

Calendar No. 161

106th Congress }
1st Session }

SENATE

{ REPORT
{ 106-83

Muhammad Ali Boxing Reform Act

R E P O R T

OF THE

COMMITTEE ON COMMERCE, SCIENCE, AND
TRANSPORTATION

ON

S. 305



JUNE 21, 1999.—Ordered to be printed

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SENATE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

ONE HUNDRED SIXTH CONGRESS

FIRST SESSION

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(II)

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JUNE 21, 1999.—Ordered to be printed

Mr. MCCAIN, from the Committee on Commerce, Science, and
Transportation, submitted the following

REPORT

[To accompany S. 305]

The Committee on Commerce, Science, and Transportation, to which was referred the bill (S. 305) “A Bill to reform unfair and anticompetitive practices in the professional boxing industry”, having considered the same, reports favorably thereon with amendments and recommends that the bill (as amended) do pass.

PURPOSE OF THE BILL

The purpose of S. 305, as reported, is to protect professional boxers from coercive and exploitative business practices, reduce interstate restraints of trade, assist state boxing officials to provide proper oversight of the sport, and increase honest competition and the integrity of the industry.

BACKGROUND AND NEEDS

The Committee believes that a modest series of targeted public interest reforms of the professional boxing industry can have a very positive impact on the industry. The sport has no league, governing body, or private sector association of industry leaders to establish fair business practices and discipline improper and arbitrary conduct. There has long been serious public concern about the continuing scandals and litigation which occur in professional boxing due to the lack of responsible self-regulation on a national basis. The Committee concurs with most credible members of the boxing industry that problems stemming from the activities of major promoters and sanctioning organizations cannot be adequately addressed on a state-by-state basis. The Committee emphasizes the vulnerability and lack of leverage most professional boxers have

with respect to various arbitrary business practices of these entities in the sport. This legislation complements the Professional Boxing Safety Act, the federal law enacted in 1996 which established a series of vital health, safety, and ethical standards in the professional boxing industry.

LEGISLATIVE HISTORY

The Committee held two full Committee hearings in 1998 on the professional boxing industry. On March 24, 1998, a hearing was held on business practices in the professional boxing industry. Frederic G. Levin, attorney and negotiator for Roy Jones, Jr., light heavyweight champion, testified that long term promotional contracts and options hurt the boxer and the sport, and that ratings organizations do not have credible ratings procedures. Mr. Levin recommended that all options and promotional rights gained from a boxer seeking to compete in a particular fight be prohibited. Jones submitted written testimony recommending that promotional contracts should be limited and that boxers and state commissions be advised of how the revenues of a boxing event were distributed. Jones recommended that "options" should be made illegal. Mr. James J. Binns, Counsel to the World Boxing Association, testified that the current ratings system does not function improperly, and having several different champions in each weight division increases opportunities for boxers. Promoter Cedric Kushner testified that long term promotional contracts are necessary for promoters to recoup their investment in a boxer. Mr. Greg Sirb, Executive Director of the Pennsylvania State Athletic Commission and president of the Association of Boxing Commissions (ABC), testified that the proliferation of sanctioning organizations is undermining the title of "champion." Attorney Patrick C. English, who has represented promoters and boxers in the sport, testified that sanctioning organizations have inconsistent procedures, and stated that state regulations do not adequately regulate promoter contracts. Mr. English recommended that option clauses be prohibited in certain contractual situations and that promoters should be barred from requiring that a boxer hire a specific manager. He also stated that certain rules of sanctioning organizations could be antitrust violations.

On July 23, 1998, the Committee held a hearing on the Muhammad Ali Boxing Reform Act, then numbered as S. 2238, as introduced by Chairman McCain and Senator Bryan. Mr. Shelly Finkel, a manager of several world champions, submitted testimony stating that the bill would help end the exploitation of boxers. Boxer Mike Tyson submitted a statement alleging that he had over \$65 million taken from him in less than 24 months, and that his promoter took 30% of all his purse earnings. Tyson stated that S. 2238 would be a valuable protection for generations of fighters to come. Commissioner Larry Hazzard of New Jersey testified that S. 2238 would help the New Jersey State Board of Athletic Control protect boxers from coercive and unfair business practices. Dr. James Nave and Marc Ratner of the Nevada State Athletic Commission testified that it is difficult for state commissions to individually monitor promoter-boxer contracts, and that a federal mechanism should be put in place to prevent hidden agreements. The Nevada officials testi-

fied that expenses charged to the boxer by the promoter should be reported, and that option clauses controlling a boxer for his entire career should be outlawed. Dr. Nave and Mr. Ratner also testified that sanctioning organizations should comply with public disclosure regulations on the federal level. Trainer Eddie Futch testified that S. 2238 is a necessary and positive reform for professional boxing. Mr. Walter Stone, Counsel to the International Boxing Federation, testified that S. 2238 was flawed because it did not address the role of television and cable networks in the boxing industry. This viewpoint also was expressed by Dr. Nave and Marc Ratner. They noted in their July 23, 1998 testimony before the Committee that cable and pay-per-view organizations also are actively involved in match-making, which also has resulted in the public and boxers being denied great matches. They concluded that to address the problems facing professional fighters comprehensively, any legislation advanced by Congress should also convey cable and pay-per-view networks. Mr. Jose Sulaiman, president of the World Boxing Council, pledged the WBC's full support for the legislation in his testimony. Mr. Sulaiman's prepared statement said that the bill's requirement to provide notice to boxers on why their ratings had been changed would be impractical.

On October 1, 1998, the Committee met in open executive session to consider S. 2238 and by voice vote ordered the bill reported with an amendment in the nature of a substitute. S. 2238 was passed by the full Senate by unanimous consent on October 8, 1998.

