

**A REVIEW OF THE PROFESSIONAL BOXING
INDUSTRY—IS FURTHER REFORM NEEDED?**

HEARING

BEFORE THE

**COMMITTEE ON COMMERCE,
SCIENCE, AND TRANSPORTATION
UNITED STATES SENATE**

ONE HUNDRED SEVENTH CONGRESS

FIRST SESSION

MAY 23, 2001

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ONE HUNDRED SEVENTH CONGRESS

FIRST SESSION

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A REVIEW OF THE PROFESSIONAL BOXING INDUSTRY—IS FURTHER REFORM NEEDED?

WEDNESDAY, MAY 23, 2001

U.S. SENATE,
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION,
Washington, DC.

The Committee met, pursuant to notice, at 9:30 a.m., room SR-253, Russell Senate Office Building, Hon. John McCain, Chairman of the Committee, presiding.

OPENING STATEMENT OF HON. JOHN MCCAIN, U.S. SENATOR FROM ARIZONA

The CHAIRMAN. I am pleased to convene this morning's hearing on the professional boxing industry. As you may know, I have been an avid fan of boxing for most of my life, but I am concerned about some of its participants. Boxing is an immensely difficult activity that tests the physical skills and mental limits of its competitors.

It is an honorable sport that should be admired by its fans, but in recent years boxing has been sullied by misconduct. Professional boxing is the only major sport in the United States that does not have a strong centralized association or league to establish and enforce uniform rules and practices for its participants. There is no widely established union of boxers, no collective body of promoters or managers, and no consistent level of state regulation among the state athletic commissions.

For the past 6 years, this Committee has taken steps to reform professional boxing by passing two pieces of legislation, the Professional Boxing Safety Act of 1996 and the Muhammad Ali Boxing Reform Act of 2000, both of which have been enacted into law.

The 1996 Act established a minimum level of health and safety requirements to protect the welfare of the athletes who sustain the sport, while the primary focus of the Muhammad Ali Act was to protect boxers from sometimes exploitive, oppressive and unethical business practices of promoters, managers and sanctioning organizations. The Muhammad Ali Act also provided assistance to state boxing commissions to provide more effective public oversight of the sport.

Today's hearing will focus on the effects, if any, these federal laws have had on the industry, and whether additional federal, state and private sector reforms are needed to further improve the sport.

The witnesses before the Committee today represent members of the boxing industry who care deeply about the current state and the future of the game and I thank them for being here.

Our first witness will be Dr. Edwin Flip Homansky, Chief of Staff of the Valley Hospital Medical Center, a face familiar to most boxing fans at certain points in a boxing match. Mr. Greg Sirb, President of the Association of Boxing Commissions, Mr. Dan Goossen, President of America Presents, and Mr. Pat English, attorney, and Mr. Kirk Hendrick, who is also attorney and former chief counsel to the Nevada Athletic commission.

Dr. Homansky, we are privileged to have you before the Committee again. We thank you for being here and we thank you for the wonderful work you have done for many years on behalf of the health of these young athletes. Please proceed.

[The prepared statement of Senator McCain follows:]

PREPARED STATEMENT OF HON. JOHN MCCAIN, U.S. SENATOR FROM ARIZONA

I am pleased to convene this morning's hearing to review the professional boxing industry. As you may know, I have been an avid fan of the sport of boxing for most of my life, but I am very concerned—a concern shared by many of the sport's leaders—regarding the often unscrupulous behavior of some of its participants. Boxing is an immensely difficult activity that tests the physical skill and mental limits of its competitors. It is an honorable sport that should be admired by its fans, but in recent years boxing has been sullied by misconduct.

Professional boxing is the only major sport in the United States that does not have a strong, centralized association or league to establish and enforce uniform rules and practices for its participants. There is no widely-established union of boxers, no collective body of promoters or managers, and no consistent level of state regulation among the state athletic commissions.

For the past 6 years, this Committee has taken steps to reform professional boxing by passing two pieces of legislation, the Professional Boxing Safety Act of 1996 and the Muhammad Ali Boxing Reform Act of 2000, both of which have been enacted into law. The 1996 Act established a minimum level of health and safety requirements to protect the welfare of the athletes who sustain the sport, while the primary focus of the Muhammad Ali Act was to protect boxers from the sometimes exploitive, oppressive and unethical business practices of promoters, managers, and sanctioning organizations. The Muhammad Ali Act also provided assistance to state boxing commissions to provide more effective public oversight of the sport.

Today's hearing will focus on the effects, if any, these federal laws have had on the industry, and whether additional federal, state, and private sector reforms are needed to further improve the sport.

The witnesses before the Committee today represent members of the boxing industry who care deeply about the current state and future of the game, and I thank them for being here.

**STATEMENT OF DR. EDWIN "FLIP" HOMANSKY,
CHIEF OF STAFF, VALLEY HOSPITAL MEDICAL CENTER**

Dr. HOMANSKY. Thank you, Senator McCain. This is a tough sport, both for the participants and the regulators. Has the recent federal legislation helped? Absolutely. Are there still problems? Almost as many problems as there are current lawsuits over the heavyweight championship.

The CHAIRMAN. Not that many.

Dr. HOMANSKY. The biggest accomplishment that you have achieved is simply letting the boxing establishment know that someone is watching them, that they are no longer able to operate in an ethical vacuum. This is an enormous achievement.

What we are trying to do, Senator McCain, my own two senators who appreciate the sport very much, Senator Reid and Senator Ensign, is to provide a level playing field so that the participants are

treated fairly and ethically and to make an inherently dangerous sport as safe as possible.

Who should be in charge? An entity that doesn't trample on states' rights, that's only goal is fairness and safety, that doesn't become another bureaucratic mess, that is responsive to the changing needs of the participants, that can be funded in a reasonable matter and that has medical and legal references. Basically what I am saying is the state commission.

What I would like to address with my time is some issues that I feel are very important medically. And the first is a central repository for medical tests and a mechanism to be able to track a fighter's career longitudinally with exams. A test is so much more beneficial when you can compare it to the past. No one in this room is old enough to really have had a number of EKGs, but your dad has had an EKG, and you know that EKG is just information set in time, and it is only helpful to compare it to past EKGs, and future EKGs. We need a database and we need to be able to follow these fighters medically.

We must begin prospective studies of the boxers. We must know more about how the rigors of boxing affect these fighters both acutely and chronically. The medical data bank is a good start. I propose funding these studies by taking 10 percent of all sanctioning fees of championship fights in America. I believe that would amount to about 4 to 5 hundred thousand dollars.

Another issue. There needs to be more supervision of the gyms and trainers. The gym is where these kids spend most of their time. This is where the real injuries occur, not in the ring, but in the gym. We have to supervise that.

My major concern in boxing right now is the high risk boxer. We all know that there are boxers who should no longer be in the ring absorbing punishment. They are either past their prime or their once wonderful skills have deteriorated to the point—

The CHAIRMAN. Like Julio Cesar Chavez fighting Kostya Tszyu.

Dr. HOMANSKY. Exactly. And I will talk about that more later. Why does it happen, Senator McCain? Many promoters see the fighter as nothing more than a dollar sign. Not Mr. Goossen. Not Main Events, but it is done. The fighters themselves forget the pain that they did endure. They look in the mirror, they say what they once were, not what they are now. The networks know that a big name brings viewers, even if the former champion is nothing more than a shell of himself. The exception to the rule may be able to still compete, but at what price?

A license to box is a privilege. The state commissions need to look at it that way. And when a fighter comes he needs to prove to us that he can fight, not the other way around. That we need to show that he can't. That we have to go through these legal battles.

I have given you in your written information a list of my feelings of the high-risk boxer. These are fighters that need to be looked at closer, not that they can't fight, but maybe when need to look very closely at their career. It is my personal feeling and I voiced this before, that no one over the age of 42 should be licensed to box in the United States of America.

The answer to this issue has been tests. Let's get more tests, any test, the most expensive tests. The problem is tests don't always give you the answer. Just because someone has a normal MRI doesn't mean that they have not been hurt in the ring and may develop problems later. That is too simple. The MRIs and the CAT scans tell us of injuries that have already occurred. We must find ways to get these kids out of the ring before they develop problems. And a normal MRI is not the whole answer.

Another proposal is an arbitration panel overseen by the ABC that would have a physician, a regulator, and a state AG that if there is a question of a Julio Cesar Chavez, that no, they can't go to another state and just fight, but they go to this arbitration board and their promoter, who wants to make money off of these kids, has to pay for that, but then this arbitration panel can look at how they were in the gym, how their last fights are, if their skills are deteriorated and then tell us, can they go back in the ring without more danger. Again, this is an inherently dangerous sport. We can't take all the danger out, but we have got to try.

All right. The Boxing Reform Act. I am not sure that boxing is reformed yet. The ratings boggle my mind. I see championship fights in which both kids lost their last fight. I see the IBF, where some of the officials admit to taking bribes to get their kids ready.

I see situations where I love the sport and I understand the sport, but I don't understand what's going on, and I'll give you one example. And I am not picking on anyone, but Mr. Mike Tyson. He is rated number one by one organization. He is rated 7th in the WBA. He is rated 8th in the IBF. He is not rated in the WBO. The only reason I bring this up to you is that now he is mandatory. The champion has to fight him or lose his belt.

I am not here to debate if Mr. Tyson is the right person, but I am here to say that the champions shouldn't be in that position. And a suggestion that I make is that the mandatory comes out of the top three challengers, not the number one challenger.

I believe that the biggest problem legally is disclosure. The fighter gets a purse. You already know how many pieces of that purse are taken from him. What we need to look at next is the money that is involved that he doesn't know about. The money that was there for that fight that the fighter never even knows before he has to pay his 30 percent.

The sanctioning bodies do serve a useful role. This is a world sport and it is very difficult to follow fighters in other countries. We need some international structure. Some of the international organizations like the WBC do a good job, but for the beneficial role to continue, they must play by reasonable rules.

