Time to Give Boxers a Fighting Chance: The Muhammad Ali Boxing Reform Act

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LEGISLATIVE UPDATES

TIME TO GIVE BOXERS A FIGHTING CHANCE: THE MUHAMMAD ALI BOXING REFORM ACT

INTRODUCTION

Once a recognized and widely respected sport, in the past decade Boxing has become, a "degenerated and callous" industry. In the past Boxers were adorned and decorated for their achievements, yet today athletic prowess is superseded by corrupt business practices rampant in the industry. In an effort to curb the corruption and restore integrity back into the sport, The Muhammad Ali Boxing Reform Act awaits review in the Senate. The Act is named for legendary boxer Muhammad Ali in order to affirm the notions of integrity and sportsmanship that were once

1 Full Committee on Commerce, Science, and Transportation Hearing on Reform of Professional Boxing Industry, April 22, 1999 (Statement of Senator John McCain Chairman, Senate Committee on Commerce, Science, and Transportation). (Hereinafter "Hearing on Reform of Prof'l Boxing").

2 Id.

3 Hereinafter “the Act.”

4 See supra note 1.

5 <http://www.theslot.com/ali/alltime/html> (visited 10/17/99). The Greatest Heavyweight Champions of all Time. “It would be hard to imagine another career that could make so elegant a case for the title of The Greatest. Ali conquered great fighters of every style, and in most cases he did so in two or three different fashions, as the years forced his style to evolve from a reliance on speed to a reliance on guile. Ali’s speed was unmatched (both hand and foot), his power was underrated (as Cleveland Williams found out), and he could take a punch with the best of them (who else could have emerged a winner in both Kinshasa and Manila?) … Ali took care of the out-and-out knockout punchers (Liston, Foreman, Shavers), and the relentless grinders (Frazier, Quarry, Chuvalo), and the master boxers (Patterson, Folley). He won both by not being hit (Liston) and by proving he couldn’t be hurt (Foreman). He would have found a way to beat anyone.”
associated with boxing. Senator McCain felt that naming it after the idolized and honored champion might facilitate integrity and pay a well-deserved tribute to a time-honored athlete. The Act specifically provides that it is “appropriate to name this reform in honor of Muhammad Ali, whose career achievements and personal contributions to this sport, and positive impact on our society, are unsurpassed in the history of boxing.”

Muhammad Ali’s name and support are important to the Act because today the professional boxing industry is ridiculed for its lack of integrity, and McCain hopes that Ali’s legendary name will facilitate integrity by association. Furthermore, he feels that if specifically regulated, this time-honored sport could once again be recognized for its athletes who demonstrate speed, agility and courage, rather than sloppiness, haphazardness and carelessness.

8 See supra note 1. “The reason we are here today is that Muhammad Ali believes that fighters deserve the same respect as all other professional athletes in this country. Currently, they are defenseless. Ali is proud to put the name Muhammad Ali on any and all legislation for the protections of boxers’ rights and for the betterment of boxing as a sport. On behalf of Muhammad Ali, we thank you.”
9 S 305 Sec. 2 (8) 106th Congress (1999). The Act provides: “Whereas the Congress seeks to improve the integrity and ensure fair practices of the professional boxing industry on a nationwide basis, it deems it appropriate to name this reform in honor of Muhammad Ali, whose career achievements and personal contributions to the sport, and positive impact on our society, are unsurpassed in the history of boxing.”
10 See supra note 1. Senator McCain has stated: “I look forward to this morning’s testimony by a truly outstanding list of witnesses. We are especially honored to have perhaps the greatest living figure in the world of sport, former Heavyweight Champion Muhammad Ali. Mr. Ali’s legendary achievements in the ring are revered around the world, and he continues to grace our country with his charitable and civic activities. He was a “champion” when that word retained all of its honor and respect. Mr. Ali, in the hearts of all Americans, you remain a champion today.”
11 Id. “I have long been an avid fan of boxing. Yet I share the growing dismay of many of the sport’s leaders about how the magic of professional
The fans talked about how mismatched the fights are and referred to the pay-per-view events as “jokes” and “not worth the money, which outraged McCain, a former boxer. Thus, he decided that donning the legislation with a former champion’s name will perhaps bring the integrity back.

This article will examine the Act, which has passed the Senate twice, but because the House of Representatives made some moderate changes to the bill, the Senate needs to clear it again. Section One addresses the development of boxing legislation and the need for more regulation, the impetus of the Act. The second section discusses the various provisions of the Act and how they will work to instill scruples and integrity back into the industry. Finally, the last section illustrates the effects and implications of the Act if it passes Senate review.

