

THE MUHAMMAD ALI BOXING REFORM ACT

HEARING

BEFORE THE

SUBCOMMITTEE ON TELECOMMUNICATIONS,
TRADE, AND CONSUMER PROTECTION

OF THE

COMMITTEE ON COMMERCE
HOUSE OF REPRESENTATIVES

ONE HUNDRED SIXTH CONGRESS

FIRST SESSION

ON

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THE MUHAMMAD ALI BOXING REFORM ACT

TUESDAY, JUNE 29, 1999

HOUSE OF REPRESENTATIVES,
COMMITTEE ON COMMERCE,
SUBCOMMITTEE ON TELECOMMUNICATIONS,
TRADE, AND CONSUMER PROTECTION
Washington, DC.

The subcommittee met, pursuant to notice, at 11 a.m., in room 2123, Rayburn House Office Building, Hon. W.J. "Billy" Tauzin (chairman) presiding.

Members present: Representatives Tauzin, Oxley and Shimkus.

Also present: Representative Hall.

Staff present: Robert Gordon, majority counsel; Bruce Gwinn, minority counsel; and Michael Flood, legislative clerk.

Mr. TAUZIN. The committee will please come to order.

Last month the Los Angeles Times revealed the results of their investigation into widespread abuses in boxing. Sadly the Times found that the sport of boxing continues to be pummeled by allegations of corruption and conflicts of interest. Boxing rankings are sold by sanctioning bodies, promoters throw conventions for the sanctioning bodies as thinly described bribes, and boxing managers make payments of up to \$20,000 in cash to improve their boxers' rankings and get more lucrative cable TV fights.

Similar concerns have been echoed by the leaders of the sport. Former heavyweight champion Muhammad Ali has called for Federal legislation to protect boxers from the, "dishonest ways of some promoters and managers." Boxing News has stated that, "pure unvarnished greed is killing the game. Boxing desperately needs a Federal law to cut down on the terrible corruption."

Another article noted that Americans have more rights than any people on earth, but our fight game has degenerated into such a dirty and incestuous business that when you make noise, you get blackballed.

Well, we are going to make some noise today, and we are going to keep on making noise until we can turn the sport around and hopefully reestablish boxing as the honest and clean sport that so many of us grew up admiring and appreciating in our lives.

I, as a caveat, will tell you that I grew up as a young boy living in poor, rural Louisiana, and the first television that came to our community came to my grandfather's house. It was boxing that drew me to that television set with my dad, and it was a wonderful bonding experience as my dad and grandfather and I and friends from the community gathered around that only television set in the whole community and we watched the fights.

I can't help but really feel a pain when we see the kind of accusations that the sport is now receiving in the press and from those who have appreciated it, such as Muhammad Ali.

I would like to welcome our distinguished panel of witnesses today. We have two boxing promoters, Mr. Dan Goossen and Tony Holden, who can help us understand the pressures to influence a boxer's rating and whether the Times allegations have any merit. Mr. Arlen "Spider" Bynum is joining us from the World Boxing Council to present the perspectives of a rating and sanctioning organization. And Mr. Greg Sirb, president of the Association of Boxing Commissioners will update us on what success the States have had in implementing our earlier legislation, what additional improvements, standards are necessary.

And we are fortunate to have a great boxer who can give us the inside-the-ring perspective, Mr. Alfonzo Daniels, a powerful middleweight fighter on the professional circuit.

We hope this panel will be able to talk to us, tell us in their own words why boxing has reached what Muhammad Ali has called, quote, its lowest point, unquote, and what we can do to help restore its greatness.

We would also be interested in any comments by the panel on the recent Holyfield-Lewis fight. Just last week a WBC promotional and management team was subpoenaed to appear before a United States grand jury investigating allegedly suspicious fight deals. The subpoena related to the decision by an International Boxing Federation judge in the recent heavyweight unification fight to award the title to Holyfield, the IBF champion, instead of to Lewis, the WBC champion who ended up by almost every single account as a clear apparent winner, according to most of the boxing commentators and, I might add, most of the public who watched that fight.

Even if the fight were honestly scored, I think we need to understand from our witnesses whether there was any conflicts of interest in that fight that should be prohibited in the future, and can these practices be achieved through self-policing, or do we need congressional reforms to enable the States to clean up the sport, root out the corruption, protect the sport, enhance it not only for the participants, but for all of us who have enjoyed it for so many years.

The Chair is now pleased to yield to my friend from Texas Mr. Hall, himself a boxing addict and a man who confessed to me 1 day—I don't know if I should say this in public, Ralph—that he had the chance to sign up a young fellow by the name of Cassius Clay and passed him up. Mr. Hall.

Mr. HALL. That is how smart I am. Also my son brought me a part of a garden hose that he had put around his arm and swung it around, and I whipped him with the rest of the garden hose, and they came out with that Hoola Hoop about 3 years later.

I am honored to introduce Arlen Bynum, Spider; everybody calls him Spider Bynum. He is probably the best known figure in our State that is involved with boxing and has been on the good clean side of boxing. But I have known him, Mr. Chairman, for long time. And I have been knocked around by him in the courtroom. He is

a highly recognized attorney there, and his firm is one of the better firms in the Dallas and Texas area.

But I think I will introduce him about boxing today. He has been a fighter. He has trained fighters. He has refereed. You have seen him on national television refereeing some of the major fights of this country. He has been a Commission of—member of Texas Boxing Commission, I think they call it, licensing and regulations down there now. But he served 6 years there. Governor Richards asked him to be a member of the commission, and he has—since that time has become a legal advisor to both the World Boxing Council and the North American Boxing Federation.

He appeared at Senator McCain's hearing not too long ago and his—I understand their position is that of course they support any regulation that is good and supports boxing. And he is the kind of people we need. And I think Arlen "Spider" Bynum is the kind of man that you would look to to be a commissioner and to be whatever heads up any organization that would do for the President's consideration for appointment or for this committee's recommendation.

But I am honored to introduce him. I will tell you one last thing about him, because both you men would understand this, Mr. Oxley and you, that I represented plaintiffs all my life, and we sued insurance companies, and Spider defended them. But he came out to Rockwall, my home county, after I kind of quit practicing, was trying to quit, going into some other things, and we put a jury in the box, and I was representing Spider, helping him represent a company. And, of course, the jury just absolutely walloped us.

And a little bit later I ran into one of the jurors down there, and she got me off to one side, and he said, Ralph, we got them up just as high as we could for you. They couldn't imagine me representing an insurance company. But I think I cost Spider that victory. So he is a gentleman and friend of mine, and a really close friend of mine. I thank you for having him here.

Mr. TAUZIN. Thank you, Mr. Hall.

And the Chair is now pleased to recognize the vice chairman of our committee and the author of the reform legislation, my good friend from Ohio Mr. Oxley.

Mr. OXLEY. Thank you, Mr. Chairman. This committee has had numerous hearings over the last two decades on the need to reform the boxing industry. Four years ago we drafted comprehensive reforms that established a uniform system for licensing and supervising boxing matches. This legislation has been an unqualified success. In fact, the legislation took effect on the same weekend as the famous or infamous Mike Tyson-Holyfield fight, and the rest is well known. Tyson's actions were certainly barbaric and reprehensible. And because of our legislation, his suspension from boxing was enforceable and effective nationwide.

But the path to enactment was not without controversy. At the subcommittee markup the bill was barely reported out by an 11-to-10 margin. Some members opposed the bill because they believed it did not go far enough in addressing the conflicts of interest and corruption that have been plaguing the sport since its re-introduction in this country.

Fortunately both sides agreed to a moderate step-by-step approach that enabled us to lay the foundation for the regulation of boxing. Most of the conflict of interest provisions were laid aside for future consideration. The full committee passed the remaining provisions on the uniform licensing and safety standards with a unanimous and bipartisan vote.