I am just going to give you a minute of what we have done in Nevada. AB 446 is new legislation that will allow the Nevada State Athletic Commission to register or in other words license all sanctioning bodies and the TV networks. It has never been done before. We have also significantly broadened our definition of manager so that we can license so-called advisors. We are currently publishing a 150-page book, Ringside and Training Principles that will be given to all of our licensed fighters and assist them in their career. This will cover everything from how to pick a mouthpiece to what to do before signing a contract.

We have contributions from some of the foremost trainers, nutritionists, match makers, lawyers and former boxers in the sport. Current and past drug usage will be covered, along with where to go for help. This will be available June 23rd in Spanish and English. My last current is——

The CHAIRMAN. This right here, right?

Dr. HOMANSKY. Yes, sir. That is not the completed copy, but that is the beginning. The state commissions are integral to this sport. They best understand how the sport should function in their state and how it should be regulated. Their role needs to be strengthened, not decreased. There is a role for oversight and I hope that the government helps the ABC in that oversight rule. But the state commissions are very viable and are improving under your guidance. Thank you.

The CHAIRMAN. Thank you, Dr. Homansky. I hope that is true. Mr. Sirb, welcome back. We are always pleased to see you and thank you for your many contributions and leadership in the sport of boxing.

**STATEMENT OF GREG SIRB, PRESIDENT,
ASSOCIATION OF BOXING COMMISSIONS**

Mr. SIRB. I appreciate it, thank you, Senator McCain. My name is Greg Sirb. For the past 4 years I have been President of the Association of Boxing Commissions. For the past 11 years, I served as the Executive Director of the Pennsylvania Athletic commission.

The ABC is a registered nonprofit group comprised of 53 members which are all the state commissions and now many of the Indian tribal commissions that are formed. Let me give you some statistics for the year 2000 that we just put together. 822 professional boxing events last year. It was actually a decrease of 2.5 percent from 1999. California again staged the most events with 102, followed by Nevada, 64, Texas, 56, Pennsylvania, 45, and Florida, 40.

Today, with the federal ID card, we now have registered, a little over 8,400 professional boxers in this country. And it should be noted that in the year 2000, the United States continued to be the leader in boxing with 63 of 153 world title fights, over 41 percent held within our borders.

Let's talk about the current status. In 1996, when we passed with great enthusiasm the Professional Boxing Safety Act, two big improvements were made, especially at the commission level. The first was the federal identification card. This card, which is partly comprised of a six-digit number on this card was the first time that state commissions could accurately track a boxer from state to state on his win-loss records and his medical problems. This card was established by the ABC at no cost to state commissions.

The second major part was the national suspension list, which is now on the Internet at www.sportsnetwork.com. This was an integral part in ensuring that no boxer could fight while under medical suspension. The ABC developed this, put it up on the Internet and it is probably one of the most widely used sites in professional boxing.

These two steps that were implemented through that act helped improve the safety and quality in this country unbelievably from what it was just 2 or 3 years ago.

The Ali Act of 2000 brought what I consider three significant changes. First, the disclosures which Dr. Homansky briefly touched upon. It is the first time that the boxers have a general understanding of what types of revenues and expenditures he is looking at. As a part of this, the ABC, together with NAAG, National Association of Attorney Generals, put together a boxer's bill of rights which I have copies of that tell the boxer what his rights are under this disclosure and what questions he can ask about disclosures.

The second provision was about coercive contracts. I think with the coercive contracts it finally gave the boxers and their managers a little bit more of an open market on who they may want to deal with. The third is the ranking of boxers. I agree with Dr. Homansky, that needs to be improved but at least by forcing the boxing organizations to disclose who is on the rankings Committee, what their criteria is and letting the boxers have a say in that criteria, which the Ali Act lets them.

Many boxers I know firsthand have written organizations demanding why their rankings have changed. As further provisions in this act, the ABC developed general ranking criteria which, copies are available in my testimony, that we have asked the sanction bodies to follow.

Trouble spots. Obviously number one is the enforcement of the acts. We have had some problems. Giving the enforcement over to the state attorney generals has not worked out as well as we have thought.

Second, there definitely needs to be a more uniform process for handling bout agreements, boxer-manager and boxer-promoter contracts. My feeling and strong feeling is that these contracts need to be on one universal form. They need to have binding arbitration attached to them, and they need to be in one central location.

In the Rahman situation, if we had one central location of the forms where the contracts were in front of one group, the situation could have been handled within days just like they do at major league baseball, just like they do in football. It does not have to go to court time and time again so that our sport is stopped until we find out who the real champion is.

The third is sanctioning bodies need to be licensed. They can no longer control or police their own activities. There needs to be some agreement among the sanctioning bodies that are forced upon them of general ranking practices and general business practices.

Fourth, there needs to be put some sanction on those states and Indian tribal commissions that have not kept up to speed, antiquated rules and regulations that are enforced in some states that put the boxer in financial or worse, health and safety dangers.

And fifth, there needs to be an agreement on the type of medicals. We have talked about the medical data bank in the past. It needs to be done, but there needs to be a system available to pay for it. If we are to say all boxers need an eye exam or need an EKG, there needs to be a corresponding system that says who pays for that.

If you are going to say the boxer pays for that, you are going to take away over 80 percent of the fighters in this country. There needs to be a system for funding that.

And last, there needs to be a formation of some type of pension system for retired boxers. It is something we have talked about time and time again but in a sport where millions are made in one night, there must be a share of the wealth from all the sort of called club fighters that have helped that million dollar fighter get to that level.

Overall, boxing has improved with the federal laws, no doubt about it. We need to still have more uniformity and more professionalism. My feeling is that the ABC can accomplish that with some further stringent rules and regulations working with the state commissions. I thank you for your time.

The CHAIRMAN. Thank you. Mr. Goossen. Welcome.
[The prepared statement of Mr. Sirb follows:]

PREPARED STATEMENT OF GREG SIRB, PRESIDENT,
ASSOCIATION OF BOXING COMMISSIONS

Good Morning:

My name is Greg Sirb. For the past 4 years I have been the President of the Association of Boxing Commissions—the ABC and for the past 11 years I have been the Executive Director of the Pennsylvania State Athletic Commission. The ABC is a registered non-profit group comprised of some (53) members including all state boxing commissions in the U.S. as well as many of the Indian Tribal Boxing Commissions that have been formed.

For this past year (2000) there were 822 professional boxing events held in the U.S., which represents a decrease of (2.5 percent) over the previous year. The state of California staged the most boxing events with (102) followed by Nevada (64), Texas (56), Pennsylvania (45) and Florida with (40). Today there are over 8,400 registered boxers in the U.S. It should be noted that in the year 2000 the U.S. continued to be the leader in professional boxing activity with 63 of the 153 world title bouts (41 percent) held within our borders.

My testimony before you today will focus on two parts: first, the status of the game today especially as it pertains to the two federal laws, and second, the changes that still need to be made.

Current Status—with the passage of the Professional Boxer's Safety Act in 1996 two major regulatory changes were made that most definitely improved the sport of boxing. *First was the introduction of the federal identification card*, which is a 6-digit number that identifies each individual boxer and is used to accurately track a boxer's win/loss record. This I.D. Card has helped boxing commissions to essentially eliminate the practice of boxers trying to use various names or aliases as well as trying to falsify their boxing records. Because of this, accurate record keeping has greatly improved. With all boxing records now being sent to Fight Fax, which is the central registry for all records in the United States, boxing commissions now have up-to-date and accurate information on all boxers so as to help the commissions make a more informed decision on whether to allow a particular match-up.

The second major part of the Professional Boxer's Safety Act was the creation of the National Suspension List, (which is at www.sportsnetwork.com) which ensures that boxers competing are not on any type of medical suspensions. By putting this information online all boxing commissions, as well as promoters, managers and the boxers themselves, can easily determine if a particular boxer is on suspension and the reason why.

These two steps, which have been implemented through the ABC, have no doubt improved the safety and quality of professional boxing in this country.

With the passage of the Muhammad Ali Act in 2000 three more significant changes were implemented. *First the mandatory disclosures* that are now required for promoters and sanctioning organizations. These disclosures have for the first time given the boxers a general understanding of what type of revenues are being generated from the fights and what expenditures are being deducted from their purses. These disclosures have greatly improved the financial education of professional boxers and have acted as sort of a "sunshine law" on the sometimes-confusing world of revenues and expenditures surrounding championship fights.

Second, the provisions concerning coercive contracts. These provisions have entitled boxers and their managers to have a more open market when dealing with certain promoters.

Third, are the provisions dealing with the rankings of boxers. By forcing the boxing organizations to disclose their ranking criteria and forcing them to respond to boxers who have questions about these criteria and their own rankings the boxers and the boxing public have become better informed on how this whole ranking process works. There have been a number of boxers who have taken advantage of these provisions so as to get a better understanding of how they are being ranked and why their respective rankings have changed. As per these provisions the ABC has developed the objective criteria for how the rankings should be handled. Copies of these criteria are included in my testimony.

Improvements/Trouble Spots that need to be addressed—*First, the enforcement of the two federal laws needs to be improved.* Without proper enforcement these laws are useless. The current system of letting the various State Attorney Generals handle these issues has not been working. *Second, there needs to be a more uniformed process for the handling of bout agreements, and boxer/manager and boxer/promoter contracts.* These contracts should be on one universally accepted form that must include the provision for forced arbitration so as to settle any contractual disputes in a much more timely and cost effective manner. The contracts must also be on file in one central location so that all parties can readily attain information on a particular boxer's contractual situation. The current system of how commissions compile and enforce these contracts is a mess! *Third, sanctioning bodies need to be licensed through a national group.*

It is only through this process that sanctioning bodies would be forced to agree to some generally accept business and ranking principles. *Fourth, there needs to be sanctions put on those state or tribal boxing commissions that do not up-hold the federal laws or that have antiquated rules/regulations that put the boxer in either physical or financial danger.* Such things as requiring that an ambulance along with paramedics and proper equipment be at ring-side at all times, that the promoter is bonded in a certain amount to ensure all boxers and other bills, including insurance coverage, are paid in a timely fashion, that all boxers agree to and sign a bout contract before each bout, and that procedures are developed to ensure that these bout contracts are up-held by both the promoter and the boxer (so that boxers cannot sign a bout agreement and then not show up) and that all payments agreed upon on these bout contracts are made.