I. BACKGROUND

A. Why the Need for More Reform?

In 1963 the World Boxing Council implemented a series of regulations designed to make boxing safer. Unfortunately, the WBC’s regulations are not enforced by the federal government and each state has a separate boxing commission with rules on safety, medical and scoring standards. The Federal government has failed to unify these individual commissions; therefore, despite the WBC’s efforts the boxing industry lacks cohesive regulation.

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boxing has been plundered and sullied. What should be a sport of intense but honorable competition has degenerated into a callous industry, where too few rules or ethical boundaries protect the athletes and fans who sustain it.”

12 See supra note 6.
13 Id.
15 Hereinafter, “the WBC.”
17 <http://wire.ap.org> (visited 2/9/00).
18 <http://thomas.loc.gov/cgi-bin/query/D?c106:1:/temp/~c106qmBQ3g:e771> (visited 4/5/00). Dr. James Nave and Marc Ratner of the Nevada State
Senator Bryan\textsuperscript{19}, co-author of the Muhammad Ali Act, has recently stated that the urgency for the Act to pass stems from the entire industry's desperate need for reform.\textsuperscript{20}

In 1995 the first safety act, the Professional Boxing Safety Act of 1995, was proposed to Congress.\textsuperscript{21} The act's purpose was:

(1) to improve and expand the system of safety precautions that protects the welfare of professional boxers; and

(2) to assist State boxing commissions to provide proper oversight for the professional boxing industry in the United States.\textsuperscript{22}

This proposed 1995 Act did not receive Congressional review because of a lack of Congressional interest.\textsuperscript{23}

In 1996, both the Senate and the House of Representatives passed the Professional Boxing Safety Act,\textsuperscript{24} which President 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. Nave and Ratner also stated that sanctioning organizations should comply with public disclosure regulations on the federal level.

\textsuperscript{19} D-Nevada.

\textsuperscript{20} <http://www.senate.gov/~bryan/p-9907.htm> (visited 10/17/99). Senator Bryan has stated: "We don't need to look any further than today's headlines to see that the boxing industry is seriously in need of reform...from boxers teetering on the edge of bankruptcy because of unscrupulous business practices of promoters and managers to bouts between obviously undermatched fighters, the sport itself is losing credibility like never before. Boxing is an important industry for Nevada and the United States, but the boxers needs have got to come first."

\textsuperscript{21} <http://cyberboxingzone.com/boxing/senact.htm> (visited 10/13/99). The 1995 Act's purposes were to improve the safety precautions that protect boxers and to assist State boxing commissions in providing proper oversight for the professional boxing industry.

\textsuperscript{22} Id.

\textsuperscript{23} Id.

\textsuperscript{24} <http://www.senate.gov/~bryan?p-9907.htm> (visited 10/17/99). The Professional Boxing Safety Act (hereinafter the "1996 Act") was proposed by the authors of the Muhammad Ali Boxing Reform Act, Senators McCain and Bryan.
Clinton signed. Under the provisions of the 1996 Act, boxers were required to have their medical records reviewed and were not permitted to fight if any suspension they received was injury-related, drug test failure-related, or was the result of the boxer’s engaging in fraudulent activities. The 1996 Act did not, however, include a detailed provision regarding corrupt business practices, nor did it include a section prohibiting conflicts of interest.

Thus, despite McCain and Bryan’s efforts to create federal guidelines, the 1996 Act was hardly enforced and widely criticized as only a minimalist approach to fixing the prodigious problems within the industry. The criticism stemmed from concern that the 1996 Act was not stringent enough to remedy industry corruption. The 1996 Act had prohibited commissioners from making deals with promoters, but did not address the problem of members of state boxing commissions who serve on the

25 Id. The 1996 Act strengthened health and safety regulations for professional boxers. Also, the 1996 Act set uniform health and safety regulations to be enforced by each state and lastly, set up the Boxing Task Force of nineteen lawyers to meet and report on boxing and ways to improve upon health and safety matters.

26 Id.

27 <http://retrieve?_m=5b9e5dcfa724078e21bf6d524f977ef4&_fmtstr=FULL&_docnum=4&_stardoc=> (visited 1/20/00). In a prepared statement of Representative Tom Bailey described the 1996 Act as “the first comprehensive nationwide regulation for the sport of boxing. It was a first step.”


29 Id. Representative Pat Williams, D-Mont., stated that “[t]his bill would affect only about 2 percent of boxing matches in America.” Representative Bill Richardson, D-N.M. proclaimed that the ’96 Act was “a step in the right direction” but he “Remained unconvinced that state boxing commissions and promoters will be able to adequately address the many problems that plague the boxing world.”