The Ali Act was reintroduced, as passed by the Senate, by Senators McCain and Bryan, with Senator Dorgan as cosponsor, as S. 305 in the 106th Congress on January 25, 1999.

A full Commerce Committee hearing was held on issues of reform in the professional boxing industry on April 22, 1999. Former heavyweight champion Muhammad Ali appeared and had his statement read by an associate. Ali stated that professional boxing had become a travesty and that something must be done to stop the manipulation of boxers. Ali stated that he had experienced dishonest practices of many promoters and that there is no credibility in the ratings of boxers. Senator Reid of Nevada testified that S. 305 is a good start to protect boxers from unprincipled individuals, but was troubled that the bill contains criminal penalties for contractual violations. Sen. Reid also testified that the bill should include provisions on broadcasters, and recommended that S. 305's contract reforms to protect boxers be replaced with a requirement that boxers have competent representation. New York State Attorney General Eliot Spitzer, head of the State Attorneys General Task Force on Boxing, strongly endorsed S. 305, stating that it would curb anti-competitive and fraudulent business practices in professional boxing. Attorney General Spitzer advocated that an independent organization to rank boxers be developed, and recommended the use of a new Consensus Scoring system in professional bouts to maximize competitive results. Attorney General Spitzer also testified that state commissions should exercise exclusive control over the appointment of all referees and judges. Greg Sirb, President of the Association of Boxing Commissions, testified that state commissions should never delegate their authority for regulating boxing events to business interests in the sport. Sirb

stated that S. 305 will significantly help state regulators in their oversight of a complicated sport. Promoter Dan Goossen of America Presents testified that the poor public perception of professional boxing warrants reforms measures to restore public confidence. Goossen called for the formation of a school, funded by promoters, to properly train boxing referees and judges. Former boxing referee and Nevada county judge Mills Lane testified that sanctioning organizations have gained too much influence, and that their involvement in boxing should be reduced. Judge Lane criticized the practice of promoters forcing boxers to give options in return for getting a title fight. Boxing writer Wallace Matthews of the New York Post testified that promoters and sanctioning organization heads improperly benefit from the unregulated nature of the professional boxing industry. Matthews criticized the ability of inexperienced, politically appointed state commissions to regulate the sport. He recommended that a federal boxing overseer be appointed, and that promoters should be prohibited from paying the expenses of ring-side judges. International Boxing Federation Counsel Walter Stone testified that controversies about scoring fights could be reduced by prohibiting rounds being scored as even. Mr. Stone said ratings organizations are sometimes inaccurately criticized, and noted that the IBF allows its boxers to fight the champions of other organizations after they have twice defended their IBF title.

S. 305 was favorably reported out of the Commerce Committee by voice vote, with a McCain-Bryan amendment, at the Executive Session held on May 5, 1999. Senator Abraham asked to be listed as a co-sponsor of S. 305 at the markup.

SUMMARY OF MAJOR PROVISIONS

As reported, S. 305 would require boxer-promoter contracts to contain specific terms regarding number of bouts and duration; would limit certain promotional rights gained from a boxer to one year; would prohibit conflicts of interest between managers and promoters; and would prohibit promoters from requiring boxers to hire an individual as their manager. The bill would require sanctioning organizations to establish objective ratings criteria; to create a written appeals process; to notify boxers of the reason for their rating having changed; and to disclose their bylaws publicly. S. 305 would require promoters to file complete contracts with state athletic commissions, and notify the commissions of all charges and costs they impose on a boxer, and all payments made to sanctioning organizations. It would also amend the federal boxing safety law to require state commissions to honor suspensions pertaining to boxer misconduct that are imposed by other state commissions.

ESTIMATED COSTS

In accordance with paragraph 11(a) of rule XXVI of the Standing Rules of the Senate and section 403 of the Congressional Budget Act of 1974, the Committee provides the following cost estimate, prepared by the Congressional Budget Office:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, May 17, 1999.

Hon. JOHN MCCAIN,
*Chairman, Committee on Commerce, Science, and Transportation,
U.S. Senate, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 305, the Muhammad Ali Boxing Reform Act.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts are Mark Hadley (for federal costs), Theresa Gullo (for the state and local impact), and Keith Mattrick (for the private-sector impact).

Sincerely,

BARRY B. ANDERSON
(For Dan L. Crippen, Director).

Enclosure.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

S. 305—Muhammad Ali Boxing Reform Act

Summary: S. 305 aims to protect professional boxers from unfair business practices of managers and promoters. The bill would stipulate that certain provisions be included in contracts between boxers, managers, and promoters; prohibit managers and promoters from having shared financial interests; and require the Federal Trade Commission (FTC) to provide information about organizations that sanction professional boxing matches. S. 305 would allow the FTC to charge the sanctioning organizations fees to offset the costs of providing such information. The bill also would make violations of certain provisions of the Professional Boxing Safety Act of 1996 federal crimes. Finally, under the bill, boxers' identification cards would be valid for four years rather than two, as under current law.

Based on information from the FTC, CBO estimates that enacting S. 305 would have no significant impact on the federal budget. Implementing the bill would require far less than \$500,000 a year in additional discretionary spending during the 2000–2004 period. That cost would be at least partially offset by fees, resulting in little or no net impact. S. 305 would affect direct spending and receipts, so pay-as-you-go procedures would apply, but CBO estimates that those effects would also be less than \$500,000 a year.

The bill contains an intergovernmental mandate as defined in the Unfunded Mandates Reform Act (UMRA); however, CBO estimates that the costs of complying with this mandate would not be significant and would not exceed the threshold established in the act (\$50 million in 1996, adjusted annually for inflation).

