

4 “(B) if a violation occurs in connection
5 with a professional boxing match the gross rev-
6 enues for which exceed \$2,000,000, an addi-
7 tional amount which bears the same ratio to
8 \$100,000 as the amount of such revenues com-
9 pared to \$2,000,000, or both.”; and

10 (4) in paragraph (3) (as redesignated by para-
11 graph 2 of this subsection) by striking “section 9”
12 and inserting “section 17(a)”; and

13 (5) by adding at the end the following:

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

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

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

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

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

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

9 “(e) ENFORCEMENT AGAINST FEDERAL TRADE
10 COMMISSION, STATE ATTORNEYS GENERAL, ETC.—Noth-
11 ing in this Act authorizes the enforcement of—

12 “(1) any provision of this Act against the Fed-
13 eral Trade Commission, the United States Attorney
14 General, or the chief legal officer of any State for
15 acting or failing to act in an official capacity;

16 “(2) subsection (d) of this section against a
17 State or political subdivision of a State, or any agen-
18 cy or instrumentality thereof; or

19 “(3) section 10 against a boxer acting in his ca-
20 pacity as a boxer.”.

21 **SEC. 7. ADDITIONAL AMENDMENTS.**

22 (a) DEFINITIONS.—Section 2(a) of the Professional
23 Boxing Safety Act of 1996 (15 U.S.C. 6301(a)) is
24 amended—

1 (1) in paragraph (10) by striking the period at
2 the end and inserting “, including the Virgin Is-
3 lands.”; and

4 (2) by adding at the end the following:

5 “(11) EFFECTIVE DATE OF THE CONTRACT.—
6 The term ‘effective date of the contract’ means the
7 day upon which a boxer becomes legally bound by
8 the contract.

9 “(12) BOXING SERVICE PROVIDER.—The term
10 ‘boxing service provider’ means a promoter, man-
11 ager, sanctioning body, licensee, or matchmaker.

12 “(13) CONTRACT PROVISION.—The term ‘con-
13 tract provision’ means any legal obligation between
14 a boxer and a boxing service provider.

15 “(14) SANCTIONING ORGANIZATION.—The term
16 ‘sanctioning organization’ means an organization
17 that sanctions professional boxing matches in the
18 United States—

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

21 “(B) that are advertised, otherwise pro-
22 moted, or broadcast (including closed circuit
23 television) in interstate commerce.

1 “(15) SUSPENSION.—The term ‘suspension’ in-
2 cludes within its meaning the revocation of a boxing
3 license.”.

4 (b) STATE BOXING COMMISSION PROCEDURES.—
5 Section 7(a)(2) of the Professional Boxing Safety Act of
6 1996 (15 U.S.C. 6306(a)(2)) is amended—

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

8 (2) in subparagraph (D) by striking “docu-
9 ments.” at the end and inserting “documents; or”;
10 and

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

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

16 (c) RENEWAL PERIOD FOR IDENTIFICATION
17 CARDS.—Section 6(b)(2) of the Professional Boxing Safe-
18 ty Act of 1996 (15 U.S.C. 6305(b)(2)) is amended by
19 striking “2 years.” and inserting “4 years.”.

20 (d) REVIEW OF SUSPENSIONS.—Section 7(a)(3) of
21 the Professional Boxing Safety Act of 1996 (15 U.S.C.
22 6306(a)(3)) is amended by striking “boxer” and inserting
23 “boxer, licensee, manager, matchmaker, promoter, or
24 other boxing service provider”.

1 (e) ALTERNATIVE SUPERVISION.—Section 4 of the
2 Professional Boxing Safety Act of 1996 (15 U.S.C. 6303)
3 is amended—

4 (1) by striking “No person” and inserting “(a)
5 No person”; and

6 (2) by inserting at the end thereof the fol-
7 lowing:

8 “(b) For the purpose of this Act, if no State commis-
9 sion is available to supervise a boxing match according to
10 subsection (a), then—

11 “(1) the match may not be held unless it is su-
12 pervised by an association of boxing commissions to
13 which at least a majority of the States belong; and

14 “(2) any reporting or other requirement relat-
15 ing to a supervising commission allowed under this
16 section shall be deemed to refer to the entity de-
17 scribed in paragraph (1).”.

18 (f) HEALTH AND SAFETY DISCLOSURES.—Section 6
19 of the Professional Boxing Safety Act of 1996 (15 U.S.C.
20 6305) is amended by adding at the end the following new
21 subsection:

22 “(c) HEALTH AND SAFETY DISCLOSURES.—It is the
23 sense of the Congress that a boxing commission should,
24 upon issuing an identification card to a boxer under sub-
25 section (b)(1), make a health and safety disclosure to that

1 boxer as that commission considers appropriate. The
2 health and safety disclosure should include the health and
3 safety risks associated with boxing, and, in particular, the
4 risk and frequency of brain injury and the advisability that
5 a boxer periodically undergo medical procedures designed
6 to detect brain injury.”.

Passed the House of Representatives November 8,
1999.

Attest:

JEFF TRANDAHL,
Clerk.

Calendar No. 421

106TH CONGRESS
1ST SESSION

H. R. 1832

AN ACT

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

NOVEMBER 19, 1999

Read twice and placed on the calendar