30 15 U.S.C. § 6308 (1996). The statute provides: “No member of a boxing commission, 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 otherwise has a financial interest in an active boxer currently registered with a boxer registry.”
organizations\textsuperscript{31} that they regulate, or promoters who stage their own fighters in bouts, creating situations in which the person paying the referee has a vested interest in the result of the fight. \textsuperscript{32}

Because of the promoters' and managers' disregard, as well as the mediocre reception of the 1996 Act, the lucrative boxing industry lost credibility, boxers were still cheated and the public grew exceedingly impatient. As a result, in 1998 Senators McCain and Bryan introduced the Act. \textsuperscript{33} The proposed legislation, in addition to promoting safety reforms, protects boxers from unscrupulous business practices and institutes reforms for sanctioning organizations,\textsuperscript{34} seeks to limit option contracts that prohibit boxers from governing their own careers, establishes key financial disclosure requirements on promoters and organizations of major events, and requires state boxing commissions to be informed of charges, costs and fees taken by promoters from boxers. \textsuperscript{35}

Aside from the regulatory reforms, Senator Bryan specifically stressed the amendment regarding suspension of boxers. Previously, reciprocal suspension between the states was voluntary and not nationally enforced. \textsuperscript{36} This provision was a response to the highly-publicized 1997 Nevada bout between Mike Tyson and Evander Holyfield during which Tyson bit off part of Holyfield's ear. Though Tyson was suspended from fighting in Nevada, he tried to get a new license in New Jersey; even though the New Jersey commission refused to issue a license Tyson incensed the


\textsuperscript{32} Id.

\textsuperscript{33} <http://www.senate.gov/~mccain/ali.htm> (visited 10/17/99). Senator McCain, in reference to introducing the Muhammad Ali Act, stated that the new legislation would “remedy many of the anti-competitive, oppressive and unethical business practices which have cheated professional boxers and denied the public benefits of a truly honest and legitimate sport.”

\textsuperscript{34} 15 U.S.C. § 6301 (1996). Sanctioning Organizations are organizations that sanction professional boxing matches in the United States between boxers from different states, and that are advertised or otherwise promoted, or broadcast in interstate commerce.

\textsuperscript{35} <http://www.senate.gov/~mccain/ali.htm> (visited 10/13/99).

\textsuperscript{36} <http://www.state.ok.us/~okdol/press/pr070297.htm> (visited 10/13/99).
Nevada officials for undermining their authority.37 This lack of
disciplinary reciprocity was one of the problems with the 1996
Act; poor behavior was not listed as a reason for suspension from
state to state, implying that this type of behavior was condoned as
long as the athlete left the state where the original act occurred.38

Additionally, the Senators stressed that this Act does not require
federal funds, nor does it establish a bureaucracy.39 It is designed
strictly to restore integrity to the boxing industry and to truncate
improper business practices without imposing federal intrusions,
since the Federal Budget will remain unaffected by the passage of
this bill.40 Because this bill is designed to remedy a problem
without cost should make it more attractive to Congress.41

B. The Problematic Industry

1. Problems in the Ring

At the forefront of the boxing industry are problems with
“fixed” fights, in which the “wrong” winner is called.42 For
example, Muhammad Ali described the March, 1999 Lennox
Lewis - Evander Holyfield heavyweight bout as “the biggest fix in

37 Id.
38 S. 305 § 2(1). Professional boxing differs from other major, interstate
professional sports industries in the United States in that it operates without any
private sector association, league, or centralized industry organization to
establish uniform and appropriate business practices and ethical standards. The
Tyson incident shows that individual state commissions need to have reciprocity of
rules otherwise athletes will continue to try to supersede suspensions by
trying to attain licenses from other commissions.
39 <http://www.2.nando.net/newsroom/ap/oth/1996/box/feat/archive/061196/
box40278.html> (visited 2/9/00).
40 <http://thomas.loc.gov/cgi-bin/query/D?rl
06:14:./temp/> (visited 04/05/00). These are important reforms which, according to the Congressional
Budget Office, would have no significant impact on the Federal budget and
would not result in any significant cost to the States. Muhammad Ali Boxing
Reform Act, House of Representatives-November 08, 1999.
41 See supra note 6.
42 <http://search.washingtonpost.com/wp-srv/sports/boxing/daily/may99/06/
reform6htm> (visited 10/17/99).
fight history,” where Holyfield was named the champion but Lewis was the obvious winner.43 This fight was held in New York’s Madison Square Garden and was televised on pay-per-view for millions of disappointed fans, most of whom believe that Lewis was the true winner.44 New York’s attorney general, Eliot Spitzer, commented that there were “questionable alliances involving boxing’s sanctioning bodies, the fighters, promoters and judges.”45 Spitzer, who has worked on a task force with other attorneys general and Senator McCain believed that corrupt judges have facilitated the entire boxing industry’s problems.46

Additionally, unattractive fights, in which the athletes are mismatched in their abilities, create problems in the industry.47 These mismatches occur when promoters and arena managers agree to stage fights for the sole purpose of making a profit, regardless of the quality of the competition.48 Crowds hate watching this puerile behavior, which succeeds only in making a mockery of the struggling sport.49 For example, in 1998 Oscar De

43 See supra note 1. Muhammad Ali’s friend, Howard Bingham, was quoted as stating, “For Ali, the outcome of the Lennox Lewis v. Evander Holyfield bout was a disgrace. The bout was supposed to restore some meaning to the title of heavyweight championship of the world. Instead, the bout showed how a once great sport may have reached its lowest point. For Ali, holding the title of heavyweight champion of the world meant exhibiting dignity and integrity. Sadly, he experienced the issues and dishonest ways of many promoters and managers.”