S. 305 would impose several private-sector mandates on the boxing industry, mainly on promoters and on organizations that sanction professional boxers. In general, the new mandates on promoters relate to the protection of boxers from exploitation. The bill also would impose procedural requirements on sanctioning organizations. In total, CBO estimates that the private-sector mandates identified in this bill would not exceed the statutory threshold es-

tablished in UMRA (\$100 million in 1996, adjusted annually for inflation) in any of the next five years.

Estimated Cost to the Federal Government: Based on information from the FTC, CBO estimates that enacting S. 305 would require new spending subject to appropriation of far less than \$500,000 a year during the 2000–2004 period, and that such amounts would be at least partially offset by collections of fees. The costs of this legislation fall within budget function 370 (commerce and housing credit).

Enacting S. 305 could increase government receipts from the collection of criminal fines, but CBO estimates that any such increase would be less than \$500,000 annually. Criminal fines are deposited in the Crime Victims Fund and are spent in the following year. Thus, any change in direct spending from the fund would also amount to less than \$500,000 annually.

Pay-as-you-go considerations: The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. CBO estimates that any increases in governmental receipts and direct spending would each total less than \$500,000 a year.

Estimated impact on State, local, and tribal governments: The bill contains an intergovernmental mandate as defined in UMRA, but CBO estimates that complying with the mandate would not result in significant additional costs to states. State boxing commissions would be required to establish procedures to ensure that no boxer is permitted to box while under suspension in any state due to unsportsmanlike conduct. Current law already requires state boxing commissions to have procedures in place to prevent boxers suspended for other reasons from boxing in their states. Therefore, CBO estimates that the additional costs to states to comply with this new requirement would not be significant. Enactment of the bill would impose no other costs on state, local, or tribal governments.

Estimated impact on the private sector: S. 305 would impose several private-sector mandates on the boxing industry, mainly on promoters and organizations that sanction professional boxers. The most significant provision in the bill affecting promoters is a one-year limit on promotion contracts that the boxer is required to sign in order to participate in a match against another boxer under contract to that promoter. Based on information from industry sources, CBO believes that this provision could impose significant costs, but only on a few promoters.

This bill would also impose mandates on sanctioning organizations. According to representatives from such organizations, the costliest of those mandates would be the requirement to notify boxers and the Association of Boxing Commissions of any rating change of a boxer within or moving into the top ten rated boxers. Based on information from the major U.S. sanctioning organization, CBO estimates that the cost of notification would be less than \$30,000 annually for each sanctioning organization.

S. 305 would also impose mandates with minimal costs on managers, licensees, matchmakers, and judges. CBO estimates that the total direct costs of mandates in this bill would be far less than the

private-sector threshold (\$100 million in 1996, adjusted annually for inflation).

Estimate prepared by: Federal Costs: Mark Hadley. Impact on State, Local, and Tribal Governments: Theresa Gullo. Impact on the Private Sector: Keith Mattrick.

Estimate approved by: Robert A. Sunshine, Deputy Assistant Director for Budget Analysis.

REGULATORY IMPACT STATEMENT

In accordance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee provides the following evaluation of the regulatory impact of the legislation, as reported:

NUMBER OF PERSONS COVERED

Several thousand boxers in the U.S. would benefit from the contract and other business practice reforms contained in S. 305. Numerous promoters in the U.S. would be affected by the contract and related reforms established by S. 305. The numbers of officials and employees of sanctioning organizations who would be affected by S. 305 is likely under thirty.

ECONOMIC IMPACT

The expected economic impact of S. 305 is minimal. The reforms proposed by the legislation should increase competition in the industry, due to a reduction in anti-competitive restraints of trade. There would be increased free market bidding by promoters seeking to sign boxers, which will benefit boxers, as will a more consistent and legitimate ratings system. The Committee believes the reforms contained in S. 305 will help encourage an increase in the prominent bouts that are major draws for fans, and thus will increase revenues and public interest in the sport.

PRIVACY

S. 305 will require sanctioning officials to make public rosters of their officials who vote on the ratings of boxers. Promoters are required to file complete versions of their contracts with boxers, due to the problem of boxers being exploited by hidden agreements. State boxing commissions are required by the bill to protect the confidentiality of these contracts.

PAPERWORK

The amount of paperwork required to meet the public interest disclosure requirements is small. On an annual basis, sanctioning organizations engaged in interstate commerce are required by the bill to submit their bylaws and related information to the Federal Trade Commission, or place this information on a Internet website. Sanctioning organizations will be required to provide notice when changing the rating of certain boxers, which can be done on a single sheet of paper. Most sanctioning organizations already have extensive adjudicatory appeals procedures in place, so the written appeals procedure required by S. 305 is minor. The requirements on major promoters to protect boxers from exploitative practices can largely be complied with in several sheets of paper, as well. The

Committee has exempted promoters of boxing events of fewer than 10 rounds from certain disclosure requirements to alleviate administrative burdens on promoters of “club” boxing shows.

SECTION-BY-SECTION ANALYSIS

Section 1. Short title

Section 1 designates the short title of the bill as the “Muhammad Ali Boxing Reform Act.”

Section 2. Findings

Section 2 provides a series of findings which describe the problems that exist with respect to arbitrary and anti-competitive business conduct in the professional boxing industry on an interstate basis.

Section 3. Purposes

Section 3 lists the purposes of the bill, which are to protect professional boxers against certain exploitative and unethical business practices; assist State boxing officials in their oversight of the boxing industry; and increase competition within the boxing industry.

Section 4. Protecting boxers from exploitation

Section 4 amends the existing federal boxing law, the Professional Boxing Safety Act, by adding a new section 15 aimed at protecting boxers from exploitation.