Now 3 years later the States have successfully implemented our uniform system of licensing and safety standards. We can move forward on the members' desire to strengthen the act's conflicts of interest provisions. I have introduced legislation, H.R. 1832, the Muhammad Ali Boxing Reform Act, which achieves our goals that we were forced to leave behind. This legislation would institute six major reforms to weed out corruption from boxing. No. 1, it would prohibit financial conflicts of interest between boxing managers and promoters. Two, boxing sanctioning bodies would be required to establish objective rating criteria. Three, bribes from promoters and managers to sanctioning organizations would be prohibited by law. Four, new disclosure requirements would be established to ensure compliance. Five, we would protect boxers from unconscionable contracts. And six, unsportsmanlike conduct would be added as a new category of suspendable offenses.

These reforms will help save boxing and increase public trust in the sport. I would note that this legislation has already received support from the International Boxing Digest, Boxing News, the editor of Ring Magazine, the World Boxing Council and numerous boxers, including, of course, Muhammad Ali.

I look forward to hearing further ideas from our distinguished panel of witnesses on other problems in the sport. I also welcome suggestions from my colleagues on both sides of the aisle for improving this legislation and moving forward with bipartisan support.

Mr. Chairman, like you I was thrilled to be able to watch Friday night fights for many years on television, and had a unique experience to get to meet and talk with Sugar Ray Robinson back when I was a teenager, and actually had a chance to go to his training facility in Chicago and watch him train, and coincidentally got to meet Joe Louis on the same occasion, which was a thrill, and I still have the autographs from both of those gentlemen. And then I had an opportunity to watch Sugar Ray spar before his title fight with Gene Fulmer several weeks later.

So boxing has been an interest of yours and mine for a number of years. And like many other members, we were saddened to see the degenerative aspects to boxing that have led us to where we think we need to pass Federal legislation to help clean up the sport. It is an honorable sport. It is a great sport. We are pleased to have representatives from that great sport testifying before us today. We look forward to moving in legislation, along with our good friend Senator John McCain, to really put the final touches on our long-term efforts to make this sport as we enter the 21st century a sport that will equal the other professional sports that have been so popular in our country.

And I thank the Chair and yield back.

Mr. TAUZIN. I thank the gentleman.

Mr. TAUZIN. I might add to my friend's comments, I was privileged to watch Roy Jones in Gulfport, Mississippi, just a few weeks ago unify his title. And one of the remarkable things about this sport and about that match in particular was that Roy Jones won every round on every card, and won two of the rounds 10-8, with two knock-downs, and he got booed. I couldn't believe a fan booing that remarkable performance.

So it is a controversial sport. We know it is controversial. We are going to hear today some of the aspects of that controversy. And yet I want to compliment the gentleman for his effort legislatively to begin addressing some of the problems we will hear from the panel today.

Let me now welcome the panel. Here are our rules: Three knock-down—no. It is we have a standard 5-minute rule, which means that your written statements are part of our record, so you don't have to read your statement to us. We prefer you just talk to us, just give us your best shot of what is in your statement, best points you got. And this little light will give you a warning; starts out green, and when it gets to be red, it means your time is up. Or if you rather, I could do a regular 10-second warning in the ring.

So if you just kind of converse with us a bit about your testimony so that we can get into a dialog with you and learn today from you as to what you think about the sport and what we can do to improve it.

So we start with Greg Sirb, the president of the Association of Boxing Commissioners in Harrisburg, Pennsylvania. Mr. Sirb, you are on, sir. Five minutes.

STATEMENTS OF GREGORY P. SIRB, PRESIDENT, ASSOCIATION OF BOXING COMMISSIONS; DAN GOOSSEN, PRESIDENT, AMERICA PRESENTS; ARLEN D. "SPIDER" BYNUM, LEGAL COUNSELOR, WBC; TONY HOLDEN, PRESIDENT, NEXT MEDIA; AND ALFONZO DANIELS, MIDDLEWEIGHT BOXER, UPPER MARLBORO, MARYLAND

Mr. SIRB. Thank you, Mr. Chairman. Good morning, and thank you for having me here before you today. The past 2 years I have been the president of the Association of Boxing Commissions. We are a registered nonprofit group. We represent 48 State commissions, all the State commissions in the United States, some in Canada. We are trying to include some in Mexico. We also have the inclusion of our first Indian tribal commission, the Pequot Tribal Commission up in Foxwood, Connecticut.

Before I begin, I would like to share some statistics with you. Last year for the U.S. In 1998 there were 818 pro bouts held in this country. That was about 1 percent decrease from the previous year. California had the most events with 90, followed by Florida with 56; Texas, 51; Tennessee, 44; Nevada and Missouri at 43; and Pennsylvania at 40. And it should be noted that the United States continues to be the major leader in boxing in this world. It held 71 of the 174 world title bouts within its borders. That is roughly 41 percent. The next closest country for world title bouts is England with 16. So by far the world title bouts in boxing happens in this country.

There are approximately right now about 6,000 registered boxers in the United States. My testimony for today is about the regulatory control, and particularly when it comes into your State. As a State commissioner myself, when have you a fight in your State, particularly a title bout, you have four major players: You have the boxers, of course; you have the promoter, of course; have you the sanctioning body of the title they are fighting for; and you have the commission. Those are the four players. But only one of those four have the legislative and statutory authority to regulate the event, and that is the State commission. No other one of those players has that type of regulatory authority.

There is no question each commission has to work with particularly the boxer and particularly the promoter, he is putting up a lot of money for the event, to work out the event, but they should never as a State commission relinquish the regulatory authority that is given to them.

I think over the years what has happened is there has been some confusion between maybe a State commission and a sanctioned body, and the word "sanctioning" has been confused with the word "regulating." to regulate, you have to have statutory authority given to you by that political government in your State. Only one party has that, and that is the State commissions.

As the president of the ABC, we feel very strongly that State commissions need to have the power and the regulatory authority to regulate that event and should never delegate that authority. The issues that you have before you in the Muhammad Ali Act will go along way to ensure this, there is no question about that, particularly when it comes to the major areas of the boxer, manager and promotional contracts, the medical requirements, and the assignment of officials.

There is no question that boxing needs to be more professional, more consistent and more uniform than how we handle things for the simple reason we have 48 jurisdictions throughout this country which handle boxing possibly in 48 different ways. And one of the goals of the ABC has always been to try to be a little bit more consistent and a little bit more uniform in the way we handle it.

I would like to close with saying that there are a lot of good people in boxing, a lot of people that I met over the years. I have come up through the ranks of the sport, and there are a lot of good people that really want to clean the sport up, but it is obvious we have some problems. We need some help, and hopefully with the hearings that we had the Senate and in the House, we can look forward to work ing with and clean up the sport and taking boxing to the level where it is supposed to be, with basketball, baseball, football and hockey. Thank you.

[The prepared statement of Gregory P. Sirb follows:]

PREPARED STATEMENT OF GREGORY P. SIRB, PRESIDENT, ASSOCIATION OF BOXING COMMISSIONS

Good Morning. Mr. Chairman, members of the committee, thank you for giving me this opportunity to testify on behalf of the Association of Boxing Commissions—the ABC,

My name is Greg Sirb and for the past two years I have served as the President of the ABC. This association is a registered non-profit group comprised of some forty-eight (48) members including all state boxing commissions in the United States, some commissions from Canada and the Mashantucket Pequot Tribal Com-

mission of Connecticut. It should also be noted that three other Indian Tribal Boxing Commissions have also requested membership into the ABC—the Miccosukee Athletic Commission of Florida and the Oneida Indian Nation Athletic Commission of New York and the Mohegan Tribal Commission of Connecticut.

Before I begin I would like to share with you a few statistics on professional boxing in the United States for the 1998 calendar year. There were 818 professional boxing events held in the United States, which represents approximately a 1% decrease from the previous year. California held the most events 90, followed by Florida (56), Texas (51), Tennessee (44), Nevada and Missouri at (43), and Pennsylvania with (40). It should be noted that the US continues to be the leader in professional boxing activity, with 71 of the 174 world title bouts being held within our borders, roughly 41%. England, with 16 bouts, is the next most active country for title bouts. Currently, there are about 8,000 registered professional boxers in this country.

My testimony before you today focuses on the regulatory control that should be, and must be, provided by the various state boxing commissions. When any commission has a professional boxing event in its state, particularly a title event, there are always four major stakeholders: (1) the boxers, (2) the promoter, (3) the sanctioning body who's title is being fought for, and (4) the state boxing commission. Of these four groups, only one has the legal and legislative authority to regulate that event. That group is the state boxing commission.