Fifth, there needs to be some agreement on the type of medicals that are needed for licensure of professional boxers and a system to pay for them. The current medical requirements vary greatly from state to state as does who is responsible for the payment of these exams—such as (EKGs, EEGs, Eye Exams). *And lastly the formation of some type of pension system for retired boxers.* In a sport where millions are made in one night there needs to be some system set-up so that the wealth is shared, to some degree, with all boxers and not just the privileged few.

Overall I feel that boxing in general has improved as a result of the federal intervention. But there is still no question that professional boxing, especially at the commission level, is still lacking in three basic areas, Uniformity, Professionalism and Consistency.

I would like to thank the Members of this Committee for the opportunity to testify before you this morning and would be willing to answer any and all questions that you may have.

Association of Boxing Commissions Criteria for the Ratings of Professional Boxers

*As mandated by federal law—the Muhammad Ali Act-Section-11, the ABC has approved the following ratings criteria that all sanctioning organizations shall follow:

- 1) Ratings must be solely based on win/loss records, level of competition and activity. Records of any top (10) rated boxer must be verified.
- 2) No boxer can be rated in more than one division.
- 3) For a Boxer to be rated in the top (10) and to compete for a world title he/she must have competed in at least (2) 10-round bouts. To stay in the top (10) he/she:
 - a) must compete at least once during a 12-month period from the time the boxer gets rated and also must compete within (6) pounds of his/her rated weight and;
 - b) must have competed against another top (15) rated boxer within a (18)month period from the time the boxer gets rated.

A boxer who does not meet this level of competition shall not retain his/her rating. Exceptions can only be made for injuries.

- 4) If a top (10) rated boxer losses to an un-rated boxer then the rated boxer should be lowered at least one position in the ratings. The un-rated boxer should be considered for a rating somewhere in the top (15).
- 5) If two boxers, are rated in the top (10) and compete against each other then the following shall apply:
 - a) If the lower ranked boxer wins then this boxer shall be elevated in the ratings and;
 - b) The higher rated boxer shall be lowered in the ratings.

The above criteria shall take effect immediately

Table 1. Contribution of 24 of Most Heavily Advertised Drugs (DTC Only) to Overall Change in Total Retail Drug Spending and Utilization Changes: 1998-1999

Name	Therapeutic Category	1999 Sales (\$millions)	1999 DTC Spending (\$millions)	Change in Sales: 1998-1999	Contribution to Total Change in Drug Spending: 1998-1999	Cumulative Contribution to Total Change in Drug Spending: 1998-1999	Change in Utilization: 1998-1999
Claritin	Oral Antihistamine	2,591.1	137.1	21.1%	2.6%	2.6%	14.2%
Prilosec	Antilulcerant	3,849.4	79.4	23.9%	4.1%	6.7%	16.9%
Xenical	Antiobesity	144.7	76.2	N/A	0.8%	7.5%	N/A
Propecia	Male pattern baldness	63.0	71.1	-13.4%	-0.1%	7.4%	-9.1%
Zyrtec	Oral antihistamine	551.5	57.1	31.5%	0.8%	8.2%	25.6%
Lipitor	Cholesterol reducer	2,659.9	55.5	55.7%	5.5%	13.7%	49.5%
Ziban	Smoking cessation	135.2	53.9	-26.4%	-0.3%	13.4%	-31.6%
Flonase	Respiratory steroids (inhaled)	489.5	53.5	37.9%	0.8%	14.2%	27.7%
Viagra	Sexual function disorder	617.0	53.0	18.5%	0.6%	14.7%	26.3%
Nasonex	Respiratory steroids (inhaled)	264.0	52.3	116.1%	0.8%	15.5%	108.2%
Meridia	Antiobesity	123.3	43.5	14.0%	0.1%	15.6%	6.0%
Glucophage	Oral diabetes	1,157.8	43.1	48.7%	2.2%	17.8%	30.6%
Allegra	Oral Antihistamine	523.9	42.8	50.0%	1.0%	18.8%	34.8%
Valtrex	Antiviral	233.4	40.9	35.8%	0.4%	19.2%	24.9%
Detrol	Bladder Control	237.2	39.6	240.4%	1.0%	20.1%	209.3%
Zocor	Cholesterol reducer	1,806.8	35.0	15.3%	1.4%	21.5%	7.5%
Prempri	Menopause	605.5	34.7	25.7%	0.7%	22.2%	17.5%
Zonitig	Anti-migraine	139.7	34.4	88.9%	0.4%	22.6%	79.2%
Flovent	Respiratory steroids (inhaled)	368.0	31.7	61.2%	0.8%	23.5%	55.3%
Paxil	Antidepressant	1,452.3	31.5	15.8%	1.1%	24.6%	10.4%
Celebrex	Antiarthritic	1,276.0	27.6	N/A	7.4%	32.0%	N/A
Singulair	Asthma control	360.0	25.4	212.9%	1.4%	33.4%	200.1%
Antcept	Anti-alzheimer	317.5	25.2	33.8%	0.5%	33.8%	31.0%
Accolate	Asthma control	149.9	25.0	7.0%	0.1%	33.9%	-0.0%
Total: 24 drugs		19,936.7	1,169.7	41.7%	33.9%	33.9%	34.0%
Rest of Market		91,168.8	420.5	14.4%	66.1%	66.1%	5.5%
Total Market		111,105.50	1,590.20	18.5%	100.0%	100.0%	7.8%

Note: N/A implies that drugs had no sales (or negligible sales) in 1998.

Source: American Institutes for Research analysis of 1999 Scott-Levin Prescription Audit and Competitive Media Reporting Data as presented in June, 2000 Med Ad News

**STATEMENT OF DAN GOOSSEN,
PRESIDENT, AMERICA PRESENTS BOXING, LLC**

Mr. GOOSSEN. Senator, thank you again for inviting me. I was here, I think a little over two years ago, and I know it was an uphill battle getting that Muhammad Ali Act into law. And I know the struggles that you endured doing that, but it is what brings me back here again, two years later, because we realize that you are our only hope. A little over 20 years ago and many gray hairs prior, I got into the boxing business and I made a vow back then. I really didn't have as good an understanding obviously as I do today, but

I made a commitment to myself that I felt I was an honorable person getting into this business. And I said I never wanted this business to change me. And I didn't really give much thought back then to changing the business.

Through the years, I realize that just not having the business change me wasn't good enough. I had to make sure that I could do whatever I could to help change this business, and promoters alone, state commissions, boxers, it can't be done individually. It has got to be done with someone that takes the bull by the horns, someone like yourself, Senator, and I applaud you for that. And that is why I sit here today. I am going to probably please some people. Rather than read my testimony, I would like to make sure this gets into the record.

The CHAIRMAN. It will be made part of the record.

Mr. GOOSSEN. Thank you, Senator, and really to go into all the different details that Greg just went into and Dr. Homansky, and I am sure Pat English and Kirk Hendrick are going to have some valuable information for us to improve this business. I think rather than reading my testimony, what I'd like to do is support you in making our business one that people can look at and be proud of, fans, boxers, promoters.

I mean, right now being a promoter, Senator, as you know, I am glad to see that Dr. Homansky didn't include me on the negative of the promoters, but it is something that I am constantly living down. I certainly don't mind having that on the shoulders, but on the other hand, I'd like to make a promoter a word that is someone that is an honest businessman, someone that is out there to escalate the fighter's earnings, be doing it ethically and doing it honorably and also making a living myself, because I am in this business to make a living. And I know it can be done.

The Ali Act is a great second phase of your plan. We need, as Greg mentioned and Dr. Homansky mentioned, we need an authority figure that oversees all the boxing, that is able to dole out penalties for people that violate your law. Without that in place, as effective as the Ali Act has become for us as an industry, until we can curb the illegalities that are constantly in front of us and we point to the recent situation with Rahman and Lewis, one of the biggest events that could happen in our industry, and it is being dragged down again. I am part of the problem, okay, but I have got nowhere else to go.

The problem I have is I have got an organization, the IBF organization, that are ignoring their rules and regulations, and the only vehicle I have got to overcome them ignoring the rules and regulations is going into a court of law. I don't want to go in a court of law. I have got attorneys on staff. It is a very litigious business, and that is one of the downfalls that we have, Senator. We have got to take it out of the court system.

How do we overcome it? We overcome it by having a national commissioner, a commission of unquestionable character, integrity. A panel of three, four, five men, women, people that we can rely on in making sure the organizations, the promoters, the boxers, the managers, whoever they are, live up to the standards that you have been pushing for all these years.

We need binding arbitration. I heard, I think, both witnesses right now mention that. We need binding arbitration. We need the systems in place that we have in the other sports industries where there is very little civil action and all done in-house, and I feel that every aspect of what your drive is, and I know you have got a busy schedule and for you to take the time to watch over our business, I want to make sure that we accomplish the goals that you have got out there that are our goals sitting here and we need to get this industry where if someone violates one of—the Ali Act or any other violation that we have, state level, contract level, that there is a commissioner that oversees it, keeps it in-house, punishes that person, because without punishment, Senator, as you know, we can use the court systems to our advantage for being unethical.

Whatever you need from our end, any type of input, anybody on my staff is available for, and again, Senator, I applaud you and it is an honor to be here and I know that with your insistence, our industry is going to change and it is going to change for the better. Thank you very much.

[The prepared statement of Mr. Goossen follows:]

PREPARED STATEMENT OF DAN GOOSSEN, PRESIDENT,
AMERICA PRESENTS BOXING, LLC

Good morning and thank you for inviting me to participate in these necessary efforts to make changes in the way our industry conducts its affairs. My name is Dan Goossen and I am President of America Presents. We promote in excess of 40 events a year Worldwide. I have been involved in boxing for over 20 years and was the only Promoter serving on the NAAG Boxing Task Force which formulated recommendations ultimately incorporated within the Muhammad Ali Boxing Reform Act.