New section 15 seeks to curb several of the most restrictive, onerous, and anti-competitive contracting practices which promoters have imposed on professional boxers. It requires all contracts between a boxer and a promoter to include mutual obligations between the parties, and specify a number of bouts for the boxer, and the duration in time of the contract. Requiring a mutuality of obligation attempts to prevent promoters from securing promotional rights or portions of a boxer’s purse, without providing any compensation or consideration to the boxer. Specifying a minimum number of bouts for the boxer protects a boxer from having the boxer’s career stalled or damaged by a promoter who refuses to provide the agreed-to number of bouts. Requiring the promoter to stipulate the specific period of time for the contract’s length is an important protection for boxers. Promoters in the industry have utilized contracts with vague or unspecified terms regarding how long the contract will be in effect, thereby permitting the promoter to control a boxer for virtually the boxer’s entire productive career.

Historically, promoters in the industry have required an exclusive long term promotional contract with a boxing challenger as a condition precedent to permitting a bout against another boxer that the promoter has under contract. The Committee believes, and hearing witnesses and industry members strongly concur, that this tactic is the key contracting practice that has been used by promoters to gain undue control over boxers and championship titles, to the clear detriment of the sport. Promoters have used this practice to extract “exclusive promotional options” from boxers who already have a promoter, and who would not otherwise enter into a contract with a new promoter. The athletes would be better served,

as would open competition in the sport, if boxers were free to contract with those promoters they personally choose, rather than being coerced to contract with a promoter who is in the position of barring a lucrative bout.

This practice also has enabled a single promoter to gain control over a majority of championship bouts in a weight division because it results in one promoter having control over both the champion and the challenger. No matter which boxer wins a title bout, the promoter remains in control over who may compete for that title, since he has both contestants under exclusive contract. If a boxer who seeks to challenge a champion (or a more established boxer) refuses to provide long term contractual rights to the promoter, the boxer will be denied the right to compete in the bout. This practice frustrates the years of determined training and arduous competition that boxers endure, for they will be denied the opportunities that their successes in the ring have earned. No boxer will ever be able to compete for the title in that division unless they sign away future promotional rights to that promoter. The promoter thus has gained total control over an entire segment of a major professional sports industry. This contracting practice allows a promoter to achieve a monopoly on a substantial portion of championship-level competition in that particular weight division.

This practice of coercing options from boxers is also utilized by promoters and sanctioning organizations against “mandatory challengers”—those boxers who are rated by a sanctioning organization as the top contender in a weight division. The top-rated contender is supposed to be assured of having a bout against the champion of that division, within a specific period of time. Despite the fact that top-rated challengers have clearly earned the right to compete for a title, sanctioning organizations have abetted restrictive contracting practices by allowing promoters of championship bouts to require options from them. As one hearing witness noted, this is akin to forcing a professional tennis player or golfer to sign an exclusive, long term contract with the promoter of whatever event they were seeking to win. The athlete would then only be able to compete when the promoter approved, against only those opponents who also were forced to agree to terms with that promoter. In self-governed and well organized sports industries such as tennis and golf, such a business practice would be strongly challenged as an unreasonable restraint of trade. In professional boxing, it is business as usual.

The Committee believes that sensible, pro-competitive limitations on these onerous practices by promoters are warranted. New section 15 would put a time limit of one year on all promotional rights that a promoter secures from a boxer (or another promoter) as a prerequisite to the boxer participating in a particular bout. This situation will generally involve a boxer being selected as an opponent/challenger by a promoter for a boxer who they already have under contract. The most common example of this is when a boxer seeks to compete against a famous champion. Currently, the champion's promoter may require this challenger to give the promoter exclusive promotional rights on their career for an extended term of years or fights. If the boxer refuses he will be rejected from the bout. The Committee believes that no boxer should be forced to

contract for long term control of the boxer's career against the boxer's will. In situations where a boxer is a mandatory challenger, the bill would prohibit promoters from securing promotional options from the boxer (or the boxer's promoter). The Committee feels that the contracting requirements and limitations contained in new section 15 will protect the freedom to contract of boxers, increase competition in the sport to the benefit of fans, and reduce improper interstate restraints of trade.

It is important to note that the duration of basic boxer-promoter contracts is not limited by the bill. The Committee does not seek to limit contracts reached as a result of legitimate arms length bargaining between an unattached boxer and promoter. The one-year limitation applies only to those situations where a promoter secures promotional rights from a boxer (or another promoter), as a condition for that boxer to compete in a particular bout. The one-year limitation is not intended to apply to a contract where a promoter and boxer consensually enter into a long term contract, with the first bout for the boxer being specifically named, and in which the opponent is not under contract to the promoter. The Committee notes that after the one year limitation expires, the boxer is free to then contract with whatever promoter the boxer chooses, including the promoter in question. However, the one year limitation will at least provide the boxer with the ability to seek the highest bidder for his or her services after one year, or give them the freedom to simply choose the promoter the boxer determines will best further the interest of the boxer's career.

The Committee also notes that many States have boxing regulations which wholly proscribe any exclusive contractual arrangement between a promoter and a boxer, and declare them to be unenforceable under state law. These include some of the most prominent boxing states in the U.S. However, these contractual protections for boxers are rarely, if ever, enforced. This is at least partially due to the fact that if one State begins to impose more stringent regulations on promoters, promoters will simply take the boxing event and the accompanying substantial commercial activity and tax revenues it generates to a less regulated jurisdiction. The Committee feels that this amplifies the need for limited federal reforms to curb coercive and restrictive business abuses in the boxing industry.