44 <http://www.kcstar.com/item/pages/sports.pat%2Csports/30dad465.316%2C.html> (visited 02/09/00). Amongst the various organizations, the IBF judge, Eugina Williams of New Jersey, declared Holyfield as the winner and so did the WBA. However, the WBC chose Lewis. The WBC contended that Lewis was robbed” of the title.

45 Id.

46 Id. Spitzer stated, “The way in which judges are picked certainly breeds the lack of confidence that the public has [each of boxing’s chief governing bodies, the WBC, WBA and IBF select judges for major titles and pay their expenses and salaries]... the entire world of judging these days is insufficiently regulated and the aura of incompetence and perhaps worse, corruption, that permeates the industry flows from this.”


48 Id.

49 See supra note 1. “Of course, when honest and open competition is inhibited, it is the boxers who suffer the most. they are denied the personal and
La Hoya and Jesus Chavez were paired for a second time, which the industry's commentators regarded as a terrible mismatch. Nevertheless, Ceasar’s Palace agreed to host the bout and Top Rank agreed to promote it, believing that despite the mismatch, Ceasar’s, a Vegas ‘hot spot,” would draw a crowd. In another mismatch, flyweight Mark Johnson, started to “clown around,” dropping his hands, illegally punching, winding up and refusing to take the fight seriously because he clearly dominated, gaining an easy win over Luis Rolon.

Poor refereeing is also a problem because controversial and bad calls prevail in the ring. The lack of consistent officiating contributes to the problems within the industry. For example, although three minutes is regulation time per round, one boxer scored a knockout in a Massachusetts fight at 3:48 of the eighth round because the regular timer was broken. In his next fight, however, the bell rang at 2:51, demonstrating that bad calls or faulty timers here caused major discrepancies for matches. Furthermore, in Louisiana, during a Rush and Lewis heavyweight fight, when the two contenders went to touch gloves before the final round, Lewis punched Rush, but was only penalized one point. It was not until Lewis pummeled Rush that the referee eliminated Lewis and stopped the fight. Additionally, in a highly competitive fight between two well-known pros, Paziena and Brown, three different scores were called, one tie and two wins for financial rewards that their skills and considerable sacrifices have fairly earned. But millions of ticket-buying fans in America are also hurt by monopolistic practices in boxing, interwoven with a manipulative ratings system which borders on consumer fraud.”

50 Id.
51 Id.
52 Id.
53 Id.
55 Id.
56 Id. Usually this is “illegal” behavior that is penalized by more than one point.
57 Id.
Paziena. There should be corresponding scores from each judge - a fight is either a tie or a win, but not both.  

2. Problems Outside the Ring

Outside the ring boxers commit crimes, drawing negative attention to an industry already lacking credibility. Former heavyweight champion Tommy Morrison who is HIV positive and sentenced for drunk driving charges in Oklahoma was arrested again and plead guilty to similar charges. Six-time welterweight world champion, Pernell Whitaker, was fined and jailed for reckless driving when he was already on suspension for cocaine. Although other professional athletes have continually clashed with the law, the boxing industry does not need any more negative attention.

From a business standpoint, the boxing industry does not protect the athletes and boxers are repeatedly taken advantage of through coercive contracts. Currently, boxers contract with promoters, yet sometimes the disclosed contracts are not the only deals made. The resulting “secret” contracts are usually not in the boxers’ best interest, since the sanctioning organization also receives hidden payments from the promoters and vice-versa. Also, promoters will often contract the percentage of payment they take, or the amount of training expenses they will take from the boxer, and then breach these agreements, leaving boxers without their agreed-upon money. For example, Bernard Hopkins has claimed that

58 Id.
59 Id.
60 Id.
62 Id.
63 <http://retrieve?_m=5b9e5dcafa724078e21bf6d524f977ef4&_fmtstr=FUL L&docnum=1&_startdoc=> (visited 01/20/00).
64 Id.
65 <http://thomas.loc.gov/cgi-bin/query/D?c106:1:/temp/~c106qmBQ3ge7> (visited 4/5/00). Boxer Mike Tyson submitted a statement that he had over 65 million dollars taken from him in less than twenty-four months, and that his promoter took thirty percent of all his purse earnings. Tyson stated that the
because of his outspoken views about the need for boxing reform, some promoters are trying to "black ball" him by underpaying him for fights, despite Hopkins's constantly improving record.67