I had the honor of speaking before this Committee approximately 2 years ago. Since that time, under the guidance and leadership of Senator McCain and your Committee, the Muhammad Ali Boxing Reform Act was enacted into law. The principal stated purposes of the Ali Act are:

- (a) to protect the rights of professional boxers by preventing exploitive, oppressive and unethical business practices;
- (b) to assist State Boxing Commissions in their efforts to provide more effective public oversight; and
- (c) to promote honorable competition in professional boxing and enhance the overall integrity of the industry.

I am here today to offer my thoughts on certain aspects of the Act and, more importantly, recommendations responsive to accomplishing the overall stated purposes of the Ali Act. We should all understand that the Act and its implementation is a work in progress, a law which will evolve over time.

My objective today is not to get very specific in these discussions. Our company would be pleased to submit supplemental documentation addressing specific provisions of the Ali Act and suggestions to best accomplish the stated purposes. What I will do before this Committee today is to outline examples whereby some form of intervention appears necessary to ensure that our industry regains the necessary public confidence, as well as briefly discuss certain gains that the Ali Act has accomplished since its inception.

The requirement for each professional boxer to have a federal identification card in all jurisdictions permitting the various Boxing Commissions to act in a reciprocal manner to cross-reference fight records, health considerations and other important criteria pertaining to the boxer has been a tremendous asset to the industry. The awareness of the requirements to comply with the Act has also enhanced honorable competition in boxing.

Along with these accomplishments, we strongly support a form of National Commission that will have at its helm an individual or individuals of unquestionable integrity, character and knowledge of the boxing industry. Specifically, as part of this National Commission, we would support binding arbitration whereby massive paperwork and clouding of the issues can be minimized permitting a knowledgeable

authoritative body to address specific relevant issues as opposed to ancillary and sometimes irrelevant factors.

The goal of preventing coercive contracts, conflicts of interests and other areas outlined in the Ali Act can be enforced with a National Commission overseeing compliance. In the absence of a national governing commission, the legislation is adversely affecting promoters that have acted properly, but seemingly not impacting those promoters with the substantial financial wherewithal to act first, and deal with the legal consequences secondarily. The recent activity in the Heavyweight Division is potentially a circumstance whereby "deeper pockets" and the legal system are being utilized as a sword in lieu of honorable and ethical business practices.

The Ali Act addresses "coercive contracts," and limits the timeframe in which the promoter of a boxer can receive so-called "options" on an opponent challenging such promoter's boxer. Simply stated, the Ali Act prohibits the granting of options to the promoter of an opponent extending beyond one year. This provision is circumvented by certain promoters simply not offering a deserving opportunity to a boxer that the promoter does not have under a promotional agreement. By further example, promoters have attempted to include in its own agreements language whereby a boxer is, in essence, waiving any such coercive tactics!! Moreover, there are boxers that are required to extend the term of their promotional agreement every time the boxer steps into the ring, despite the existence of a promotional agreement with a stated expiration date with his promoter. It is a regular practice among certain promoters with the financial wherewithal to withstand the scrutiny and potential legal consequences.

Another area specifically addressed in the Ali Act are conflicts of interest and the need for a firewall between promoters and managers. I want to be the first to say that a family relationship alone should not create a conflict of interest, but the manner in which it is implemented and the existence of separate financial arrangements between such family members, which are not disclosed to the boxer certainly may create a conflict of interest and the Act should have a remedy short of having to proceed through the judicial system in a costly and time prohibitive manner.

In conjunction with certain of the intentions of the Ali Act, the promoter also needs his protection/rights upheld by the boxer pursuant to their Agreement. A boxer may refuse to participate in a bout unless he receives, what he rightfully considers, to be fair market value. In certain instances, however, such financial requests are not based upon the economic reality of the particular event and as a result promoters are faced with unreasonable financial requests or refusals to accept bouts by boxers. Such consequences create potentially legal considerations whereby a boxer may assert that the promoter has failed to provide agreed upon bout opportunities of which, once again, the only recourse is the judicial system. An example once again is the recent activity in the Heavyweight Division whereby a boxer tried to leave a promoter two years ago at the behest of another promoter, substantial dollars were expended to prevent such unlawful acts and that case is still ongoing, and now similar circumstances exist today with the same parties.

If there is one area that this Committee, in our opinion, should emphasize as a priority is to ensure the purposes of the Ali Act are being enforced through the establishment of a National Commission. Our industry is litigious by nature, and the manner in which litigation is used to the detriment of ethical business practices must be addressed. Any legislation proposed or enacted by this Committee without some sort of dispute resolution system is easily thwarted. While litigation is present in every industry, it is much less existent in other major sport industries. Litigation in the boxing industry has become a "free for all" where deep pockets and boxer sympathies seem to prevail, to the exclusion of valid agreements. This is where federal legislation is needed to establish a National Commission to foster good and ethical business practices. Nothing else will work. In one fell swoop, this Committee would put all licensees, promoters and boxers on equal footing. No promoter should have a legal disadvantage based on not having "deep pockets," and no boxer should hold an edge based upon perceived sympathies irrelevant to the merits of the case at hand.

A National Commission with the proper authority would immediately take boxing out of the courtroom and all licensees would be required to abide by the letter of the law and established and enforceable rules and regulations of such National Commission, or suffer the consequences for violations.

Furthermore, the leadership values of a Marc Ratner, the current Executive Director of the Nevada Athletic Commission and uniformly accepted as a person of unquestionable integrity, knowledge and character, would be a tremendous choice to head up a National Commission. This would be the single most significant change this Committee could do to bring boxing into the 21st century. This would create

an equal playing field and one that would not tolerate violations inconsistent with the purposes of the Act.

We request that your Committee immediately seek implementing changes necessary to once again reestablish the public trust in our sport and that the promoters, as well as everyone else associated with the sport, be responsible and accountable for their actions in a uniform and consistent manner whereby the deceptive and coercive practices by some are reprimanded from the violative practices and that the free market system that applies to other business, not only the sports industry, can be applied to the boxing industry.

I thank you once again for your time and honor of speaking before this Committee.

The CHAIRMAN. Thank you. Thank you very much. Mr. English, welcome.

**STATEMENT OF PATRICK ENGLISH, ATTORNEY,
DINES AND ENGLISH**

Mr. ENGLISH. Good morning, Senator McCain. In 1998, I testified before this Committee and my testimony then began as follows: "Imagine a major professional sport where the rules change as the participants cross state lines. Imagine a professional sport where contracts valid in one state are invalid in another. Imagine a professional sport where a team owner can be banned by one state's regulatory agencies and have multiple allegations of fraud against him, some alleging fraud against his players and yet still be permitted to do business without the slightest effort to investigate by the regulatory bodies of other states where the fraud was alleged to have occurred.

It is obvious that a professional sport cannot be run that way. And this is precisely the way boxing is being run." That is what I wrote and said in 1998.

Without the slightest doubt, the Muhammad Ali Act has improved some of the abuses in boxing. The anti-coercive provisions of the Act are extremely important. The prohibitions of conflict of interest between managers and promoters is also extremely important. The requirement for a published criteria for ratings and ratings changes is clearly very important.

The CHAIRMAN. But it hasn't seemed to have had much effect.

Mr. ENGLISH. Parenthetically my testimony was going to note that, unfortunately, the requirement for criteria did not include a requirement that the criteria be rationale and the criteria of at least one of the ratings organizations, in my opinion, is wholly irrational. So there is clearly still a problem here.

I happened to be present when the ABC discussed the recommended criteria. There was vigorous debate at the ABC. I would personally have liked to have seen the ABC adopt a stronger criteria which was in fact proposed. Obviously there is a political process there, as well as here, and compromises were reached.

Clearly the health and safety facets of the act and its predecessor have enhanced the safety of boxers tremendously. For actual rules of title bouts, there is now uniformity. However, certain problems identified in 1998 still remain. Generally the states do not have either the resources or the willingness to investigate wrongdoing.

As an example, there was recently testimony in a criminal trial over bribery for rankings and this was what was referred to by Dr. Homansky earlier.

Promoters who engaged in wrongdoing but who assisted the government in the prosecution were punished by very substantial fines, as they should have been if improper actions were authorized by their promotion companies.

However, promoters and managers about whom testimony was given that there were bribes, but who stonewalled, remained completely unscathed and uninvestigated, at least as far as I am aware of.

Now, I would be the last to suggest the presumption of innocence should not apply. However, where there is actual testimony as to bribes and even tapes, videotapes of money being distributed, does it make any sense at all to punish those who cooperated with the United States government and not even to investigate those against whom there is evidence but who have stonewalled. I would suspect that there is no logic to that. I would submit, rather, there is no logic to that.

Despite recommendations for uniformity by the National Association of Attorneys general Task Force on Boxing upon which I served as an advisory committee member, along with Flip Homansky (he was the medical expert), along with Dan Goossen, Kirk Hendricks served on that Committee as the Deputy Attorney General, the business regulation of contracts is extremely inconsistent with contracts remaining valid under law and regulation in some states, but not others. So a contract that might be perfectly valid in New Jersey may not be valid under the laws of Nevada or New York, and vice versa.

Failure to obtain licensure commensurate with what one's actual functions are is a problem. Persons who are either promoters or managers do not license themselves as such. They call themselves bookers. They call themselves match makers. They don't call themselves by what they are. That was a problem that was addressed also by the National Association of Attorney Generals' Task Force, but the recommendations have not been followed yet. Lawlessness in the contractual aspects of the sport is as egregious as I have seen in 20 years. Contracts—

The CHAIRMAN. Example?

Mr. ENGLISH. Well, there is an example. I am going to use two examples. One is not something that is in the press. It is not something that many people care about.

There is a manager that had a contract with a boxer. That manager went to a hearing in New Jersey before the Commission, it happened to be a New Jersey boxer. I was not representing him in that hearing, so I had no interest.

The hearing was held. The boxer presented his case. The manager presented his case and a formal ruling was issued holding the managerial intact. The boxer then went to fight in another state and while the managerial portion of the purse was held, it was not turned over to the manager because of a difference in procedure between in this case New Jersey and another state. They simply couldn't agree on how to get the purse to the manager.