This section also prohibits a promoter from forcing a boxer to hire an individual, such as a relative or business associate, as the boxer's manager or similar capacity. Testimony presented to the Committee described the practice wherein a boxer is forced to hire a relative of a promoter as the boxer's manager, which results in the boxer then having to surrender a third of all earnings in the ring to an individual associated with the promoter. It is wrong for promoters to force boxers into a position where the person handling their negotiations with a promoter is a relative or business associate of the promoter. Coupled with the aforementioned practice of forcing boxers into long term business relationships under the threat of being denied competitive opportunities, skimming off a third of their earnings via an unwanted manager or other appointed employees is an especially egregious practice. Boxers should not be forced into hiring unwanted management personnel.

The final protection for boxers established in this section is the prohibition of conflicts of interests between promoters and managers. Most boxers have limited educational backgrounds and, as the top promoters in the sport readily concede, are no match for experienced promoters during contractual discussions. While the role of managers has been diminished in the sport over the last decade, it remains essential that managers, if a boxer does hire a manager, that the manager serve and protect the interests of the boxer. They should not be serving the financial interests of the promoter, while simultaneously taking a 33% earnings cut from the boxer for biased representation as manager. It is not plausible for a boxer to receive proper representation and counsel from a manager if the manager is also on the payroll of a promoter. This is an obvious conflict of interest which works to the detriment of the boxer and the advantage of the promoter. The Committee received testimony about instances wherein boxers had suffered significant career and economic injury due to their manager's clear conflicting interests. A manager must be a determined advocate for the boxer's interests and not be influenced by financial inducements from a promoter. This provision tracks a similar regulation of many State boxing commissions.

Section 5. Sanctioning organization integrity reforms

This section amends the Professional Boxing Safety Act by adding a new section 16 pertaining to sanctioning organizations.

The rating of a boxer has a substantial effect on a boxer's career trajectory. Yet the ratings system of professional boxers is disreputable and illegitimate. Boxers pay substantial amounts to ratings organizations, yet cannot rely on any credible or objective process to assure that their performances in the ring will be honestly rated. The ratings system in professional boxing today is universally criticized as arbitrary and manipulative by boxers, managers, state officials, and sports journalists. Boxing rankings have more to do with financial interests of sanctioning officials and promoters than with the skills and achievements of boxers. A representative practice is the fact that sanctioning organizations refuse to rate the "champions" of their competitor organizations. This can lead to the dubious situation wherein a boxer may be universally considered to be the best in the world by his fellow boxers, industry members, fans, and the media, at the same time the boxer is not rated in the top 20 of many of the organizations who profess skill in rating fighters. Boxers may be able to move into the top ten of a ratings organization more quickly by signing with an influential promoter, as opposed to working their way there with victories in the ring. The world of sport contains no ratings system of athletes or sports teams that has as little credibility, consistency, and athlete/fan confidence as professional boxing's.

Sanctioning organization officials may receive lucrative fees, tickets, airfare, and hotel stays for sanctioning an event. As long as "their champion" continues to win and draw ticket buying fans at the gate and on cable television, they have a reliable revenue producer. If they objectively rated all boxers according to their true skills, however, the champions in each weight division would often change due to vigorous competition. While this would be good for

fans and those boxers striving for a chance to compete for a title, it would not be in the financial interest of the ratings organizations. They might lose exclusive control over a champion and thus lose their sanctioning fees or be forced to reduce them. Sanctioning organizations would likely see their revenues dwindle as championships in each weight division are unified. The fans of professional boxing would benefit from a legitimate ratings system by getting to see competitive bouts between the best skilled boxers, and the sport's integrity would soar as true "champions" emerged systematically in all weight divisions. Again, these worthwhile objectives are not in the financial interest of the sanctioning organizations.

Most importantly for the Committee's considerations, the manipulation of the ratings system has significant detrimental effects on the career paths of boxers. Unlike other major sports industries in the U.S., professional boxers do not have an assurance that continued success in their competitions will guarantee them a chance to vie for a championship. They must instead often submit to contractual agreements with promoters and sanctioning officials that rob them of short or long term control of their careers, in return for a favorable rating position. Boxers or promoters may be required to pay additional sums to ratings organizations to settle ratings disputes. The Committee has received extensive testimony and information about the arbitrary and irregular activities of sanctioning organizations in the industry. One notable example discussed in the April 22, 1999 hearing was the fact that a particular number-one ranked contender had not defeated an opponent with a winning record in almost four years. For the talented boxers in the U.S. who often rise from circumstances of severe poverty, the disreputable ratings system in professional boxing deprives them of a fair opportunity to succeed according to their abilities.

New section 16 would require sanctioning organizations that are engaged in interstate commerce in the U.S. to establish objective and consistent written criteria for their ratings of boxers. This new section requires these organizations to develop criteria for rating boxers that can be evaluated and monitored by members of the industry. Sanctioning organizations would be required to establish an appeals process to afford boxers a chance to contest the ratings, in writing, to the sanctioning organization. The written response of the organization would be sent to the boxer, the state boxing commission of the boxer's domiciliary, and the President of the Association of Boxing Commissions (ABC). The ABC is the voluntary national association of state athletic boxing commissioners in the U.S. They develop policies to improve health, safety, honest competition, and ethical conduct in the boxing industry. State boxing commissioners serve a unique role in the sport by their regulation of boxing events on behalf of the public interest. Members of the ABC are prohibited by federal law from having any ties to the business side of the boxing industry.

New section 16 requires sanctioning organizations to notify boxers of their reasons for changing their ratings, and publicly release their explanation. Since the often arbitrary ratings system has a large impact on the career of a boxer, the Committee believes this is an important measure to have these organizations fairly explain why they have changed the boxer's rating. The requirement only

applies to those boxers who are rated in an organization's top 10. The explanation must be mailed to the boxer and the ABC, and posted on the organization's Internet site, if they have one. It is hoped that public disclosure of their ratings determinations will encourage these organizations to make more credible ratings decisions.