In addition, promoters68 frequently contract with one player and then also secure deals with his opponent as a condition precedent to the bout.69 Also, promoters try to force boxers to hire certain people or business entities as conditions precedent for the boxer's contract.70 Rather than remain two separate entities, promoters and managers are often in agreement where the promoter has a direct financial interest in the management of the boxer and the manager has a direct financial interest in the promotion of a boxer.71

Also, sanctioning organizations72 take advantage of boxers with inconsistent ratings contracts and unfair contracting practices.73 Sanctioning organizations have changed boxer ratings or failed to rate a boxer well enough so that they might match up boxers who are unequally skilled, but whose bout will generate a lot of

66 Id. In February 2000 at the Washington Convention Center, middleweight contender, Bernard Hopkins, fought in the IBF middleweight championship, and though a capable fighter and now the IBF middleweight champion, Hopkins is infuriated with the boxing industry's corrupt business practices.

67 Id. Hopkins has stated, "I can beat [former WBC champion] Keith Holmes. I can beat [WBA champ] William Joppy. They can have the three belts. It won't make me any money. I can't take the three belts to the electric company."


70 Id. at (a)(3).

71 Id. at (b)(1)(B).

72 15 U.S.C. § 6301 (11) (1996). A sanctioning organization means an organization that sanctions professional boxing matches in the United States between boxers who are residents of different states or that are advertised, otherwise promoted or, or broadcast in interstate commerce.

73 Id. at § 5 (a), (b), (c).
money. Furthermore, the sanctioning organizations have been criticized for having a ratings system based not on the athletes’ skills, but on preferences by members of the sanctioning organizations. Boxers have no recourse against these unfair ratings, which perpetuates the problem.

Finally, sanctioning organizations have received compensation, gifts and benefits directly and indirectly from promoters, boxers and managers beyond their fees for sanctioning the bouts. Prior to the Act, the organizations were not required to disclose financial reports and they could easily create secret contracts and procure dishonest deals. Boxers try to secure higher ratings by compensating the sanctioning organizations, and the promoters and managers often “pay extra” to have their contender matched with a lower ranked or less talented athlete. Collectively, their conduct succeeds in undermining the credibility of the industry and demonstrates the heightened need for reform regulation.

II. THE LEGISLATION

A. Provisions of the Act

The Muhammad Ali Boxing Reform Act was created to reform unfair and anti-competitive practices in the professional boxing industry. Its key provisions include protecting boxers from exploitation, reforming sanctioning organization integrity, and requiring public interest disclosures to state boxing commissions. The purpose of this Act is:

74 Id.
76 Id.
77 S. 305 § 16(c).
78 Id.
79 <http://thomas.loc.gov/cgi-bin/bdquery/z?d106:h.r.01832:>(visited 1/20/00).
80 See supra note 28.
81 <http://thomas.loc.gov/cgi-bin/query/z?c106:S.305.IS:>(visited 04/05/00).
BOXING REFORM ACT

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

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

(3) to promote honorable competition in professional boxing and enhance the overall integrity of the industry.\(^\text{83}\)

1. Protecting Boxers from Promoters

The Act seeks to protect boxers from exploitation, especially by promoters who engage in illegal, coercive or unethical business practices and take advantage of the unbalanced standards by holding bouts in states with weaker regulations.\(^\text{84}\) Congressman Michael G. Oxley\(^\text{85}\) has noted that these provisions will target conflicts of interest among promoters because when promoters exert too much pressure over the careers of fighters, legitimate competition is shortchanged and many fighters are prevented from achieving their potential.\(^\text{86}\) This occurs, Oxley explains, when promoters deliberately pigeonhole fighters to secure outcomes, rather than trying to promote challenging and competitive fights.\(^\text{87}\)

The prohibitions and regulations for promoters within the Act begins with contract requirements: all contracts between boxers and promoters must be reasonable and mutual and must specify the

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\(^{83}\) S. 305 § 3.
\(^{84}\) Id. at § 2(4).
\(^{85}\) &lt;http://retrieve?_m=5b9e5dcfa724078e21bf6d524f977ef4&_fmtstr=FULL L&_docnum=11&_startdoc=&gt; (visited 1/20/00). Republican Congressman Oxley introduced the Muhammad Ali Act within the House, and it is virtually the same bill as S. 305.
\(^{86}\) Id.
\(^{87}\) Id.
minimum number of matches per year for the boxers, as well as possible extensions resulting from sustained injuries. 88 Promoters cannot require a boxer to hire the promoters relatives, friends, business associates or any other individual as the boxer’s manager or in any other employment capacity. 89 This prevents promoters, by procuring their friends and relatives, from attaining compensation beyond their 33.3 percent. 90 The Act also prohibits