Then the boxer went to fight in a third state, New York. And in that state, the Commission ruled that the ruling of the New Jersey commission was insufficient. The manager would have to go to court. Now, this is not one of the more prominent managers, al-

though he is a regular manager, well-known in the sport. He simply doesn't have the wherewithal to go to court in every single state in which a boxer may fight. Clearly, members of the ABC ought to give full faith and credit to the rulings in such matters of other members.

To highlight a more public dispute, we have reached the point where a prominent promoter brings a suitcase or some allegations say duffle bag of cash to induce a boxer who appears to be under contract to breach that contract. I have submitted to you, to the Committee a sworn statement by the current heavyweight champion about a matter that occurred before he became a heavyweight champion.

He testified that at various times a promoter gave him \$25,000 in cash and later after he signed certain contracts, \$10,000 in cash to breach the contract. This is a sworn statement by the current heavyweight champion of the world.

Well, apparently, the cost of that gentleman's soul increased by 50 fold because rather than \$10,000, the cash recently reported to have been slipped to him by the same promoter who caused the first breach was \$500,000.

I don't know how we solve that. The suggestion has been made, and I have heard it, that we arbitrate. Well, I have been involved in arbitrations and frankly, it may be a good thing, but sometimes these arbitrations are as complex, I must tell folks, as the court proceedings. Sometimes the court proceedings are actually quicker than the arbitrations.

I do not have a solution to utter lawlessness. I do not have a solution to amorality or immorality. The only solution that I can think of is when there is clear interference with the contract, commissions take action, which they have been loathe to do.

There are some very good people involved in the regulation of this sport. I specifically know Greg Sirb, with whom I have collaborated for many years in attempting to come forth with some recommendations to you at various times, to Flip Homansky, who was the premiere ring physician in the United States who cares desperately and deeply about the health and safety of boxers and now has transferred that knowledge to be a member of the Nevada commission, to Marc Ratner of the Nevada Athletic Commission, who I know has liaised with you constantly.

We attended, along with Dan Goossen, Kirk Hendrick and others a seminar in Newark about a year ago, and obviously the same questions that you are asking came up at that, what do we need to do, how do we get a strong centralized authority?

At that seminar, the suggestion was made, and I repeat it today, that the ABC, that an enabling act be passed by Congress which would enable the ABC, which despite what we would like to think is really a very weak organization, to have much more authority than it has now, to effectively become a national commission.

It is states-based, which may be a problem in terms of the competing states' interests. But it is an authority with good leadership and if that leadership continues in the vein that it has for the last many years between Mr. Ratner, Mr. Sirb and others, I am sure it can provide leadership without the necessarily difficulties inherent in a bill that I have just recently seen,

I know that has been introduced by you and I respect that, but I really suspect that the executive branch is not necessarily the best organ of government to oversee boxing.

The CHAIRMAN. That was, I believe you are referring to Senator Harry Reid's legislation.

Mr. ENGLISH. Yes, I am. I thought that you co-sponsored it, but perhaps not.

The CHAIRMAN. No. I did. Go ahead, please.

Mr. ENGLISH. Last time I testified, I came forth with a whole series of solutions. And a lot of them were, various ones, adopted in the Muhammad Ali Act. This time I am here to answer your questions. With the exception of what I have just said, I have no grand solutions at the moment.

[The prepared statement of Mr. English follows.]

PREPARED STATEMENT OF PATRICK ENGLISH, ATTORNEY, DINES AND ENGLISH

In 1998 I testified before this Committee. My testimony began as follows:

Imagine a major professional sport where the ruling change as the participants cross state lines. Imagine a professional sport where contracts valid in one state are invalid in another. Imagine a major professional sport where a team owner can be banned by one state's regulatory authority, can have multiple allegations of actual fraud against him (some alleging fraud against his players) and yet still be permitted to do business without the slightest effort to investigate by regulations in states where the fraud is alleged to have occurred.

It is obvious that a professional sport cannot be run that way—and this is precisely the way boxing is, in fact, run.

Without the slightest doubt, the Muhammad Ali Act has improved some of the abuses in boxing. The anti-coercive provisions of the Act are extremely important. The prohibitions of conflict of interest between managers and promoters is extremely important. The requirement for a published criteria for ratings and ratings changes is clearly very important. I note that, unfortunately, the requirement for criteria did not include a requirement that the criteria be rational, and the criteria of at least one of the ratings organizations is wholly irrational). Clearly the health and safety facets of the Act, and its predecessors, have enhanced the safety of boxers tremendously. For actual bout rules for title bouts there is uniformity.

Certain problems identified in 1998 still remain, however. Generally the states do not have either the resources or the willingness to investigate wrongdoing. As an example, there was recently testimony in a criminal trial of overt bribery for rankings. Promoters who engaged in wrongdoing but who assisted the government in the prosecution were punished by very substantial fine—as they should have been if improper actions were authorized by the promotion company. However promoters and managers about whom testimony was given that there were bribes emerged completely unscathed—and uninvestigated. I would be the last to suggest that the presumption of innocence should not apply. However, where there is testimony as to bribes, and even tapes of money distributed, does it make any sense at all to punish the cooperative parties and to not even investigate those against whom there is evidence but who have stonewalled?

Despite recommendation for uniformity by the National Association of Attorney General Task Force on Boxing (upon which I served as an advisory committee member) the business regulation of contracts is extremely inconsistent, with contracts being valid under the law and regulations of some states but not of others.

Failure to obtain licenses commensurate with what one's actual functions is a problem. Person who are either promoters or managers do not license themselves as such. Instead they go by the rubric of "matchmaker."

Lawlessness in the contractual aspects of the sport is as egregious as I have seen in 20 years. Contracts—legitimate arm's length contracts—means nothing. Allow me to give what I consider to be a particularly egregious example—one which has not made headlines. A boxer sought to break a managerial contract. He had no grounds, but at the request of the parties the Executive Director of the New Jersey Athletic Control Board (which had jurisdiction over the contract), held a full hearing. Both sides were permitted to state their cases in full. He then issued a ruling, holding the contract to be valid.

One would think that would be the end of it—but it wasn't. The boxer then fought in a different state, which did hold the manager's share of the purse, but would not turn it over to him. Instead it tried to pay over the manager's share to the New Jersey Athletic Control Board, which has no mechanism to accept it. The money remains undistributed to the manager. The boxer then fought in yet another state; that state declined to honor the New Jersey ruling at all.

The situation is, obviously, ludicrous. Full faith and credit should be given when a due process hearing has been given and resulted in a determination.

I have deliberately chosen an example of contractual lawlessness which is not *prominently* displayed in the press. It is, unfortunately, all too typical.

To highlight a more public dispute, we have reached the point where a prominent promoter brings a suitcase full of cash—or was it a duffel bag—to induce a boxer who appears to be under contract to breach that contract. I enclose a sworn statement by the current Heavyweight Champion outlining how he was induced by Ten Thousand Dollars (\$10,000.00) in cash to breach a contract prior to his becoming the Heavyweight Champion. Apparently the cost of his soul increased by fiftyfold, because the cash recently reportedly slipped to him by the very same promoter who induced the first breach was Five Hundred Thousand Dollars (\$500,000.00).

In my 1998 testimony I offered a series of suggestions some were ultimately incorporated into the Muhammad Ali Act. However, I confess that I do not have a solution to the utter contractual lawlessness which exists. I am not sure that there can be a legislative solution. My purpose in this regard is simply to report what is one prevalent problem in the boxing industry.

Sworn Statement of Hasim Rahman

SWORN STATEMENT of HASIM RAHMAN, held at the offices of Solovay, Edlin & Eiseman, Esqs., 845 Third Avenue, New York, New York, on September 25, 1998, at 3:20 p.m., before a Notary Public of the State of New York.

Hasim Rahman, having been first duly sworn before a Notary Public of the State of New York, was examined and testified as follows:

Examination by Mr. Edlin:

Question. Please state your name for the record.

Answer. Hasim Rahman.

Question. Mr. Rahman, my name is Richard Edlin, as you know. We have met before. I represent Cedric Kushner Promotions.

I have got a couple of questions for you just to establish certain facts as it relates to you and conversations and communications that you have had with Don King, okay?

Answer. Okay.

Question. Did there come a time in or around April of this year when you received phone calls from Don King?

Answer. Yes, April, May.

Question. Would you describe for me, please, those phone calls and what Mr. King said to you in those phone calls?

Answer. Well, basically he said he would like to have meetings with me concerning my career and he would get further into detail when he sees me, when we meet.

Question. Did you know where Mr. King was calling you from when he made those phone calls?

Answer. Well, yes, I do, because caller ID. So I would see Don King Productions or he would call from a cell phone. It would be a 516 area code. Then I found out later he was in New York. He was calling from New York. He was presently on trial, and he was going back and forth to court. And also—yes, he was in New York for court trial.

Question. Where were you at the time?

Answer. I was in Maryland, Baltimore, at my home in Maryland.

Question. Did Mr. King tell you what he wanted to talk to you about during those phone calls?

Answer. Basically he would summarize conversations, you know, concerning my career; they want me, and I should come up and speak with them right away.

Question. Did you go to visit with Mr. King following those phone calls?

Answer. Yes, I did.

Question. Would you tell me, to the best of your recollection, of the first meeting you had with Mr. King and where that meeting took place?

Answer. Okay. Well, the first meeting took place at the hotel he was staying in. He was waiting for court, and it was basically just about him wanting to sign me and me fight for Don King Promotions and what he could do for me and how he rules boxing.

Question. What did he tell you that he could do for you?

Answer. He said he could get me a title shot within a year to 18 months—no later—and that he could keep me the number one in the world. He said, well, I can't get you number one right now because I got to deal with Butch.

So, he made a deal with Butch Lewis, and he couldn't do nothing about moving him, but as soon as Vaughn Bean fights, I would move right into number one position.

Question. Did he tell you how you would do that?

Answer. Not specifically. He just stated it would be done, that, you know, he would, Bob Lee is his man. Like I said, I just took that Bobby Lee would do whatever King tells him to do.

Question. At the time, did you discuss with Don King whether or not you had a contract with Cedric Kushner Promotions?

Answer. Yes. I did.

Question. What did you tell him about that?

Answer. I mean, I told him I am still under contract with Cedric Kushner.