Sanctioning organizations conduct interstate business in the U.S. with virtually no standards or ethical guidelines by industry members, few state guidelines, and no federal oversight. The Committee believes that increased public disclosure is an essential part of reform of the professional boxing industry. New section 16 establishes an annual public disclosure mechanism for sanctioning bodies to disclose basic aspects of their operations. Each sanctioning organization is required to provide their bylaws, voting membership, and appeals procedures on an annual basis to the Federal Trade Commission. If the organization has an Internet website, this information can be provided on the website.

New section 16 also seeks to prohibit conflicts of interest between sanctioning organization officials and promoters. As noted above, the rating of boxers should be made according to their performance in the ring, not according to financial inducements from a promoter or other interested parties. Allegations of payments being made to gain a favorable rating for a boxer have frequently occurred for over a decade, and are the subject of an ongoing federal grand jury investigation. This section would prohibit payments or other forms of compensation from promoters and others to sanctioning organizations, other than the customary fee and expenses the organization is due to receive for sanctioning the boxing event.

Section 6. Public interest disclosures to State Boxing Commissions

This section amends the Professional Boxing Safety Act by adding a new section 17.

This section is designed to provide enhanced information to State boxing commissions about the fees that sanctioning organizations impose on boxers and promoters, and other revenue sources of these organizations. A sanctioning organization must advise the State commission of all revenues and benefits it receives pertaining to a boxing event. Sanctioning organizations must also disclose to a state commission if they have received a payment for refraining from exercising its authority or withholding its sanction of a professional boxing match. Increased disclosure of key information is also required of promoters. The Committee received testimony about how promoters may significantly reduce what they pay to a boxer (below what is reported to the relevant commission) by claiming a portion of the boxer's purse, and assessing excessive expenses and charges. Currently, promoters can improperly take portions of a boxer's purse without knowledge of the supervising state athletic commission. This is done by the signing of the boxer to a series of hidden contracts, which can result in reduction of the boxer's earnings below that permissible under State law. For example, Nevada regulations require that a boxer receive at least two-thirds of the purse the promoter reports to the State Athletic Commission. However, the Commission's only information about how much a boxer is to receive is generally a one-page form contract which promoters

file for each event. Commissions have no information or documentation to determine if the promoter is subsequently (and illegally) taking back significant portions of the boxer's purse. Therefore, the bill requires a promoter to provide the supervising state commission with copies of any contracts with a boxer, and to verify that there are no other agreements. The bill requires state commissions to protect the confidentiality of contracts that promoters provide to them.

The promoter is required by this section to provide a statement to the commission detailing all costs and expenses the promoter will impose on the boxer, and what portions of the boxer's purse the promoter may be taking. Promoters are also required to report what payments and benefits they provide to sanctioning organizations for each boxing event. Furthermore, promoters are required to disclose whether they, before the boxing event occurs, have reduced the original purse amount they promised to the boxer. The Committee is aware that promoters have engaged in the practice of contracting or pledging to pay a boxer a certain purse amount for a bout, but then subsequently pressuring the boxer to accept a lower purse shortly before the boxing event takes place. Knowing the power that promoters have over their careers, few boxers would legally challenge this coercive maneuver. This disclosure requirement will alert state commissioners to this potentially abusive practice. If requested, the promoter must also provide the above financial disclosures to a State Attorney General's Office. Additionally, boxing judges for bouts of ten rounds or more are required by the bill to disclose to commissions all payments and expenses they will receive from promoters or ratings organizations pertaining to their participation in an event. The Committee notes the inherent appearance of bias that exists due to the fact that judges are paid by promoters, and often selected by a particular ratings organization. As described above, promoters and sanctioning bodies often have a strong direct financial interest in one particular boxer winning the bout. Testimony by one of the industry's most respected referees described how judges are subject to subtle pressures to favor a boxer who is affiliated with the promoter or sanctioning body who has selected them. This leads to allegations of corruption or collusion whenever a boxing event is widely considered to be misjudged.

Section 7. Enforcement

The enforcement of the Professional Boxing Safety Act of 1996 includes criminal and civil sanctions. A person knowingly violating the Act is subject to up to one year in prison, or substantial fines. Section 7 of S. 305 provides for the stiffest fine when the provisions of new section 15, 16, or 17, relating to exploitation of a boxer, are violated. It is important that monetary penalties are a sufficient deterrent to promoters who may be engaged in exploitation and coercive practices. In an industry where a single championship bout between prominent boxers can achieve revenues easily exceeding \$60 million in the U.S. alone, fines for illegal practices under the Act must be commensurate. Therefore, the Act provides that fines can exceed \$100,000 for any boxing events that exceed \$2 million in revenues. The Committee recognizes and supports the fact that

State commissions are the primary regulators and enforcement entities in the professional boxing industry. Section 7 of the reported bill therefore authorizes State Attorneys General to bring injunctive, criminal, and civil actions on behalf of their residents. Boxers who themselves suffer economic injury from violations of the Act are also authorized by section 7 to bring civil actions.

Section 8. Professional Boxing Safety Act amendments

This section contains additional amendments to the Professional Boxing Safety Act. It requires State commissions in the U.S. to honor the suspensions of boxers for unsportsmanlike conduct that were ordered by other state commissions. This will prevent boxers from engaging in serious misconduct in one state, and then avoiding any suspension period by simply traveling to another state to compete. The amendment also requires license revocations to be treated similarly as suspensions for the purposes of the federal law. S. 305 would also extend the period for state commissions to renew boxer identification cards from every two years to every four years. This will lessen the administrative burden that commissions face from renewing these identification cards. This change has been recommended by state boxing commissioners from across the U.S.

CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new material is printed in italic, existing law in which no change is proposed is shown in roman):

Professional Boxing Safety Act of 1996

SEC. 2. DEFINITIONS.