88 S. 305 §15. The statute provides:
(1) IN GENERAL- Any contract between a boxer and 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 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.
89 Id. Section 15(3)(b) provides:
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. EMPLOYMENT AS A CONDITION PRECEDENT, 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 for 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.
90 <http://retriever?_m=5b9e5dcfa724078e21bf6d524f977ef4&_fmtstr=FUL L&_docnum=11&_startdoc=> (visited 1/20/00).
conflicts of interest between managers of a boxer and the boxer’s promoter by keeping the management and promotion financial interests separate.\(^9\)

Additionally, as part of the disclosure requirements, promoters are expected to file details of the fight with the event’s State boxing commission.\(^9\) The contracts must be submitted to the State boxing commission prior to organization, promotion and production of the match.\(^9\) Advocates of the Act believe that disclosure will mitigate the secret contracts and agreements that promoters, managers and Sanctioning Organizations procure to the detriment of athletes and fans.\(^9\) Information on fees, charges and

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\(^9\) S. 305 \$15(3)(b)(1). (106\(^{th}\) Congress 1999). The statute also provides: In general it is unlawful for-
(A) a promoter to have a direct or indirect financial interest in the management of a boxer, or
(B) a manager-
   (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.

\(^9\) \(\text{Id.}\) Section 17(b) provides:
PROMOTERS-Before a professional boxing match organized, promoted, or produced by a promoter is held in a State, the promoter shall provide a statement in writing to the boxing commission of, or responsible for sanctioning 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 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; and
   (B) all payments, gift, or benefits the promoter is providing to any sanctioning organization affiliated with the event.

\(^9\) \(\text{Id.}\).

\(^9\) State boxing commissions do not currently receive adequate information to determine whether boxers competing in their jurisdiction are being subjected
costs that they will assess on the boxer (bouts less than ten rounds will be excluded) must be included in the reports.95

2. Protecting Boxers from Sanctioning Organizations

The Act also provides Sanctioning Organization Integrity Reforms to combat the corrupt practices of these organizations.96 The Sanctioning Organizations (S.O.) section requires S.O.s to establish objective and consistent ratings criteria of professional boxers.97 The organizations are to annually provide either publicly or to the FTC, their bylaws, ratings criteria and roster of officials who vote on their ratings.98 When an organization changes a boxer’s rating, it must inform the boxer in writing of the reason for the change and establish an appeals process by which boxers may argue if their ratings fall; the organizations are then required to respond with a written explanation.99

to contract terms and business practices which may be violative of State regulations, or are onerous and confiscatory. S. 305 § 2(3).

95 Id. The Act dictates that 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; and (B) all payments, gift, or benefits the promoter is providing to any sanctioning organization affiliated with the event.

96 See supra note 6.

97 Id.

98 Id.

99 S. 305 § 16(b). 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. (c) NOTIFICATAION 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, 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 not less than 30 days; and
In addition to the rankings difficulties, S.O.s often choose a judge who backs the organization’s champion, creating fairness problems. The Attorney General of New York has stated that the way in which judges are picked “breeds the lack of confidence” the public has in the sport because the governing bodies insufficiently regulate incompetent judges. This, he stated, fosters the corruption that permeates the industry because the fans cannot trust that the bouts are judged fairly and the athletes are often robbed of their rightful wins and rankings.

Additionally, Spitzer spoke with New York Governor George Pataki, who ordered the state Athletic Commission to investigate how fights can be assured of impartial judging, in response to the Holyfield/Lewis controversy.

The Act also addresses the problem of S.O.s’ tendency to receive windfalls from various illegal dealings with the other boxing administrators. If the Act goes into effect, the organizations will not be able to receive payments or compensation from a promoter, boxer or manager, except for the established sanctioning fee and expenses they receive for

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(3) mail a copy of the notice and the explanation to the President of the Association of Boxing Commissions.

100 <http://www.kcstar.com/item/pages/sports.pat%2Csports/30dad465.316%2C> (visited 02/09/00).

101 <http://thomoas.loc.gov/cgi-bin/query/D?r106:14:./temp/~r106mSuJ71:e33335:> (visited 4/5/00). Eliot Spitzer, the Attorney General of New York, as well as the chairman of The Boxing Task Force (currently comprised of 19 Attorneys General and began in March 1998 at the onset of the introduction of the Act) held a hearing following the Holyfield/Lewis bout that Lewis was widely believed to have won. Spitzer’s hearing was going to focus on the ways states of the federal government can “redefine” the roles of the principal players in professional boxing.