Although the other three groups, especially the boxers, deserve to have some input regarding the event and how it is handled, only the state commission has the statutory authority to regulate the event. This is particularly true when it comes to those rules and regulations that affect the health and welfare of the boxers. I believe that, over the years, the word "sanctioning" has become confused with the word "regulating". The main difference is that to regulate you must have statutory authority in the jurisdiction that the event is taking place.

As President of the ABC, I feel strongly that the regulatory bodies (the state commissions), though they must work with the various sanctioning bodies and promoters, must never delegate their authority or responsibility when it comes to regulating a professional boxing event.

The issues that are addressed in the Muhammad Ali Boxing Reform Act will go a long way toward ensuring that state regulation remain in control of what can be a very complicated sport. This Reform Act guarantees that state commissions and the general public will be better informed about the contractual relationships between boxers, promoters, and managers. It also addresses the ranking procedures for professional boxers and discloses the revenue and expenditures that occur at an event. These improvements will not only enhance the sport, but will ultimately elevate professional boxing to the level that other major sports in this country currently enjoy. A status that, I believe, professional boxing deserves.

In my opinion, it is essential that boxing regulations become more professional, more consistent and more uniform. Particularly in the areas of Boxer/Manager/Promoter contracts, medical requirements for boxers and assignments of referees and judges for particular bouts. The Muhammad Ali Boxing Reform Act will greatly enhance our ability to accomplish these important objectives. Without such assurances, the confusion that currently exists within this profession will hamper the growth of professional boxing.

Again, I would like to thank the Chairman and the members of this committee for the opportunity to testify before you this morning. I would be willing to answer any questions that you may have at this time.

Mr. TAUZIN. Thank you very much, sir.

Next would be Mr. Arlen "Spider" Bynum, legal counselor of WBC in Dallas, Texas. Mr. Bynum.

STATEMENT OF ARLEN D. "SPIDER" BYNUM

Mr. BYNUM. Thank you. I am pleased to be here, and my co-counsel today B.C. Gabe is here, and we would be more than happy to attempt to answer any questions you might have.

We—when Senate bill 302 or 305, whatever, was introduced, the ABC testified before Senator McCain and Senator Bryan's committee. We said then as we do now that the ABC supports any legislation that improves boxing. Now, that is a very broad statement like God, mother, country, ice cream, and 4th of July, but it is sincerely meant. And to help implement this, the portions of the then Senate

bill and now the present House bill, the ABC has tried to comply with. We have put on the Internet the constitution, bylaws, rules and regulations, championship rules, ratings; the names, addresses, faxes, known fax numbers and so forth of all the members of the rating committee, all the members of the board of Governors of the WBC.

In addition thereto, about 3 or 4 weeks ago the ABC started posting on the Internet the reasons that fighter A has moved from number 1 to number 10. Now, obviously if Ralph Hall and I are in a boxing match, and I am rated number 1, and he is rated number 10, and he knocks me out, you don't have to really tell me why I have been moved down to number 8 or 9 or maybe out of the top 10. And you don't have to tell Representative Hall why he has moved up to number 3, but there are reasons.

And I think it is difficult because there are, even like Greg in Pennsylvania and Carl and his people in Maryland, the addresses you have on fighters are probably 30 percent valid. The idea of putting all this on the Internet works because anyone that has interest can pick it up. And if you have suggestions on how we could do it better, then we will be open to those suggestions. But we are trying to comply with the principles of the legislation long before it is passed.

Insofar as financial disclosure with the States, the ABC has absolutely no problem with that. The fee schedules for sanctioning fees are shown in the rules and regulations that is on the Internet. We have offered; if this committee wants a copy of the ABC rules, regulations, ratings criteria, medical rules, all of that is on the Internet. But if you want it, we will get it to you. In fact, the new rules and regulations and so forth are being printed now.

We have tried to work very closely with the Association of Boxing Commissions. I was on a committee in the early 1980's that formed the Association of Boxing Commissioners with Jose Torres, who was to speak here today, and others. I am at times at odds with Greg on certain areas, but it is done in a manner that we end up with a solution that works. The Association of Boxing Commissioners is working. But something that I knew 20 years ago that is more evident now, to make this work, you are going to have to give the ABC some way to fund itself.

Now, I am perfectly aware of the problems involved with funding money. Money is scarce. Congress does not give money away. But it is a worthy project; it would keep this working. They are going to be have to be funded to do the job.

I will be more than happy to answer any questions you might have, as will Gabe.

[The prepared statement of Arlen D. Bynum follows:]

PREPARED STATEMENT OF ARLEN D. BYNUM, COUNSELOR, WBC

Representative Oxley and Members of The House Committee on Commerce: It is a honor and a privilege to be asked to appear at the hearing on H.R. 1832.

Attached to and made a part of this Statement is a letter from the President of the World Boxing Council which shows his support of both the House and Senate versions of H.R. 1832 and S. 305. Mr. Sulaiman has previously appeared before Senator McCain's committee.

The World Boxing Council is made up of 156 countries and 9 Continental Federations. Several representatives of these countries and federations are present today.

I am pleased to report that the World Boxing Council has already complied with the majority of Section 5, *Sanctioning Organization Integrity Reforms*.

The Constitution, Rules and Regulations, Ratings Criteria, Medical Rules and Monthly Ratings and newsletter are on the Internet at www.wbcboxing.com. Sanction fee schedules are in the Rules and Regulations.

Also, monthly, the reasons for changes in the World Boxing Council ratings are published. Likewise, the names, fax numbers and telephone numbers of the Board of Governors and Members of the World Boxing Council Ratings Committee are on the Internet.

If any member of this Committee would like to have a copy of any of the above, it will be furnished.

The World Boxing Council files a yearly tax return in the United States.

The World Boxing Council fully complies and will in the future comply with Section 17, *Required Disclosures to State Boxing Commissions*.

The World Boxing Council's Rules and Regulations provide for only one option given by a challenger to a promoter.

The World Boxing Council has found that the majority of State Commissions have statutes and/or rules that protect the interests and rights of boxers competing in their states. Further, it has been the experience of the World Boxing Council that the majority of State Commissions are doing a creditable job in the licensing and regulation of boxing in their jurisdictions.

The World Boxing Council has worked closely with the Association of Boxing Commissioners as to ways to improve boxing and will continue to do so.

For all world title contests held in the United States, the World Boxing Council has agreed to use the Uniform Rules as adopted by the Association of Boxing Commissioners and has used and applied these Rules for several months.

Each year the World Boxing Council has Ring Officials Seminars and Medical Seminars. Ring officials and doctors from all over the world attend these seminars. These seminars are well attended and the information developed is available to any ring official, doctor, State Commission and Congress.

I have not made any mention of the part of H.R. 1832 relating to Promoters, but I will be pleased to answer any questions the Committee might have.

Likewise, I am not aware if the recently filed amendments regarding medical examinations, CT scans for boxers and the public announcing of judge's scores after each round will be discussed. I am prepared to answer any questions relating to this. If the Committee so desires, I will prepare a Supplemental Statement.

If there is any other information you need from the World Boxing Council prior to the June 24th hearing, let me know.

Gabe Penagaricano, the other Legal Counselor to the World Boxing Council, will appear with me on June 24th along with other representatives of the World Boxing Council as mentioned above.

WORLD BOXING COUNCIL
June 15, 1999

Representative MICHAEL G. OXLEY
U.S. Representative
Washington, D.C.

HONORABLE REPRESENTATIVE OXLEY: I deeply regret my unavailability to participate in the House Hearing on June 24 in Washington, due to my trip to Asia, which covers several countries in the area, and I had committed for since long ago.

I hope that if there is one other hearing in the very near future, I will certainly participate. In the meantime, I am forming a committee headed by Mr. Arlen D. Bynum, WBC General Counselor at Large, and some representatives from our affiliated federations around the world.

I take the opportunity of ratifying the unanimous decision of the WBC to participate, as needed, in full support of the plan of the Government of the U.S. for the improvement of boxing in that country.