[15 U.S.C. 6301]

For purposes of this Act:

(1) **BOXER.**—The term “boxer” means an individual who fights in a professional boxing match.

(2) **BOXING COMMISSION.**—(A) The term “boxing commission” means an entity authorized under State law to regulate professional boxing matches.

(3) **BOXER REGISTRY.**—The term “boxer registry” means any entity certified by the Association of Boxing Commissions for the purposes of maintaining records and identification of boxers.

(4) **LICENSEE.**—The term “licensee” means an individual who serves as a trainer, second, or cut man for a boxer.

(5) **MANAGER.**—The term “manager” means a person who receives compensation for service as an agent or representative of a boxer.

(6) **MATCHMAKER.**—The term “matchmaker” means a person that proposes, selects, and arranges the boxers to participate in a professional boxing match.

(7) **PHYSICIAN.**—The term “physician” means a doctor of medicine legally authorized to practice medicine by the State in which the physician performs such function or action.

(8) **PROFESSIONAL BOXING MATCH.**—The term “professional boxing match” means a boxing contest held in the United States between individuals for financial compensation. Such term does not include a boxing contest that is regulated by an amateur sports organization.

(9) **PROMOTER.**—The term “promoter” means the person primarily responsible for organizing, promoting, and producing a professional boxing match.

(10) **STATE.**—The term “State” means each of the 50 States, Puerto Rico, the District of Columbia, and any territory or possession of the United States.

(11) **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 are advertised, otherwise promoted, or broadcast (including closed circuit television) in interstate commerce.

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

* * * * *

SEC. 6305. REGISTRATION.

(a) **REQUIREMENTS.**—Each boxer shall register with—

(1) the boxing commission of the State in which such boxer resides; or

(2) in the case of a boxer who is a resident of a foreign country, or a State in which there is no boxing commission, the boxing commission of any State that has such a commission.

(b) **IDENTIFICATION CARD.**—

(1) **ISSUANCE.**—A boxing commission shall issue to each professional boxer who registers in accordance with subsection (a), an identification card that contains each of the following:

(A) A recent photograph of the boxer.

(B) The social security number of the boxer (or, in the case of a foreign boxer, any similar citizen identification number or professional boxer number from the country of residence of the boxer).

(C) A personal identification number assigned to the boxer by a boxing registry.

(2) **RENEWAL.**—Each professional boxer shall renew his or her identification card at least once every [2 years.] 4 years.

(3) **PRESENTATION.**—Each professional boxer shall present his or her identification card to the appropriate boxing commission not later than the time of the weigh-in for a professional boxing match.

SEC. 7. REVIEW.

[15 U.S.C. 6306]

(a) **PROCEDURES.**—Each boxing commission shall establish each of the following procedures:

(1) Procedures to evaluate the professional records and physician's certification of each boxer participating in a professional boxing match in the State, and to deny authorization for a boxer to fight where appropriate.

(2) Procedures to ensure that, except as provided in subsection (b), no boxer is permitted to box while under suspension from any boxing commission due to—

(A) a recent knockout or series of consecutive losses;

(B) an injury, requirement for a medical procedure, or physician denial certification;

(C) failure of a drug test; **[or]**

(D) the use of false aliases, or falsifying, or attempting to falsify, official identification cards or **[documents.] documents;** or

(E) *unsportsmanlike conduct or other inappropriate behavior inconsistent with generally accepted methods of competition in a professional boxing match.*

(3) Procedures to review a suspension where appealed by a boxer, including an opportunity for a boxer to present contradictory evidence.

(4) Procedures to revoke a suspension where a boxer—

(A) was suspended under subparagraph (A) or (B) of paragraph (2) of this subsection, and has furnished further proof of a sufficiently improved medical or physical condition; or

(B) furnishes proof under subparagraph (C) or (D) of paragraph (2) that a suspension was not, or is no longer, merited by the facts.

(b) **SUSPENSION IN ANOTHER STATE.**—A boxing commission may allow a boxer who is under suspension in any State to participate in a professional boxing match—

(1) for any reason other than those listed in subsection (a) if such commission notifies in writing and consults with the designated official of the suspending State's boxing commission prior to the grant of approval for such individual to participate in that professional boxing match; or

(2) if the boxer appeals to the Association of Boxing Commissions, and the Association of Boxing Commissions determines that the suspension of such boxer was without sufficient grounds, for an improper purpose, or not related to the health and safety of the boxer or the purposes of this Act.

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SEC. 9. CONFLICTS OF INTEREST.

[15 U.S.C. 6308]

[No member] (a) *REGULATORY PERSONNEL.*—*No member or employee of a boxing commission, no person who administers or enforces State boxing laws, and no member of the Association of Boxing Commissions may belong to, contract with, or receive any compensation from, any person who sanctions, arranges, or promotes professional boxing matches or who otherwise has a financial interest in an active boxer currently registered with a boxer registry. For purposes of this section, the term "compensation" does not in-*

clude funds held in escrow for payment to another person in connection with a professional boxing match. The prohibition set forth in this section shall not apply to any contract entered into, or any reasonable compensation received, by a boxing commission to supervise a professional boxing match in another State as described in section 4.