Question. What did Mr. King say, if anything?

Answer. Well, he said, don't worry about that. And he said he going to get a contract drawn up for me and I would meet him in Florida on the weekend. This was like on Monday I met him, but then maybe on Wednesday, he called me and asked me to come back up to New York. He said he had a contract up there in New York, could I come back up. He got some money to give me—no, he said he want to talk to me. I said, talk, talk? He said, I can't give you money over the phone. You got to come back up. So I went back up the next day, spoke with him.

Question. What period of time was this?

Answer. The exact date? You have the paper. I can tell you the exact date. It was May. The contract, the exact date is on the contract, but that was the day.

Question. This was sometime in May?

Answer. May, right.

Question. You are pretty sure about that?

Answer. I am positive it was May.

Question. This was a second meeting with Mr. King?

Answer. Right.

Question. Where did that meeting take place?

Answer. Same place.

Question. In his hotel in New York City?

Answer. Right.

Question. Did Mr. King show you a contract at that time?

Answer. Yes.

Question. Did he give you money at that time?

Answer. Yes.

Question. How much money did he give you?

Answer. \$25,000.

Question. Had Mr. King ever given you any money before?

Answer. He gave me money every time I saw him. I only met him, was alone with him one prior time. He gave me like \$2,000. He gave my friend \$1,000. This time he gave me \$25,000, and gave my friend \$5,000.

Question. What is the name of your friend?

Answer. His name is Melvin Walker. Everybody knows him as Winkie. I am referring to him as Winkie. That's who I am talking about.

Question. Going back to the second time you met with Don King at his hotel room and he gives you \$25,000 and he gives you a contract, can you tell me anything else about your conversations with Don King at that time?

Answer. Well, he basically was telling me, you know, I shouldn't fight for Kushner anymore, and that I could live off this money until, you know, I am ready to start my reign with him. If I need anything, to call him, because, you know, just give him a call. He would take care of him for me, and that we are going to make a good team. We are going to make the championship. He is going to deliver Evander for me. He was the best promoter out there. He rules boxing. He is the best man for the job, telling me a little bit about his history, just that kind of stuff.

Question. Do you specifically recall Don King saying at that second meeting in New York that you shouldn't fight for Kushner anymore?

Answer. Yes, I said I shouldn't and I don't.

Question. He said you shouldn't and don't?

Answer. Right.

Question. That's the meeting that he gave you \$25,000?

Answer. Right.

Question. And your friend \$5,000?

Answer. Right.

Question. Do you recall anything else at that meeting?

Answer. I mean, it is a whole lot. I mean, it is a whole lot. I am trying—I'm sure more things happened that I probably remember. Right now, I can't.

Question. That's fair enough. If there are other things that you recall at a later time, that is fine. I am just really looking to see what it is that you recall as we sit here today.

Answer. Okay.

Question. After that second meeting with King in New York city, did there come a time when you had the opportunity to fight a boxer named David Tua?

Answer. Yes.

Question. Can you tell me how that came up?

Answer. How the fight came up?

Question. Yes. How did you get the opportunity to fight David Tua?

Answer. Well, David Tua is a fighter that a lot of people in the boxing world holds in high esteem and HBO was looking for a replacement for Michael Grant. So my manager and I thought that David Tua was perfect for myself. So we had to convince our promoter to make the fight.

Question. When you say "our promoter," whom are you referring to?

Answer. Cedric Kushner. So we tried to get my promoter, Cedric Kushner, the same feeling as us, saying it is a good fight for us. It looks like a high risk on paper, but it is really an easy fight.

So we sent back and forth and they finally came up with something that everybody believed in the fight, so we made the fight.

Question. Did you call Cedric Kushner and ask him to make the fight for you?

Answer. Yes, I did.

Question. Eventually did Mr. Kushner make that fight?

Answer. Yes, he did.

Question. Were there contracts signed in connection with the fight between yourself and David Tua?

Answer. Yes.

Question. Were those contracts known as bout agreements, to the best of your knowledge?

Answer. Yes.

Question. Did you sign a bout agreement for the David Tua fight?

Answer. Yes.

Question. Was that fight to take place on September 26th of 1998?

Answer. Yes.

Question. About when do you recall the fight with Tua being made, about what time?

Answer. What date?

Question. Yes.

Answer. Well, you can get the exact day. It was a press conference for Lennox Lewis, Zeljko Mavrovic. That was the exact date is that the fight was really made and announced.

The press conference, I am sure that day it was documented, that date that the press conference, you know, I was on the phone with Cedric when they announced it. He told me they have a deal and they announced the fight.

Question. Following that press conference, what did you do to begin to get ready for fighting David Tua?

Answer. We set up training camp in Phoenix, Arizona. I went out to Phoenix, Arizona to start training, getting ready; sparring, running, training, weight lifting, doing the whole regimen you normally do before a fight.

Question. Did you have a trainer?

Answer. Yes, I did.

Question. Who was that?

Answer. Chuck McGregor.

Question. Was he with you in Phoenix, Arizona?

Answer. Yes.

Question. About when do you recall going to Phoenix to start training for the Tua fight? Was it the 4th of August?

Answer. First week in August.

Question. After you began training for the David Tua fight in Phoenix, Arizona, did there come a time when you received any communications from Don King?

Answer. Yes.

Question. Can you tell me when the first of those was?

Answer. I don't know the exact date. I can find out the exact date.

Question. In relation to your going out to Phoenix is really what I am interested in.

Answer. Okay, it was maybe—I was out there for maybe 3 weeks, about 3 weeks in the training camp.

Question. Did Mr. King give you a call?

Answer. Yes.

Question. Do you know where he was calling you from?

Answer. He called me—I think he either called from—all right. Wait a minute. His lawyer called me, had me call him at his house in Ohio.

Question. Do you know where his lawyer was calling you from?

Answer. He was calling you from New York.

Question. So is it accurate that, after you were in training camp in Phoenix, Arizona for a short period of time, Don King's lawyer called you in Phoenix and asked you to call Don King in Ohio?

Answer. Right.

Question. Did you call Don King?

Answer. Yes.

Question. What do you recall of that conversation?

Answer. Don telling me to meet him in Baltimore the next day. He had some important things he needed to discuss with me, like very urgent.

Question. Did he tell you what it had to do with?

Answer. I don't think at that point he did.

Question. But he did tell you that it was very urgent that you meet him the next day?

Answer. Well, I knew what it had to do with actually because his lawyer told me what it had to do with.

Question. What did his lawyer tell you it had to do with?

Answer. His lawyer told me about the fight, Hasan Murphy, the lawyer's son told me, why am I taking this fight? I don't need this fight. Don got a plan and I should stick with the plan and I should give Don a call. When I called Don, Don said, you know, I need to speak with you face-to-face, you know, you can meet me in Baltimore tomorrow. You know, we have a lot of things to talk about. I have some things to tell you.

Question. Now, the call that you received from, did you say Hasan Murphy?

Answer. Right.

Question. Is that the son of Don King's lawyer?

Answer. Right. I think he worked the case also, so he was like part of the team too.

Question. Hasan Murphy is also a lawyer?

Answer. Right.

Question. A lawyer who works for Don King?

Answer. Right.

Question. Did Mr. Hasan Murphy tell you that he was calling at Don King's request?

Answer. Yes.

Question. Did you meet Don King in Baltimore?

Answer. Yes.

Question. Where did you meet?

Answer. Originally we met at a restaurant. Then we proceeded to like a press conference at Legg-Mason, L-E-G-G-MA-S-O-N.

Question. Do you recall what restaurant you at?

Answer. We met at the Prime Rib.

Question. During the time that you spent with Mr. King in Baltimore, did you have any discussions concerning your fight with David Tua?

Answer. Yes.

Question. Can you tell me what you recall of those conversations?

Answer. Well, basically, that Tua wasn't in the plans, and that I don't need Tua. That we can go to number one. We don't need Tua. Tua was behind me and that it really is a step back to take this fight, and that nobody has my best interest in mind when making this fight.

Question. Did Mr. King tell you that Cedric Kushner did not have your best interests in mind?

Answer. I'm not sure if he told me at this time. I think maybe he told me that the second time I saw him, after I went back again.

Question. But in Baltimore, do I understand, if I understand you correctly, are you saying that Mr. King told you not to fight David Tua?

Answer. Yes.

Question. At that point in time though you had already signed the bout agreement for the Tua fight, correct?

Answer. No, I didn't.

Question. You hadn't signed it yet?

Answer. No.

Question. All right. But you had taken the fight?

Answer. Yes.

Question. And you were in training for the fight?

Answer. Yes.

Question. And you had agreed to make that fight?

Answer. Yes.

Question. Do you recall Don King saying anything else to you in this meeting in Baltimore?

Answer. Basically, I mean, that really sums it up that meeting.

Question. What happened after that meeting? What did you do?

Answer. I went home and pulled out of the fight, told them that I wasn't fighting. Told my manager and told Cedric Kushner that I wasn't fighting.

Question. Was that as a result of Mr. King telling you that he didn't want you to fight?

Answer. Basically, yes.

Question. What happened next in relation to your involvement with Don King?

Answer. Okay. I went—at that point I was out of the fight and I just—I was laying at home and just thinking about the whole situation. Upon further talking to my managers, I reconsidered and said, well, I am going to go ahead and take this fight because I can win this fight, so I am going to go ahead back to camp, which

is Phoenix. So I jumped right on the plane the next day, went back to Phoenix, went there, signed the bout agreement and was getting ready to prepare to start this fight. Five minutes after I signed the bout agreement, Don King called me, asked me to come out to Vegas, he has some important thing to talk to me about. He had an important person for me to see.

So I said, okay. so they got me—they said they would call me back with my flight information. They called me back with my flight information. So I went out to Vegas and met with him.

Question. When Don King called you, you were in Phoenix at the time.

Answer. Right.

Question. And he was in Las Vegas?

Answer. Right.

Question. Did Mr. King arrange for your airfare to Las Vegas?

Answer. Yes.

Question. And you flew to Las Vegas, right?

Answer. Yes.

Question. Did you meet with Mr. King at that time?

Answer. Yes.

Question. Where did that meeting take place?