102 Id. These governing bodies are The World Boxing Commission, the World Boxing Association and the International Boxing Federation.

103 Id.

104 Id. Pataki stated, in reference to the Holyfield/Lewis controversy “I certainly believe there should be some federal changes to prevent a repeat of that incident.”

105 <http://retrievec?_m=5b9e5dcfa724078e21bf6d524f977ef4&_fmtstr=FULL&_docnum=1&_startdoc> (visited 02/09/00).
sanctioning a bout.\textsuperscript{106} Furthermore, organizations will be required to disclose all relevant financial information to both State Commissions where the bouts will be held and the states where the athletes reside.\textsuperscript{107} In general, the disclosures that promoters and sanctioning organizations will be required to make to the State Commissions will also be made available upon request to the state Attorneys General.\textsuperscript{108} These disclosures hinder corrupt practices because all contracts and deals will be made available for review, and secret contracts and superfluous dealings will have to end in order to comply with these new federal guidelines.\textsuperscript{109}

Some of the general public and other boxing reformers believe that the boxing industry needs a commissioner who retains power, similar to the National Football League or the National Basketball Association; however, under the current system of sanctioning bodies, that is not likely to occur.\textsuperscript{110} The federal government will not create a bureaucracy within the Act; it merely offers a more stringent system of rules to be carried out by state commissions. The guidelines will hopefully succeed in creating some uniformity.

\textsuperscript{106} Id.

\textsuperscript{107} Id. Within Section 12 is Required Disclosures by Sanctioning Organizations to State Athletic Commissions, all sanctioning organizations doing business in the U.S. must disclose to the state boxing commission the charges & fees the ratings organizations is assessing on boxers competing in a bout. The S.O. must also disclose all of their revenue sources to the state commission. They must report all payments, benefits and complimentary services they receive relating to a boxing event from promoters, boxers, host of the event, and any other sources.

\textsuperscript{108} Id.

\textsuperscript{109} Id. Section 5 provides that FTC filing must be done no 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 fees 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.

\textsuperscript{110} <http://retrieves?_m=5b9e5dca724078e21bf6d524f977ef4&_fmtstr=FULL&_docnum=11&_startdoc> (visited 02/09/00).
among state commissions and restore much needed legitimacy to the sport.

III. EFFECT OF THE ACT

A. Positive Effects

1. Private Action Possible

If the Act passes, boxers will have a private cause of action in order to be rewarded with damages. If a boxer suffers economic injury as a result of a violation or any section of this Act, he may bring an action in the corporate Federal and State court and recover the damages suffered, court costs, and reasonable attorneys fees and expenses. Thus, boxers who previously had no recourse for economic losses suffered may now bring civil suits against the promoters, S.O.s or managers.

2. Benefits for Boxers

Boxers will receive an opportunity for tremendous economic improvements if the Act passes. Generally, the reduction in anti-competitive restraints of trade will increase free market bidding by promoters who will have to compete amongst themselves to procure the "in demand" boxers. Also, promoters will be then unable to make vague contracts that do not specify durations, enabling the promoter to control the boxer for

111 Id.
112 Id.
113 S.305 § 7(d).
114 Id.
115 <http://....&&sid=mhur01pcudeluapdbalwalba&&report=sr083.106&&sel=TOC_20299&&previou.htm> (visited 04/05/00).
116 Id.
117 Id.
the fighter’s entire career. Additionally, boxers’ freedom to contract will eliminate conditions precedent that promoters previously imposed upon boxers, and boxers will be able to compete in events they choose rather than the ones that their promoters require as part of contract arrangements. Absent this legislation, boxers were forced to hire friends and relatives of their promoters; upon passage of the Act, boxers can benefit from the best management rather than hiring unwanted personnel.

Moreover, boxers will benefit from certain limits on contracts. The one year time limit for option contracts will enable boxers to seek the highest bidder for their services after one year or give them the freedom to choose the promoter of their choice, one who will serve their needs and career interests most efficiently. This limitation does not prescribe a one-year duration for all boxer-promoter agreements; it applies only to the situations in which a promoter secures promotional rights from a boxer or another promoter as a condition for that athlete to compete in a certain event. This constraint does not, however, impose any restrictions on promoter/boxer agreements that will be detrimental to boxers.