The WBC has already instituted in its system, many of the rules as detailed in the Muhammad Ali Legislation, as well as some recommendations, and we are more than willing to continue working closely and positively with the committee.

I beg you to accept my very respectful regards and the best of luck.

DR. JOSE SULAIMAN
Chairman

Mr. TAUZIN. The next person is Dan Goossen, president of America Presents, of Denver, Colorado.

STATEMENT OF DAN GOOSSEN

Mr. GOOSSEN. Thank you very much, Mr. Chairman.

I am very proud and honored to be here today. On the other hand, I am very disgusted that our industry has to go through this routine to clean itself up.

You mentioned earlier about that we have to be on the level of other sports. I think it was Mr. Oxley, Congressman Oxley. And we should be at the level of other sports. It is one of the great sports in the history of America, of this world. Right now we haven't been able to clean it up ourselves.

I was driving over here today for the hearing today, and on the radio one of the news broadcasts was that the hearings were being—were taking place today, and that it is about promoters and how they take advantage of fighters. And it really kind of nailed that last little portion of disgust onto me because last Sunday there was another article in the papers, Don Turner, trainer of Evander Holyfield and Michael Grant, two top heavyweights as we know, and he was saying that all promoters are crooks, thieves. And you just get tired of it. You finally want to stand up and say, listen, don't put us all in the same category.

My background, I got into the boxing business in 1982. My dad dabbled in the boxing, training and managing fighters when he was also on the LAPD's—Los Angeles Police Department being a detective, went into the DA's office. And he taught us to be honorable, hard-working, and have integrity. And we brought that, I think, into our business back in 1982, a company called 10 Goose Boxing, named after the eight boys and two girls in the family. And our goal at that time was to change the boxing business.

These problems have been going on for many years. One of the key ingredients was not to have the boxing business change us. And today with Senator McCain pushing, and his vision along with this committee, seeing that there are a lot of ills that we cannot take care of ourselves—and from that position I can remember when the Boxing Reform Act was in discussion period, everyone said that it will never happen. Well, as we know, it became law. The Muhammad Ali Act, same discussions: Oh, it is not going to happen.

It is going to happen, and it needs to happen. We need that enforcement. We need to take care of having a body enforce the integrity of this sport. It should be at the level of the other major sports.

I participated in the boxing task force that was going to supply recommendations to Senator McCain, and it took many, many hours, started a little over a year ago, prior to the Lewis-Holyfield debacle back on March 13rd. Now, that point, I was again upset and disappointed that we had no promoters, virtually no boxing people on this boxing task force. I think there were two that were constantly on it. And we felt, my partner Matt Tinley, America Presents, the company that we run, we felt it was important to get the ship in the right direction. And many, many hours, telephone conference calls, meetings, everything there was to try to supplement and help out the recommendations as it related to the Muhammad Ali Boxing Act, and we did that because we do care about the sport, and we do want it run properly, and we do want the protection of the fighters. But it is fair to say we all need protection: the

managers, the trainers, the promoters. There are good people in this business. It is a great business. We have just got to make sure that from the standpoint of the ABC, which I have had many conversations with the president Greg Sirb and some of the other vice presidents of the ABC, that we—the time is now for us to police ourselves and supplement everything that Senator McCain and this committee has established.

But we need to get uniform contracts, uniform rules and licensing, uniform medicals, and most importantly, last but not least, an officials school that you touched on before, Mr. Chairman, and that is the integrity where the fans and the fighters have trust in our judges and our officials. I will go into that later on any questions you might have.

I see my time is up. Thank you again for letting me speak.

Mr. TAUZIN. Thank you, Dan.

Next, to shed more perspective on the promoters' aspects, Mr. Tony Holden, president of Next Media of Tulsa, Oklahoma. Tony.

STATEMENT OF TONY HOLDEN

Mr. HOLDEN. I want to thank you for having me out. First of all, my name is Tony Holden. I am also president of Holden Productions. We have been boxing promoting for 10 years. And one thing I want to address, what Dan said, is there is a few bad seeds out there that give all of us a reputation. Dan brought up his grandfather. Well, my grandfather was a minister, my father is a minister, and I am a boxing promoter. So the image do have a tendency to make you duck your head, and it is really not right sometimes. But I want to bring up some things that are probably going to project the image just a little bit worse. But I hate doing that, but since we are going to try to get this thing fixed, I think we need to dig it up at once, because I feel we have one shot at this thing.

One of the differences between pro sports and boxing, you have the NBA, the NFL, these kids are mainly picked up through the draft. To get to the draft, you have to go to college. You have to get a college degree, and you have to maintain a certain grade point average. To be a professional boxer, you know, half the kids might not even have a high school diploma, and yet these kids are going on business, with God-given talents, who can be multimillionaires in the future, they are going in and negotiating their own contracts with no attorney, no counseling. And the problem is a lot of times, yes, it is the promoters that take advantage of these kids, but another thing is they develop trust with a manager. They will go get a manager and sign a multiyear deal, and if the manager does not perform, the kid, the fighter still has to pay him throughout that term. There is no performance clauses. Or it is very rare. There is nothing, no standard performance clause.

And again, a manager can take up to 33 $\frac{1}{3}$ percent. NBA and NFL can only take up to 3 percent as an agent. Let's look at the difference, and I have seen this happening many times. A boxer will have problems with management. He is not performing. He has got a 5-year deal. He has nothing to do; I mean, no fights, nothing at all. He is sitting there with his livelihood at a standstill. He will have to hire another manager and pay another high com-

mission, and I have seen this happen three to four times with a boxer is making nil just trying to make ends meet. And I believe that this ought to be addressed and set up some type of guidelines to protect the fighters in this sport because a lot of times they do put a lot of trust in the management, and the management is not quite there looking out after the fighter.

And one more thing. I support this bill 100 percent, but there is one thing I would like to break down on this bill. There should be guidelines on how it is going to be policed, and I believe that we need to really step up the State commissions to really handle this bill.

Now, the problem with the State commissions is there is no guidelines on the hiring. Each State is—a commissioner can be appointed by Governor, labor commissioner, it all varies. And I am glad to see Mr. Sirb here trying to get everything together, but he can only have so much power when this thing is split up in all different—within all different States. I come from a State where we hired a new commissioner 2 years ago. This State did 28 boxing shows a year. This commissioner had absolutely no experience whatsoever. He was positioned in as a favor; you know, I really don't know how he got in there. But the very first fight he did, he suspended 13 out of the 14 fighters. These kids cannot go to work. They were under suspension. It was an embarrassment to their career. It took approximately 6 months to get him to lift the suspension. And he suspended them on a rule that did not exist. He had to come back and apologize. But anyway, the State went from 28 shows a year to 1 show a year simply because there was no guidelines on hiring this commission.

And there is a lot of good people out there; Mark Ratner, Mr. Sirb, Mills Lane. I believe that this committee should also develop guidelines. If you can't force the States to abide to them, you can recommend it to them. But it is hard to keep the discipline in this sport if every State varies and every rule is different. Thank you.

[The prepared statement of Tony Holden follows:]

PREPARED STATEMENT OF TONY HOLDEN, PRESIDENT, NEXT MEDIA

I want to thank this committee for inviting me to speak. I have been a professional boxing promoter for the last ten years. My company, Holden Productions, has promoted boxing events from small charity fund raisers to top pay-per-view events.

As a promoter and a fan of the sport, I support the bill, H.R. 1832. This bill is a large step in adding more credibility to the sport. There have been several statements made in front of this committee of how, unlike other professional sports, boxing operates without any league or industry business practices. I am sad to say that boxing goes a step further, but in the wrong direction. Not only do other sports have to operate under certain standards, they also receive the majority of their athletes from a draft. To be entered in the draft, you are more than likely going to have a college degree. For these athletes to compete in college, they are required to maintain a certain grade point average. Most athletes have to maintain a certain grade point average to play sports even when they were in high school. Compare this to professional boxing. The majority of these athletes never went to college and a large percentage are high school dropouts. The point I am making is the majority of these athletes have no formal education. This leaves them very vulnerable of being manipulated by a few very aggressive promoters and managers. Several of these athletes will sign a multi-year contract without any counsel to review their contract. Many fighters have fallen to the deceitful words, "Trust me, here is some up-front cash. Now sign here." There is little question that for years professional boxers have been exploited and used to their detriment and to the benefit of unscrupulous promoters/managers/consultants. These professional boxers have never had a representative group to assist them or be an advocate on their behalf. The reference in the pre-

amble to the restrictiveness and anti-competitiveness of some business practices of certain promoters and sanctioning bodies has been something which has plagued the industry for years and is extremely difficult to overcome.