(b) *FIREWALL BETWEEN PROMOTERS AND MANAGERS.*—

(1) *IN GENERAL.*—*It is unlawful for—*

(A) *a boxer's promoter (or a promoter who is required to be licensed under State law) to have a direct or indirect financial interest in that boxer's licensed manager or management company; or*

(B) *a licensed manager or management company (or a manager or management company that, under State law, is required to be licensed)—*

(i) to have a direct or indirect financial interest in the promotion of a boxer; or

(ii) to be employed by or receive compensation or other benefits from a promoter, 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) *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.*

SEC. 10. ENFORCEMENT

[15 U.S.C. 6309]

(a) *INJUNCTIONS.*—*Whenever the Attorney General of the United States has reasonable cause to believe that a person is engaged in a violation of this Act, the Attorney General may bring a civil action in the appropriate district court of the United States requesting such relief, including a permanent or temporary injunction, restraining order, or other order, against the person, as the Attorney General determines to be necessary to restrain the person from continuing to engage in, sanction, promote, or otherwise participate in a professional boxing match in violation of this Act.*

(b) *CRIMINAL PENALTIES.*—

(1) *MANAGERS, PROMOTERS, MATCHMAKERS, AND LICENSEES.*—*Any manager, promoter, matchmaker, and licensee who knowingly violates, or coerces or causes any other person to violate, any provision of this [Act] Act, other than section 9(b), 15, 16,*

or 17, shall, upon conviction, be imprisoned for not more than 1 year or fined not more than \$20,000, or both.

(2) *VIOLATION OF ANTI-EXPLOITATION, SANCTIONING ORGANIZATION, OR DISCLOSURE PROVISIONS.*—Any person who knowingly violates any provision of section 9(b), 15, 16, or 17 of this Act shall, upon conviction, be imprisoned for not more than 1 year or fined not more than—

(A) \$100,000; and

(B) if the violations occur in connection with a professional boxing match the gross revenues for which exceed \$2,000,000, such additional amount as the court finds appropriate, or both.

[(2)] (3) *CONFLICT OF INTEREST.*—Any member or employee of a boxing commission, any person who administers or enforces State boxing laws, and any member of the Association of Boxing Commissions who knowingly violates section 9 of this Act shall, upon conviction, be imprisoned for not more than 1 year or fined not more than \$20,000, or both.

[(3)] (4) *BOXERS.*—Any boxer who knowingly violates any provision of this Act shall, upon conviction, be fined not more than \$1,000.

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

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

(2) to enforce compliance with this Act;

(3) to obtain the fines provided under subsection (b) or appropriate restitution; or

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

(d) *PRIVATE RIGHT OF ACTION.*—Any boxer who suffers economic injury as a result of a violation of any provision of this Act may bring an action in the appropriate Federal or State court and recover the damages suffered, court costs, and reasonable attorneys fees and expenses.

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SEC. 15. PROTECTION FROM EXPLOITATION.

(a) *CONTRACT REQUIREMENTS.*—

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

(A) include mutual obligations between the parties;

(B) specify a minimum number of professional boxing matches per year for the boxer; and

(C) set forth a specific period of time during which the contract will be in effect, including any provision for extension of that period due to the boxer's temporary inability to compete because of an injury or other cause.

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

(A) *The period of time for which promotional rights to promote a boxer may be granted under a contract between the boxer and a promoter, or between promoters with respect to a boxer, may not be greater than 12 months in length if the boxer is required to grant such rights, or a boxer's promoter 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 last day of the promotional right period described in subparagraph (A) may not secure exclusive promotional rights from the boxer's opponents as a condition of participating in a professional boxing match against the boxer, and any contract to the contrary—*

- (i) 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 preempting any State law concerning interference with contracts.*

(3) **PROMOTIONAL RIGHTS UNDER MANDATORY BOUT 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 promoter for a future professional boxing match.*

(b) **EMPLOYMENT AS CONDITION OF PROMOTING, ETC.**—*No person who is a licensee, manager, matchmaker, or promoter may require a boxer to employ, retain, or provide compensation to 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 working with the boxer as a licensee, manager, matchmaker, or promoter;*
- (2) such person's arranging for the boxer to participate in a professional boxing match; or*
- (3) such boxer's participation in a professional boxing match.*

(c) **ENFORCEMENT.**—

(1) **PROMOTION AGREEMENT.**—*A provision in a contract between a promoter and a boxer, or between promoters with respect to a boxer, that violates subsection (a) is contrary to public policy and unenforceable at law.*

(2) **EMPLOYMENT AGREEMENT.**—*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. SANCTIONING ORGANIZATIONS.

(a) **OBJECTIVE CRITERIA.**—*A sanctioning organization that sanctions professional boxing matches on an interstate basis shall estab-*

lish 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 a 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, within 14 days after changing the boxer's rating, the organization shall—

(1) 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) post a copy, within the 14-day period, 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.

(d) *PUBLIC DISCLOSURE.*—

(1) *FTC FILING.*—Not later than January 31st 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 writing, and, for any document greater than 2 pages in length, also in electronic form; and

(B) promptly notify the Federal Trade Commission of any material change in the information submitted.

(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 ALTERNATIVE.*—In lieu of submitting the information required by paragraph (1) to the Federal Trade Com-

mission, a sanctioning organization may 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 a easy to search and use format; and

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

SEC. 17. REQUIRED 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) such additional information as the commission may require.

A sanctioning organization that receives compensation from any source to refrain from exercising its authority or jurisdiction over, or withholding its sanction of, a professional boxing match in any State shall provide the information required by paragraphs (2) and (3) to the boxing commission of that State.

(b) **PROMOTERS.**—Before 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.

(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.

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

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

(f) CONFIDENTIALITY OF AGREEMENTS.—Neither a boxing commission nor an Attorney General may disclose to the public any matter furnished by a promoter under subsection (b)(1) or subsection (d) except to the extent required in public legal, administrative, or judicial proceedings brought against that promoter under State law.

SEC. [15.] 18. EFFECTIVE DATE.

[15 U.S.C. 6301 NOTE]

The provisions of this Act shall take effect on January 1, 1997, except as follows:

- (1) Section 9 shall not apply to an otherwise authorized boxing commission in the Commonwealth of Virginia until July 1, 1998.
- (2) Sections 5 through 9 shall take effect on July 1, 1997.