Answer. At his home.

Question. At his home in Las Vegas?

Answer. Right.

Question. What can you tell us about that meeting in Las Vegas?

Answer. Well, Don King told me that I can't win this fight. I can't beat David Tua in and out the ring. That Cedric Kushner doesn't really care about me losing this fight because he knows that I am leaving him and coming to him, leaving Kushner and going with King and he can't do nothing with it, and that the judge was not going to let me win that fight. That I had to really knock Tua out.

If I didn't, there was no way I was winning that fight, and he said—he told me that stay for dinner, stay overnight, that he had some things to tell me about, that I don't have to take his word for it.

The president of the IBF, Bobby Lee, was flying in tonight. He would tell me out of his own mouth that Kushner is not with me, he is against me. I could stay around and meet him. He would be in later this evening. He would put me up at the Hilton for the night. Bobby Lee would tell me himself.

He said you don't have to take my word for it. Bobby Lee would tell me everything I need to know and more. This is not the man I need to be with. He don't have my best interests at heart.

Question. Did he ever explain to you what he meant when he said that Cedric Kushner didn't have your best interests at heart?

Answer. Well—he said that Cedric and Main Events didn't have my best interests at heart. What I took from that was that Cedric Kushner was conspiring to have David Tua win the fight.

Question. Can you describe for me in what way Mr. King explained that Cedric Kushner was conspiring with Main Events against you?

Answer. Well, he said that Kushner and Main Events was coming away with Tua and I was going to be empty, coming to him empty, and, you know, Tua was going to move right into the number one spot.

Question. In the course of that explanation, did Mr. King ever say to you directly or imply to you that Mr. Kushner would have a piece of David Tua?

Answer. Yes. I mean, when he said Tua and Main Events is the only winners and I was coming away—coming to him empty, then what I took from it was that Tua was going to go ahead to the number one spot and fight for the championship and they would have plenty of money to divide amongst themselves and I would probably fall out of the top 10, whatever.

Question. “They” being Main Events?

Answer. Main Events and Kushner.

Question. Did Mr. King ever give you any money at that meeting?

Answer. Yes.

Question. What did he give you?

Answer. He gave me \$25,000—no, he gave me \$10,000 cash.

Question. Aside from the cash, did Mr. King give you any other kind of monies?

Answer. Well, he gave me a check.

Question. For how much?

Answer. \$125,000.

Question. Do you recall on whose bank account that check was drawn?

Answer. Don King Productions.

Question. Were there any notations on that check?

Answer. No.

Question. Was there anything on that check that indicated in writing that it was for a loan or an advance or for—with relation to any contract that you had signed with him?

Answer. Not at all.

Question. He just gave you money at the time?

Answer. He gave me money to make up for the loss of money that I wasn't going to get for fighting David Tua?

Question. Was the money that Mr. King gave you, in your understanding of the monies that Mr. King gave you in Las Vegas, did any of those monies relate to any of the contracts that you signed with Mr. King?

Answer. No. I made sure of that.

Question. You made sure that they didn't relate to it?

Answer. Right.

Question. As a result of those conversations with Mr. King in Las Vegas and his giving you the money that you just described, can you tell me whether or not that had any effect on your participation in the David Tua fight?

Answer. Ultimately it had everything to do with it.

Question. What was the effect of that?

Answer. There would be no David Tua fight?

Question. Now, what did you do after you left the meeting with Don King?

Answer. I went back to Phoenix and the next day I had a meeting with Cedric Kushner, Jim DiLorenzo, Steven Munisteri, M-U-N-I-S-T-E-R-I, Steven Nelson, Robert M-I-T-T-L-E-M-A-N, Mittleman and Chuck McGregor.

Question. What was the result of that meeting?

Answer. The result of the meeting was, I was angry and from that meeting I just went right back to Baltimore.

Question. Did there come a time after you went back to Baltimore that you had any other conversations with Don King?

Answer. Yes.

Question. What can you tell me about those conversations?

Answer. Well, he told me I don't have to fight. All I have to do, all I have to have is an injury, I don't have to fight. Nobody can make me fight. So I should be coming up with an injury.

Question. Do I take it from your testimony that Mr. King suggested to you that you fake an injury in order to pull out of the David Tua fight?

Answer. Yes.

Question. Mr. Rahman, I want to thank you for sitting with us today and providing us with some of the facts and events that have occurred in the last few months.

I am sure that we didn't cover everything today and we might have an opportunity at a later point in time to get into some more issues, but I want to thank you for coming in and talking with us today.

Answer. Okay. No problem.

CERTIFICATE

I, LILLIAN SCHINDLER, hereby certify that the Sworn Statement of HASIM RAHMAN was held before me on the 25th day of September, 1998; that said witness was duly sworn before the commencement of his testimony; that the testimony was taken stenographically by myself and then transcribed by myself; that the party was represented by counsel as appears herein;

That the within transcript is a true record of the Sworn Statement of said witness;

That I am not connected by blood or marriage with any of the parties; that I am not interested directly or indirectly in the outcome of this matter; that I am not in the employ of any of the counsel.

IN WITNESS WHEREOF, I have hereunto set my hand this 25th day of September, 1998.

LILLIAN SCHINDLER

The CHAIRMAN. Thank you very much. Mr. Hendrick, welcome.

STATEMENT OF KIRK HENDRICK, FORMER CHIEF COUNSEL TO NEVADA ATHLETIC COMMISSION, JONES VARGAS

Mr. HENDRICK. Thank you, again, Senator McCain and thank you for taking the time on this important issue to the country. On such a very important day for this Senate and for the country, it is very nice to see that you take the time to listen to us on this issue. By way of introduction, I am an attorney in private practice in Las Vegas, Nevada with the law firm of Jones Vargas.

However, up until about a week and a half ago, I had the honor and privilege of serving as the chief deputy attorney general for the state of Nevada and had the privilege of being the chief legal counsel for the Nevada Athletic Commission for the last 3 years.

In my prepared testimony, I have reviewed several areas where I believe that Nevada has been trying to improve this sport over the last year or so since the Muhammad Ali Boxing Reform Act was passed. And I also included a few suggestions for further improvement at the state and national levels.

Initially I want to say the Professional Boxing Safety Act and the Muhammad Ali Act have shined much needed light into some very dark corners of this sport. As Dr. Homansky alluded to, however, there are so many dark corners in this sport that it can always take more light to be shined upon them to draw out the negative factors.

In the interest of conserving time, I'd like to go over just a few suggestions that I have grouped into the categories of medical protection, consumer protection, and financial protection.

With regard to medical protection, I echo the comments of Dr. Homansky, who is a worldwide respected ringside physician and now a commissioner. I would defer to him on all medical issues, but I want to note one area that would be of great benefit to both fighters and state commissions, and that is a national registry or repository where fighters can send their medical examinations and tests.

I reviewed the bill that was introduced last week by Senator Reid of Nevada and co-sponsored by yourself, Mr. Chairman, and I was encouraged by the fact that the bill does propose just exactly that, a medical registry to be created by federal law.

Even more encouraging is the fact that the bill would require boxers to have baseline testing done before they ever receive their first professional license. This is very important because such testing could track whether a fighter's physical well-being has diminished over the course of his career, and that information could be a valuable tool for determining and knowing when a fighter should retire.

From a legal standpoint, it is also very important that the information be kept confidential. Necessary exceptions could be made for state commissions to review the information to determine a fighter's physical and mental fitness, and also for specifically approved legal, administrative and judicial proceedings. Such a registry or repository of medical information would save boxers the enormous amount of time and money that they currently have in retaking and retaking the same tests every time they go from one state to another state to be relicensed.

The centralization of medical information would also save state commissions the enormous amount of time that is currently spent tracking down medical information from fighters who quite frankly just don't always carry on them the medical evaluations that they have taken.

That has taken state commissions a lot of time that could be better spent on properly regulating this industry.

The CHAIRMAN. Did you hear that recommendation, sir?

Mr. SIRB. Yes.

The CHAIRMAN. Do you agree?

Mr. SIRB. Yes.

The CHAIRMAN. Thank you. Go ahead.

Mr. HENDRICK. Thank you, Senator. With regard to consumer protection, I submit that boxing fans would benefit if every boxing match was governed under the same rules. Currently, as mentioned, the Association of Boxing Commissions has drafted and has enacted unified rules for championship bouts, but the undercard rules continue to be significantly different from state to state.

The consistency of rules for every boxing match will benefit the fighters, the ring officials and also boxing's fans. Consistency will benefit the boxer because it is very difficult for them to protect themselves if they are having to try to remember things like whether or not this particular jurisdiction has enacted and is using the three knockdown rule or not.

Similarly, inconsistency makes it very difficult for referees to focus on a contest when they are having to remember whether or not the rules change from bout to bout. This would be the equivalent of a Wimbledon line judge having to always keep in mind whether or not the lines are in or out, depending on which match they are playing on a particular day.

Finally, consistency will benefit the live and television audiences of boxing, because it is quite frustrating and confusing for the audience and the fans of boxing if they have to keep track of all the rules that change from bout to bout after the announcer mentions them before the fight starts. It is my opinion that more consistency in the sport should translate into more credibility by its fans.

With regard to financial protection, this Committee and yourself, Senator McCain, should be applauded for the measures already taken to protect not only the physical well-being of the fighters, but also their fiscal well-being.

It is no secret that the disparity between the business acumen of boxers and that of their managers and promoters has led to many fighters being taken advantage of. Nevada and several other jurisdictions where boxing is held are continually trying to revise

their laws to ensure that fighters get to keep as much as possible of what they earn inside the ring.

One area where Nevada has had great success is binding arbitration. And with all due respect to Mr. English and his concerns about binding arbitration, I can tell you that in Nevada, it has worked on several occasions. And Nevada, and its commissioners, spend a great deal of time being sure that the fighters have available to them arbitration or alternative dispute resolution measures that can speed up the process and can make it more economically feasible for the fighter. This should be encouraged in all boxing jurisdictions.