Another problem with the sport is the monopoly of the championship titles held by a very few promoters. The word "options" is what keeps this monopoly alive. To fight one of these promoters' champions, your fighter has to sign options. This keeps the title under the promoters contract. A promoter may argue that such demands make it more fair because the promoter would not care which fighter won since he had both under contract. However, this type of argument fails because a promoter, even with both fighters under contract, may still favor the more "marketable" fighter. If two promoters are involved, one should do what he can to protect his fighter against any favoritism.

If there is less monopoly, it would create more competition which would force promoters to negotiate and to execute these contracts with good business practices. This alone would bring much integrity to the sport. As H.R. 1832 places limiting options to one year, it does take a step towards breaking the monopoly.

My company has never had long-term contract problems or option problems. The reason for this is that during the last ten years, we have never signed a fighter to a promotional deal. Many promoters believe this practice is very naive, but I can assure you that we have *never* had a fighter leave our company. I don't believe I should force a fighter to work for me. I am not against contracts. I believe if a promoter produces a signing bonus, he must be assured that he will get his investment back in the future. However, no fighter should ever be obligated longer than two years. One of the key factors which this Bill must address is to have some type of automatic termination rights in the promotional rights agreements to avoid the boxer from having to hire legal counsel, file suit and be effectively shelved for an indefinite period of time during the boxer's prime boxing years. What will occur is that a fighter and a promoter may have a five-fight deal or a three-year deal or something of the like, and toward the end of the contract, the promoter wishes to extend the contract for another certain term. There are basically two methods in which a promoter will leverage the boxer to do this: (1) a promoter will simply try to tie up the fighter alleging that one of the fights may not have been completed or a draw or had been postponed thus extending the contract or (2) using his influence with the sanctioning body so that the fighter is concerned that he will lose the match regardless of how well he fights. This is an extremely predominant practice and it requires the boxer to concede on various issues simply to be able to fight and make some type of a living while still being oppressed by his promoter.

I would like to express my concerns on this bill. I believe the enforcement should be through the State Commission, as to do otherwise would create a myriad of problems. But there are several problems with the State Commissions. One major handicap these Commissions have are the sanctioning bodies. Whenever there is a Title Fight, the Commission loses much control. To have Title Fight, the State Commission is forced to use the sanctioning bodies' referee and usually two of their judges. This deletes the commission's authority on any discipline for a bad decision by a judge or a referee.

Another problem is that certain States are vulnerable in hiring inexperienced commissioners. There are no guidelines for States to hire a commissioner with any qualifications or experience. Each State has different methods for hiring a commissioner. This sometimes results in an administrator being transferred or the hiring of a commissioner with absolutely no experience in the sport. These results can be devastating. For example, two years ago a State hired a new commissioner with no formal boxing experience. One show he suspended every fighter on a card except one, that is 13 fighters that could not fight again until this suspension was lifted. The reason for the suspension is that the commissioner accused the fighters of not complying with a series of rules. The problem was these rules never existed and after several weeks of these fighters being banned from the sport, the commissioner was forced to lift the suspension. More and more problems occurred due to lack of this commissioner's experience, resulting in the sport to disappear. In one year, this State went from over 25 events down to one.

Before we can enforce the rules and add new measures, such as H.R. 1832, we must first lay out the groundwork. We must have guidelines for the hiring of State Commissioners. I strongly suggest that we get the most experienced people involved in this process, such as Nevada's Mark Ratner or Judge Mills Lane. This sport is an American tradition and it needs the help of this committee to allow it to continue.

I want to thank this committee and Senator McCain for taking time in their busy schedules to help create an important change that is desperately needed in the sport of boxing.

Mr. TAUZIN. Thank you, Mr. Holden.

And finally, Mr. Alfonzo Daniels, middleweight boxer from Upper Marlboro, Maryland. Welcome. You are going to give us the perspective from inside the ring about how the sport works and how promoters and managers operate with boxers. So you got a 5-minute round.

STATEMENT OF ALFONZO DANIELS

Mr. DANIELS. I don't think I am trained enough for this one. It is kind of hard to go off of what Mr. Holden just said. What he said is absolutely—boxers put a lot of trust in their managers, people who see their talent a lot of times before we see it ourselves. So we say, hey, this guy is the other—he is the inside of my head that really says I am good, I can be the best. So when we sit down and we do up a contract with these gentlemen that realize our talents, we really have no idea what it really is worth. So there may lie a problem when we don't know our own value and they do.

When I first got into this sport of boxing some 10 years ago, boxing had a very good name, a very good name. You could see 1,000 kids in neighborhoods running around shadowboxing, and, you know, not only young kids, you see older gentlemen shadowboxing and wanting to be boxers. Now boxing has a bad name. A lot of people wonder if 24 and 4 why am I still in this sport, and my hope is to someday sign that big contract and be a champion and have to deal with the big troubles that are involved with the contract, and the lawyers, and the promoters, and giving up that big percentage that is not given in any other sport.

So this legislation is definitely necessary. I had written up a little chart here, but I am just trying to go off my head here like you wanted. But definitely let's get it through, let's make it happen swiftly. But one question involved here is between the contracts and the fighters, and only looking after fights that are 10 rounds and above. There is a lot of times that where fighters sign a contract way before they ever get to a 10-round fight. So we have to look at them before they get to 10 rounds because they sign their contract and the rest of their boxing career away before they ever reach that point. Thank you.

Mr. TAUZIN. Thank you, Mr. Daniels.

And the Chair will recognize himself and the members in order.

Let me ask you, Mr. Daniels, in terms of—when it is—when you first were asked to sign a contract, was there competition for you? Were there several managers trying to get to you sign with them, or was there just one manager talking to you?

Mr. DANIELS. Luckily it was just one manager talking to me.

Mr. TAUZIN. You say luckily, but wouldn't it have been better—I mean, in basketball, for example, we just made a comparison in basketball as a player that really looks good, a lot of teams take a look at him, they sent scouts out there, there is a competition for him, you know, everybody wants him. They are trying to pick him in the draft, and they are willing to pay him a tidy sum because it is very competitive. But in your sport very often it is just one manager shows up to sign a contract with a boxer, right?

Mr. DANIELS. Right.

Mr. TAUZIN. That doesn't help you negotiate. Nobody else vying for you, so do you—do you end up just signing with the first guy that paints a nice rosy picture for you?

Mr. DANIELS. Pretty much. The route I came, I was stationed in the Army overseas in Germany, and most of my amateur career was from over there. I only came back stateside for three fights before I turned pro. And one gentleman came up and said, hey, let's go up to the State commission. I would like turn you pro and, you know, do up a contract. And lo and behold, we were sitting in front of the State athletic commissioner signing a contract.

Mr. TAUZIN. That fast. How many fights did you fight below 10 rounds after signing that contract?

Mr. DANIELS. About 10.

Mr. TAUZIN. So you signed way before you ever got a 10-round fight.

Mr. DANIELS. That is correct.

Mr. TAUZIN. Your record is 24 and 4 right now.

Mr. DANIELS. Correct.

Mr. TAUZIN. That is a pretty good record. What is your chances of getting that big fight?

Mr. DANIELS. At this point? I'll say luckily I am unsigned. So hopefully somebody will say, hey, here is a kid that has got potential, let's grab ahold of him and get him that shot.

Mr. TAUZIN. But you got to kind of wait for that to happen.

Mr. DANIELS. Exactly. It is a waiting game.

Mr. TAUZIN. Tell me how this works now. Mr. Holden, you talk about the big percentages that are paid. Why is it so high in this sport? Is there a good reason, justification for taking that much of a boxer's pay?