If the Act passes, it will implement a legitimate ratings system, in which boxers are rated based on their athletic prowess, rather

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118 Id.
119 Id. At a Task Force Hearing, one member pointed out that allowing promoters of championship bouts to require options from boxers is like forcing a professional tennis player or boxer 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 practice would be strongly challenged as an unreasonable restraint of trade. In professional boxing, it is business as usual. However, if the Act passes, this problem will be remedied.
120 Id.
121 Id.
122 <http://....&sid+mhur01pcudeluapedbalwalba&&report+sr083.106&&sel+TOC_20299&&previous.htm> (visited 04/06/00).
123 Id.
124 Id.
than the financial interests of the S.O.s.\textsuperscript{125} In each weight class, ratings will constantly change due to the vigorous competition amongst boxers, thus encouraging athletes striving to achieve certain titles.\textsuperscript{126} Additionally, this system will benefit athletes who are trying, literally, to fight their way out of poverty through professional boxing, since absent this legislation, these lesser-known athletes, who do not generate substantial revenue for S.O.s, would not even be considered in the ratings formations.\textsuperscript{127}

If the Act goes into effect, the disclosure requirements will greatly benefit boxers.\textsuperscript{128} Most importantly, promoters will be unable to take more than their agreed-to share because they will have to disclose all financial information, including what they will charge for training and promoting as well as their fees, to the State commission, insuring that boxers receive their agreed-upon money.\textsuperscript{129} Absent this legislation promoters, in a form of blackmail, will continue to take more than their share.\textsuperscript{130}

Implementation of the Act will provide severe punishments for violators.\textsuperscript{131} Offenders could receive one year in jail or be subjected to substantial fines, both of which will discourage violations.\textsuperscript{132} Additionally, monetary fines will be especially great in order to deter violations under the exploitation and coercive practices sections of the Act, providing extra protection for the athletes.\textsuperscript{133} Furthermore, the Act will allow Attorneys General to bring injunctive, criminal and civil actions against Act offenders on behalf of their residents.\textsuperscript{134}

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\textsuperscript{125 Id.} \\
\textsuperscript{126 Id.} \\
\textsuperscript{127 See supra note 115.} \\
\textsuperscript{128 Id.} \\
\textsuperscript{129 Id.} \\
\textsuperscript{130 Id.} \\
\textsuperscript{131 Id.} \\
\textsuperscript{132 See supra note 115.} \\
\textsuperscript{133 Id.} \\
\textsuperscript{134 Id.}
\end{flushright}
B. Benefits for Fans

If the Act passes the public will reap many benefits from the effects of its provisions. These reforms will encourage an increase in the prominent bouts that are major draws for fans, and thus will increase revenues and public interest in the sport. Reforms will increase competition in the sport and thus, not only will the amount of prominent bouts increase, but more competitive and more evenly matched and entertaining bouts will result.

Passage of the Act will also assure more entertaining and evenly-matched fights with implementation of the new ratings systems, since legitimate ratings will foster increased competition and better fights will result because so many athletes will be vying for new titles. Additionally, legitimate ratings, based on athletic abilities and fighting achievements, will add to the integrity of the sport because fans will be watching title matches between competitive fighters, rather than bouts set up for the sole purpose of attaining revenue by greedy S.O.s. Not surprisingly, promoters and S.O.s do not support the Act’s implementation.

1. Possible Negative Effects

If the Act goes into effect, promoters will lose financially from the lack of secret agreements and the hiring of their friends, relatives and business associates. However, promoters should consider that as the industry becomes more competitive more money will be generated and their fees will legitimately increase, making long-run effects favorable for promoters. Unfortunately for S.O.s, they will lose their lucrative fees, hotel rooms, tickets, airfares and other perks obtained for sanctioning certain champions who raise substantial revenues through the audiences

135 Id.
136 Id.
137 See supra note 115.
138 Id.
139 Id.
140 Id.
141 Id.
they generate. Additionally, S.O.s may also lose exclusive control over those champions and thus lose their sanctioning fees or be forced to reduce them, but, when the industry’s revenues increase legitimately, S.O.s will once again be reaping exorbitant fees for their work, only lawfully. Thus, while there may be short-term negative financial effects, promoters and sanctioning organizations will receive benefits from the Act because they will be a part of a legitimate, successful and widely popular, professional sport.

IV. CONCLUSION

Credible members of the boxing industry, including various champion athletes, State boxing commissioners and Attorneys General fully support the Muhammad Ali Boxing Reform Act. Restoring integrity to the boxing industry as well as protecting athletes from coercive and deceptive business practices should be a Federal Government priority. The Act will succeed in reforming both these problems. If the Act passes, the deceptive business practices in which promoters and S.O.s are able to partake, to the detriment of boxers everywhere, will end; or promoters and S.O.s will be forced to face the consequences that the Act procures.

All other professional sports have strict regulations governing the business aspects, insuring that the industry maintains integrity, as well as remains interesting and entertaining for fans. The boxing industry is the only sport lacking such regulation. Boxing is an important industry for the United States, as well as a widely followed sport with a long list of past and present champions, all possessing athletic prowess worth commending. Passage of the Act will work to instill the integrity and respect that this sport once achieved.

Melissa Bell

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142 See supra note 115.
143 Id.
144 Id.
145 Id.