Admittedly Mr. Oxley's bill is going to try to regulate those contracts so there is some quid pro quo and there is some standards that you won't indenture a boxer forever in a contract, but obviously it is kind of hard to get into legally setting the right of a commission. And that is normally left to the marketplace to set it. But why is it so high in boxing?

Mr. HOLDEN. Well, because that is really a two-sided sword, because if you get a boxer early in his career, he might be fighting for \$100 a round, and you are going to have to—a lot of times if I want to get a fighter fights, I might go to another promoter and say, hey, I will pay half his purse or whatever, just to start getting him experience where there is no money in it. But where the problem comes is when a promoter—or a manager, rather, grabs a big-name fighter making big-time money and starts taking that percentage when he didn't get him there, and that happens quite a bit.

So it is going to be hard to justify a percentage. Keep in mind I said the NBA and NFL gets 3 percent, but look at the dollars that go into. They have a minimum.

Mr. TAUZIN. Dan, give me your perspective on it, please.

Mr. GOOSSEN. Well, Mr. Chairman, first off I think that 33 percent percentage that managers receive is way too much. You have almost seen a decrease at the major level of the position of a manager. If you look at Evander Holyfield, for instance, he doesn't have a manager. He has a trainer, and he has an attorney, Jim Thomas. It is at the lower level really where we need to control that 33½

percent. In the older days, 20, 30 years ago, it wasn't unheard of for a manager to give a monthly stipend to a fighter, living expenses, rent, food, everything to keep him above water until he got to the big time so that he was able to concentrate on boxing. Now, at that point, unlike an agent in another sport, you usually aren't on a baby-sitting job 24 hours a day.

Mr. TAUZIN. It is kind of like an investment; you are investing in a future product.

Mr. GOOSSEN. Exactly. But in today's world that responsibility—I am already cutoff.

Mr. TAUZIN. Go ahead. The good thing about being Chairman.

Mr. GOOSSEN. My answers for questions are just as long as my speech.

But in today's world, it is kind of reversed onto the promoter. The promoter is now taking care of the monthly stipend. So we see less and less of managers out there, especially at the higher level.

Mr. TAUZIN. With the indulgence of my friends, if you quickly just give me your opinion of the Holyfield-Lewis fight, honestly scored in your opinion?

Mr. SIRB. No.

Mr. TAUZIN. Mr. Goossen.

Mr. GOOSSEN. I wouldn't say that it was dishonest, but I would certainly say it was incompetent scoring.

Mr. TAUZIN. Mr. Bynum.

Mr. BYNUM. My feelings exactly.

Mr. TAUZIN. Mr. Holden.

Mr. HOLDEN. I would have to say highly influenced.

Mr. TAUZIN. Say that again.

Mr. HOLDEN. Highly influenced.

Mr. TAUZIN. Highly influenced; i.e., dishonest.

Mr. HOLDEN. Well, I don't believe that the judge was told to make Evander win. I think the judge is there representing that organization and gave Evander the nod, knowing that he represented the organization he was with.

Mr. TAUZIN. Mr. Daniels.

Mr. DANIELS. From a boxer's point of view?

Mr. TAUZIN. Boxer's point of view.

Mr. DANIELS. Lewis was robbed.

Mr. TAUZIN. Mr. Oxley.

Mr. OXLEY. Mr. Daniels, in your career, now, is fighting a full-time profession, or do you have other means of income?

Mr. DANIELS. Right now I have other means of income, and thank goodness, because until you hit that pinnacle and you get that promoter behind you, you have to have a day job.

Mr. OXLEY. What is your day job?

Mr. DANIELS. Right now I am working with with a plastic surgeon. I am his assistant. I am a rare breed. I am a rare breed.

Mr. OXLEY. You can work on Holyfield's ear.

Mr. DANIELS. I think we can do that.

Mr. OXLEY. That is quite an interesting day job. Are you—in your career—you say you are 24 and 4; is that correct?

Mr. DANIELS. Correct.

Mr. OXLEY. And how old are you?

Mr. DANIELS. Just turned 29.

Mr. OXLEY. What would be age-wise considered a prime for a fighter?

Mr. DANIELS. Twenty-nine.

Mr. OXLEY. Interesting.

Mr. DANIELS. Supposedly we get that manly strength and knock-out punch, and days are shorter in the ring. And thank goodness, I am looking so forward to them.

Mr. OXLEY. What is your weight classification?

Mr. DANIELS. Middleweight, 160.

Mr. OXLEY. And you have always fought in that classification?

Mr. DANIELS. Yes.

Mr. OXLEY. And you mentioned the fact that as far as a manager, you had a good relationship with your manager?

Mr. DANIELS. Yes, I have. But kind of things have slowed because we are waiting and waiting, and that call is not coming. So I am growing impatient by the moment and ready to break.

Mr. OXLEY. Have you fought in different States?

Mr. DANIELS. Yes, I have.

Mr. OXLEY. How many?

Mr. DANIELS. Three different States.

Mr. OXLEY. And from your perspective can you tell the difference State to State in terms of regulations and the enforcement procedure by the commission and so forth?

Mr. DANIELS. Well, one of the States that I fought in I really don't believe they had a commission. And I fought in Pennsylvania with Mr. Sirb, and here in Maryland, locally. And Maryland and Pennsylvania are pretty stiff, and everything seems to be on the up and up.

Mr. OXLEY. Mr. Sirb, let me ask you, how many State commissions are there?

Mr. SIRB. We have—right now I think we have five that do not have a State commission.

Mr. OXLEY. Is that because they don't have boxing matches there?

Mr. SIRB. They have boxing matches there, but the State government itself has decided not to form a commission. So again, under the Professional Boxing Safety Act they have to have a commission come in and supervise that event, and we have had some minor problems with that, and we are going to look for some revisions to that.

Mr. OXLEY. Mr. Goossen, you mentioned that boxing needs protection, but protection from whom? And help me understand what that means in terms of writing legislation.

Mr. GOOSSEN. Unfortunately it is protection from the industry itself. We have not been responsible enough in policing it. So the protection that we have seen now is in the form of the legislation that is before us. However, I feel for the health and the growth of our industry, we need to start policing ourselves. The promoters need to be the leaders because, again, you can almost target in the Muhammad Ali Act promoters and sanctioning organizations. And if promoters are targets, that means that overall promoters are doing something wrong. When we see a baseball owner or football owner, we don't see the players and the owners at odds all the time. I mean, they are on the same team. And we need to have the

industry as a whole police themselves without legislation always having to be down our neck because it means we are doing something wrong.

Mr. OXLEY. Thank you, Mr. Chairman.

Mr. TAUZIN. Thank you, Mr. Oxley. Mr. Shimkus is recognized.

Mr. SHIMKUS. Thank you, Mr. Chairman.

First question to Mr. Bynum. Do sanctioning organizations or their employees ever receive payments or gifts from promoters or managers other than any publicly reported sanctioning fees?

Mr. BYNUM. I was going to note that right above that question is the word "bribe." I, as a fighter, as training fighters, a commission member, State commission member, as a member of the World Boxing Council and one of their lawyers, I am not aware of anyone bribing, and they certainly haven't tried to do me. And I don't even get paid for what I am doing.

And insofar as do sanctioning organizations get money from promoters for other than sanction fees, now, that is a very valid question, and my friend Dan Goossen and I have discussed this. The only thing I am aware of is that at sanctions organizations, conventions, and I can speak only for the World Boxing Council and the North American Boxing Federation, promoters do on occasion pay for a dinner held during that convention. But as far as actually paying for the convention, the answer is no.

Now, I can give you a good example where two present big-name promoters several years ago funded, along with Everlast and another glove company, safety tests to be done on gloves, ring padding, ropes and so forth in Wayne State University. Now, this was owned by half of the sanctioning organization. These two promoters paid—I think my recollection is clear—\$10,000 each to Wayne State University for this particular program to be done. It was done by the Texas Boxing Commission and the World Boxing Council.

What came out of that changed a great deal of things on gloves, ropes, ring padding, boxing safety, whether head gear would or would not prohibit injuries, and so forth. That is a payment, but it is also for a specific purpose.

Insofar as promoters paying anything to sanctioning bodies on behalf of the ABC, I can tell you I am not aware of it at all except for the dinners on occasion at the conventions yearly.

Mr. SHIMKUS. I guess some would say it is kind of funny for us to be asking that question when we are accused of dinners and that ourselves. So—

Mr. TAUZIN. Would the gentleman yield, and I will be happy to extend his time.

I point out that the Times magazine article we referred to earlier in the introduction of this hearing contained some rather interesting statements; for example, Ron Weathers, a manager in Texas, testifying under subpoena to the grand jury, New Jersey, quote, It is just common knowledge that if you want to get something done, you have got to grease their palms—referring to the sanctioning bodies—either \$10,000 or \$20,000, depending upon where you want the guy rated. In addition, rival promoter Bob Aram says as far back as 1983 he paid \$500,000 to a Puerto Rican promoter whom Aram described as a bag man for the WBA. Payment was made to

get a title fight for Ray “Boom Boom” Mancini. The Puerto Rican promoter has denied the accusation to Ring Magazine. But those accusations are in print, and apparently before the grand jury in New Jersey.

And so I want to—again, I will extend the gentleman’s time—but I want to point out that it is not just a question in the sort of the ether, it is a question drawn from actual statements being made before grand juries that those types of payments are being paid to the sanctioning organizations. And perhaps would you like to respond to that.

Mr. BYNUM. I would be more than happy to address that. First, insofar as Ron Weathers is concerned, I have known him for 25 years. I think you need to consider the source there. Insofar as people coming to conventions and paying \$20,000 to get their fighters moved up in the ratings, I am not aware of that at all. And, Gabe, if you are aware of it—I am just not—if it happens, it doesn’t happen in front of me, or around me, or near me. And we have got two promoters here, and I can guarantee you that neither Tony nor Dan has ever paid a cent to get a fighter moved up in the ratings.

Mr. SHIMKUS. Let me continue, Mr. Daniels. I apologize. I had a press conference to go to, otherwise I would have been here for your opening comments. Twenty-nine years old, enjoy the sport, I guess I have two—you hear all this surrounding you about the industry. I hope you don’t get blacklisted because of testifying and not be rated someday because of your openness.

Two questions, if you could, quickly: What are the perceived problems from young aspiring athletes as yourself, and where are the doors closed that should be opened based upon your ability? Second, how do we fix it?

Mr. DANIELS. Where are the doors closed? The doors are closed if you don’t have a good promoter. No door can be open if you don’t have a good promoter. I don’t care if you are a terrible fighter or a great fighter. A great fighter without a good promoter doesn’t get a chance. A bad fighter with a good promoter will get a chance.

Mr. SHIMKUS. Can I interrupt? What is the difference between a good promoter and a bad promoter?

Mr. DANIELS. Who can get you seen.

Mr. SHIMKUS. And how do you think they have that ability to get seen?

Mr. DANIELS. TV—TV, radio. I have appeared on TV Home Team Sports a couple times, Tuesday Night Fights before they were canceled or went out of business, one or the other.

If you can be seen, you can get that shot. You can be noticeable to the other boxing organizations. You have room to lobby your cause that, hey, this is—I have got a good fighter here, he is talented, he is marketable, let’s get him rated, let’s get him a shot to become a champion.

Mr. SHIMKUS. What is the financial incentive of a promoter? What is the contract they sign with you?

Mr. DANIELS. I believe they receive a part of that 33 percent; whatever that percentage may be is between the manager and the promoter. Hopefully that doesn’t come out of my 66.

Mr. SHIMKUS. Mr. Goossen, you are a promoter.

Mr. GOOSSEN. Yes.

Mr. SHIMKUS. Does that jibe with—really great command of the English language—but is that similar from your perspective?

Mr. GOOSSEN. What I would say with reference to what Mr. Daniels just mentioned, doors open with promoters. Promoters are leaders. We do approximately 50 events a year, and we want that special fighter because it is a lot of work from day 1 when they have their first four-round fight up until they have an opportunity to win a world title, and our business is so loaded down, loaded with low-paying—that red light always goes on when I am speaking. I have got to shorten my answers. There is so little money at the lower levels of boxing that it is very important for fighters to get hooked up with promoters.

The unfortunate thing, and where we are sitting here today, is that we have got promoters that will promote unfairly, will do things that we are sitting here discussing. And unfortunately it is a reflection on our whole business. When we make an investment into a fighter, that investment is to get them to the world title so that we can all enjoy money. A fighter's percentage that he pays to a manager in our case, and I can't speak for any other promoters—in our case we have no piece of any management or fighter's share. We are obligated through our contracts to pay a fighter a certain amount of money minimum to be negotiated in good faith above that minimum and our—any type of revenue we would receive are based on the promotion being successful or unsuccessful, depending upon the case.

Mr. SHIMKUS. Mr. Chairman, if I could follow up with this.

Mr. TAUZIN. Without objection the gentleman's time is extended.

Mr. SHIMKUS. Do promoters receive other revenue in the industry other than their contractual relationship with the boxer?

Mr. GOOSSEN. There isn't necessarily a contractual obligation financially for a promoter to make X amount of dollars. The risk is normally only with the promoter. We have to put up money, and hopefully through the generation of ticket sales, site fees, international television, domestic television, sponsorships we are able not to only pay for commitments to the fighters and to the commissions, everyone else, but that hopefully we are able to make some money through that promotion. So there isn't any clear-cut percentage that a promoter receives. Sometimes it could be a profit; sometimes it could be a loss.

Mr. SHIMKUS. Thank you, Mr. Chairman. I yield back.

Mr. TAUZIN. Thank you very much. The Chair is going to relinquish the Vice Chair to continue this hearing. I have to move to another function, but I want to conclude with a couple words. First of all, to boxers like Mr. Daniels, you know this sport owes an awful lot, really does, the hours these young fighters put into preparing themselves, and as Mr. Oxley pointed out, having those day jobs to keep them going while they are constantly in training waiting for that phone to ring, and what they contribute to the sport compels us, I think, to think seriously about changing some rules up here to better give them a chance to have a decent contract and have a chance to get that big shot 1 day.

But there is another group of witnesses who are not here sitting at the table. That is the sports fans who buy those pay-per-view you know tickets, and who attend the live events, and who support

HBO and Showtime and others, and, give them a lot of credit, spend a lot of money helping the boxers get seen and have a chance to move up in the ranks, too. As you pointed out the fact you got on a couple of televised fights, I know that has helped, had to help your career.

So it is to those sports fans who you know bought those pay-per-view tickets at a healthy price to watch a fight they all agreed was misjudged badly. The boxer Mr. Holyfield is a beloved figure in boxing. I saw him the other night. He was at the Roy Jones, cheers from crowds. He is extremely well admired, and yet his career was so badly tarnished by that decision that you wonder why we let this happen for so long.

In short, let me thank you for coming today and for sharing with us your support for what Mr. Oxley and Chairman McCain are doing. I want to pledge to you my personal help and support in moving this legislation. You have given us some ideas to improve it, particularly your thoughts about contracts entered into long before you ever get a 10-round fight. I think that is a very excellent consideration we need to take into account.

And finally while we can't regulate the fees that are paid, we certainly ought to do something about the fact—about stopping a boxer being caught in two or three such managerial fees where there is nothing left for him. There ought to be something, and perhaps we ought to think about that, that prevents a boxer from ending up in other contracts. And I know in a codal system in Louisiana we prevent contracts that are clearly designed to defraud one of the parties out of their rights, and the contract where you give up 2 and 3 times the 33 percent sounds like you have been defrauded out of your rights as a boxer, and perhaps we ought to give that some thought, too. But in any event, I want to offer my help to you and your efforts to get this legislation moving.

The Chair now recognizes Mr. Oxley in the Chair, with my thanks to all the witnesses today.

Mr. OXLEY [presiding]. Let me ask the first question of Mr. Sirb on this round. As you know, we passed legislation 3 years ago, and many of us felt that it was a solid first step. Could you take us through some of the pluses and perhaps some of the shortcomings of the previous legislation and which are the areas that we need to work on?

Mr. SIRB. Well, the two biggest things that really were great successes so far were the passing of the Federal ID system. That improved boxing 100 percent. Every boxer now has a Federal ID card with his picture on it, a six-digit number that follows him wherever he goes, which helps us in recordkeeping and helps us if he is medically suspended to track this guy. So when a boxer comes into your State, he gives you the card.

The ABC developed the card at no cost to the State commissions. We gave out over 5,000 of these cards. And when the boxer comes to your State, he hands you the card. You can see his picture ID, birth date, Social Security. That part has cleaned up 100 percent in boxing. That has really improved. Along with that, with the help of the Professional Boxing Safety Act, was the medical suspensions. By making it a crime to participate while medically suspended raised every State up to a new level. They had to move up to a new

level. The ABC put this national suspension list on the Web. It is instantaneously updated. You can go right onto the Web page. You can look at a boxer's name. You can see how long he has been medically suspended, why he was suspended, and what State put him on suspension. That site is used constantly by not only promoters, but matchmaker organizations and State commissions so that when you have a fight card come to your State, you can look real quick on the suspension list: I can't let him fight; he is on suspension right now.

Those are the two big things that have really improved, and that comes right from that Professional Boxing Safety Act. There is no question about that.

Mr. OXLEY. And what would have happened in the Mike Tyson situation had not that legislation been on the books regarding uniform policing?

Mr. SIRB. You know, with Mike Tyson being such a monetary draw, if he came into your State, there is no question that he would have fought, you know, a few months or a couple months somewhere because of the fact that you know he brings in such a draw on that. As you stated in your testimony, that happened about a day after, a couple days after the actual bill took effect. That is when I just became president. The first thing I got thrown at me was that situation. And I was very proud of all the State commissions that stuck together. We—I think we handled it. Even though we may have had some problems, I think we handled that situation. And again, it came from the Safety Act that gave us that authority.

Mr. OXLEY. It would have been very tempting, I think, for some State to look the other way.

Mr. SIRB. Even my State, myself, of course, it would have been tempting. You are talking about an individual who draws in millions of State revenue when he fights in Nevada and other major casino States. I am sure, yeah, it would have been tempting.

Mr. OXLEY. Mr. Goossen, you served as a member of the National Association of Attorneys General Boxing Task Force. What recommendations came out of those meetings? Which ones should we consider as part of the boxing reform legislation?

Mr. GOOSSEN. Mr. Oxley, the recommendations that I think were the key issues and very important for the growth of our industry was that we needed some establishment of uniform rules and regulations, including the medicals, as we discussed earlier. I think it is a key ingredient for the success of our industry that the States have the governing power over everyone. Fighters, organizations, managers, promoters, trainers, I don't care who it is, if they are involved in the business and they are making any type of revenue off the event, they have got to be governed by the State commission. If the States lose their authority, then boxing is a freelance sport once again, and once that happens, we sit here in front of you looking for ways to get the industry back on the right footing.

We need—and I think it was brought out—we relied on the ABC and Greg Sirb very much as it relates to overseeing not only the establishment of uniform rules and regulations, but also the need for uniform contracts between promoters and fighters. We need those at a data base probably established at the ABC. That will

allow our industry to have an opportunity to make aware that not only is a certain fighter tied to a certain promoter, but that those contracts are within the rules and requirements established by either legislation or our own policing through the ABC. I would think those were really the high points of being involved with the boxing task force.

Mr. OXLEY. Mr. Holden, do you have a comment, as well, as a promoter?

Mr. HOLDEN. Well, I think that it relates to my opening statement. I am, again, 100 percent in favor of the States to enforce all the laws. I would like to make one quick statement that a State commissioner told me last month, because I was calling around. I knew I was going to testify. A lot of times a State commissioner can lose power, and a decision could go the wrong way, and he has no control. For instance, this one commissioner told me when he was new, there was a title fight coming in. It wasn't this gentleman's bout, but they had to make him use their judges, their referees, and he sat and he watched the fight, and it was a bad decision. You know, the decision was wrong. But this commissioner had no control. He couldn't reprimand the judges because they were out of State, they were not his. He couldn't say anything to the referee. He was out of State, and he was not his.

Again, if we are going to give the States power to enforce boxing, we need to give them full power. But there is a double-edged sword to that. If a State commissioner messes up, he is the one that we should blame. Just like the Holyfield-Lewis fight everyone says, who is to blame, who is to blame? If you put the State commissioner in charge all the way down to pick the judges, the referees, then you have one man to point your finger at.

Mr. OXLEY. So accountability is critical in this whole encounter.

I guess you would agree with that, Mr. Sirb, in terms of the accountability of the State commissions.

Mr. SIRB. No question. If the State commissioner has the control to regulate or—which he is given the right to by his Governor or State laws, then he should be accountable for it. If he messes up, then the accountability should stop at his front door. I have no problem with that.

Mr. OXLEY. Some folks criticized the former legislation, and even some may criticize this from a States rights standpoint, but really our goal is to empower States so they can take the reins and take control of this situation and indeed assume the responsibility also and the accountability for what happens, both good and bad.

Let me yield to my friend from Illinois.

Mr. SHIMKUS. Thank you, Mr. Chairman.

Mr. Sirb, there are 48 members of the association; is that right?

Mr. SIRB. Correct.

Mr. SHIMKUS. Are there some States that do not have boxing commissions?

Mr. SIRB. Yeah, I am pretty sure we currently have five that do not have a boxing commission. So in those States when they want to have fights under the Professional Boxing Safety Act, they have to apply to a another State commission to come in and sanction their event. One we do a lot in is the State of Colorado. That prob-

ably does about 10 to 12 shows per year without a State commission. We are trying to get a commission formed.

The ABC is very much in favor if you are going to have boxing, form a commission. And again, it comes back to because that is where the authority lies, and that is where the responsibility should be.

Mr. SHIMKUS. Let me finish with Mr. Daniels. I am a West Pointer, and our plebe year at West Point we are required to take boxing, so that is my only experience in the ring, although I do have the experience of getting hit and having all my nerve endings tingle at one time. Obvious to say, I lost that fight.

After a bout are you ever as—as the athlete, are you ever given a final accounting of the income and expenses and some type of ledger by which you can make a determination of whether you have been fully compensated and that there hasn't been any additional expenses posted that didn't really qualify?

Mr. DANIELS. The answer to that is no. I haven't.

Mr. SHIMKUS. Do you think that would be a needed reform?

Mr. DANIELS. Certainly. It could only help to make the boxer gain trust about his manager or promoter so that everything is there in black and white and you can see that, hey, everything here makes good sense, the promoter is not taking any money from you. Everything you have here is yours.

Mr. SHIMKUS. And I think we deal with this type of environment all the time, and really the sunshine on an area that is perceived as darkness is always a good antiseptic. And that would probably be another good thing to look at as we deal with this issue. I appreciate your testimony. Mr. Chairman, I yield back.

Mr. OXLEY. I thank the gentleman for his interest. And we thank all of you for a most enlightening hearing. Your participation here and support of our legislation is most important, and it really gives us the kind of impetus that we need to get legislation enacted.

The Chair would ask unanimous consent that all members' statements be made part of the record. And with that—and again, our thanks for your participation—the subcommittee stands adjourned.

[Additional statement submitted for the record follows:]

PREPARED STATEMENT OF HON. TOM BLILEY, CHAIRMAN, COMMITTEE ON COMMERCE

Boxing is perhaps the oldest sport in existence, dating back to the Sumerians in 2600 BC. The ancient Greeks introduced boxing to the Olympics in 688 BC.

Three years ago, the Commerce Committee reported historic legislation, the Professional Boxing Safety Act. This Act created the first comprehensive nationwide regulation for the sport of boxing. It was a first step, empowering the states to establish a uniform licensing system with minimum safety standards for boxers.

Today, we are taking the next step. Boxing has begun to cleanup its act. But it is still rife with corruption, tainted by conflicts of interest and unconscionable contract requirements. We have before us legislation to address these problems.

I look forward to hearing from today's witnesses their view of which structural problems in boxing are the most ripe for legislative solutions, and what approaches our Committee should consider. I also look forward to any comments or suggestions for improvement on H.R. 1832, the Muhammad Ali Boxing Reform Act.

[Whereupon, at 12:20 p.m., the subcommittee was adjourned.]