The obvious caveat to this, and I think one that Mr. English would agree with me on, is that any arbitrators should be knowledgeable in this sport, the industry and its laws. If they are not, then arbitration will not help because all we do is get a speedier, irrelevant and probably incorrect answer. One way to achieve the objective of having important binding arbitrations that help this industry would be perhaps having a federal grant that could train volunteer potential arbitrators; those with knowledge in the industry who are not trying to economically benefit by helping the boxers and the managers receive a fast and speedy resolution to any disputes under their contracts.

In conclusion, I want to again thank you, Senator McCain, and thank this Committee for not only allowing me to represent Nevada, but I believe all states where boxing is held and for allowing me to offer a few suggestions on how the states and the federal government can continue to work cooperatively together to protect and effectively regulate this very valuable sport.

[The prepared statement of Mr. Hendrick follows:]

PREPARED STATEMENT OF KIRK HENDRICK, FORMER CHIEF COUNSEL TO NEVADA
ATHLETIC COMMISSION, JONES VARGAS

As Chief Deputy Attorney General for the state of Nevada, I had the privilege of being Chief Legal Counsel to the Nevada Athletic Commission from May 1998 to May 2001. Those 3 years proved to be one of the busiest times for boxing in Nevada's history. During 2000 alone, the Nevada Athletic Commission approved and supervised 64 boxing events, containing 387 separate boxing matches. While California leads the nation in total number of boxing events each year, Nevada remains the "Boxing Capitol of the World." Thousands of fans come to Nevada each year to watch boxing, and hundreds of thousands more watch the spectacle that is boxing on their television sets around the world.

Whenever boxing fans gather, someone inevitably asks whether the sport can ever be controlled. Well, I am proud to tell you that in my humble opinion, I believe the sport can be effectively regulated. Indeed, the success that Nevada has achieved would not have occurred without tight regulatory controls, or without good faith cooperation from its licensees.

As a member of the National Association of Attorneys General Boxing Task Force, I had the opportunity to work with legal counsel from 17 other boxing jurisdictions to try and improve the sport. Also through the Task Force, I witnessed people in every facet of this industry eagerly volunteering their time to make this sport better.¹ And indeed, boxing has gotten better over the last few years. Milestones, such as the *Professional Boxing Safety Act* and the *Muhammad Ali Boxing Reform Act*, have shined a spotlight into many of the darker corners of this sport. Unfortunately, there remain so many areas in this sport that could be improved, I could not possibly cover them all within the allotted time. Consequently, I want to speak briefly

¹The National Association of Attorneys General Boxing Task Force culminated its work by releasing an extensive report in May 2000. A copy of the report can be viewed online at http://www.oag.state.nv.us/press/reports/boxing_task_force/table_of_contents.html.

about a few things that Nevada has done in the last year to protect boxers, and then offer a few suggestions for further improvements.

Medical Protection

First of all, let me say that the *Professional Boxing Safety Act* (15 USC §§ 6301 et seq.) has assisted the states' demands that promoters must always protect the health and safety of the fighters. I know that Dr. Edwin "Flip" Homansky, who is not only a current Nevada commissioner but is respected around the world as a leading ringside physician, is one of your witnesses today, so I will defer to him on the medical issues in the sport. However, I wanted to point out two areas where I think Nevada has clarified potential ambiguities in the federal law. I highlight these areas not so much for substance, but rather to illustrate how the states can implement, and hopefully improve upon, national legislation.

In specific, 15 USC §6304(2) requires that an "ambulance or medical personnel with appropriate resuscitation equipment" be continuously at the event. The Nevada Athletic Commission recently had an opportunity to review a similar provision in its regulations; and to prevent any uncertainty, the commission mandated that the ambulance be "available to transport" an injured boxer to a medical facility. See Nev. Admin. Code 467.414(1). While common sense would seem to dictate that the on-site ambulance would be prepared to transport (*i.e.* ambulate) a boxer, it's surprising how many promoters would prefer to simply call "911" if a transporting ambulance is required. While that arrangement might be more cost effective for the promoter, those initial minutes waiting for an ambulance to arrive could be the most crucial in a fighter's ultimate recovery.

The other area in 15 USC §6304 that should be mentioned is section (4). That provision compels a promoter to provide "health insurance for each boxer." Nevada has had a similar statute for years, but recently had to pass a regulation clarifying that the promoter must provide "*primary* insurance coverage" for all boxers. See Nev. Admin. Code 467.149(1) (emphasis added). Again, this point seems to need no clarification, but some promoters are far too quick to try and save a dollar at the fighters' expense.

Financial Protection

Many state commissions have become much more involved in the financial aspects of this professional sport. The commissions realize that they must protect the well-being of the athletes both inside and outside the ring. Likewise, fighters now realize that they must protect themselves at all times in the ring, and they must protect their *wallets* at all times outside the ring.

It wasn't that long ago when fighters were getting "physically beaten" inside the ring and "fiscally beaten" outside the ring. The stories are legendary about professional boxers who made thousands (even millions) of dollars during their careers and then lost it all. One of the greatest fighters of all time, Joe Louis, would have wound-up penniless if it wasn't for the assistance of a few good fans.

As counsel to the Nevada Athletic Commission, rarely did a week go by without me, or my Senior Deputy Keith Kizer, talking to a fighter, manager or promoter about Nevada's boxing contract laws. While the Attorney General's office is prohibited by state law from advising anyone other than state officers and agencies, Senior Deputy Kizer and I always took the time to explain where the individuals could locate Nevada and/or federal law on the subject.² Additionally, whenever it was feasible, Senior Deputy Kizer and I also explained the reasoning behind many of the state's boxing laws. For instance, most of the financial laws surrounding boxing usually occurred for one of two reasons: (1) a need to protect the fighter's interests, or (2) a need to protect the state's interests (*e.g.* tax collection). Historically, most drafters of state boxing laws have believed that managers and promoters possess more business acumen than fighters, and therefore government intervention was necessary to level the playing field. Consequently, almost every law written regarding fighters' purses has been intended to ensure that the fighter gets paid what he agreed upon with the promoter *before* he stepped into the ring. The remainder of the laws regarding boxers' compensation normally seek to ensure that the fighters enter into truthful and knowing arrangements with their managers and promoters. The obvious intent behind such laws is that participants will get paid as much as possible for their services, and hopefully they will be able to hold onto some of that money after their short professional boxing careers.

²It bears mentioning that the Internet has greatly improved this constituent service. For example, Nevada's statutes and regulations concerning "unarmed combat" can be found on the Athletic Commission's website at <http://www.state.nv.us/b&i/ac/regs.htm>.

Although there are many more sad stories like Joe Louis, a few positive financial stories are starting to emerge as well. For instance, Sugar Ray Leonard has become a very wealthy and sophisticated businessman. He recently became licensed as a promoter in the state of Nevada and commented during his licensing hearing that one of his objectives was to help other boxers keep some of the money they earn in their careers. That is a noble goal because there is a very small window of economic opportunity in this sport.

Most boxing fans don't realize that the great majority of professional boxers never earn more than a few hundred dollars per bout. Out of that purse, the typical fighter usually is obligated to pay 33⅓ percent to his managers,³ pay another 10 percent to his trainers, pay an annual license fee for each state,⁴ and pay for medical tests required by each state's athletic commission.⁵ So, out of a \$1,000 purse, a fighter is generally lucky if he walks home with enough money for two good steaks: one for his dinner and one for his black eye.

Although the above breakdown sounds appalling when considering that the boxer just put his physical well-being on the line, it's a whole lot better than the old days when some unscrupulous promoters would come to the boxers *after* the fight and say that ticket sales hadn't gone as well as expected. The crooked promoters would then renege on any signed contracts (if there even were any), and pay the fighters less than promised. Even worse, are the stories about some fly-by-night promoters who would give checks to the fighters knowing that there were insufficient funds to pay all of the bills for the event. Thus, whoever got to the bank first on Monday morning would get paid, the others would not.

Thanks to strong regulation by good athletic commissions, most promoters are now required to post bonds before holding an event. However, those bonds are generally intended to protect the ticket-buying public from a promoter who might abscond with the ticket money or fail to put on a show. In order to protect the fighters from crooked promoters, some states are beginning to require promoters, especially the newer promoters, to put enough money up front before an event to insure that all the fighters get paid. In Nevada for instance, Executive Director Marc Ratner has made it a standard request that any new promoter's license should be conditioned that the total amount of fighters' purses must be placed in advance into the vault at the host hotel. That way, the fighters can get their checks cashed immediately after the fight.

The state of Nevada has taken many other affirmative steps to ensure that fighters actually get paid for the services they provide inside the ring. Such measures have included restricting the monetary advances promoters make to fighters. *See Nev. Admin. Code 467.127*. Historically, such advances were an easy way for underhanded promoters to financially bind a fighter for long periods of time. In essence, the fighter was obligated to keep climbing into the ring simply to pay off prior indebtedness to the promoter. Another area where Nevada has achieved great success is permitting boxers and managers to contractually agree that any disputes will be submitted to binding arbitration. *See Nev. Admin. Code 467.102(4)*. This process has steadily become an important safeguard for boxers who believe their manager is not using his or her best efforts to secure remunerative bouts for the fighter.

Pursuant to Nevada law, when a boxer or manager requests an arbitration, the chairman of the commission must appoint a representative of the commission (traditionally one of the commissioners) to serve as arbitrator in the matter. Customarily, the assignments are dispersed on a voluntarily basis and rotate amongst all of the commissioners. This arbitration process is very significant to fighters, because they can resolve disagreements with their managers in an expeditious manner. Since most fighters' careers are relatively short, they don't have the luxury of waiting for the slow wheels of the judicial system to settle their disputes. Moreover, due to the general disparity between the business skills of managers and boxers, an unscrupulous manager could intentionally try to tie up a boxer's career by filing a civil action. Conversely, by agreeing to *binding* arbitration, both parties know that any conflicts will be resolved quickly and economically.

³Nevada law prohibits a manager or managers from receiving more than 33⅓ percent of a fighter's earnings. *Nev. Admin. Code 467.102(6)*.

⁴Nevada charges an annual fee of \$25 for a professional unarmed combatant's license. *Nev. Admin Code 467.012(5)*.

⁵The Nevada Athletic Commission requires each applicant for a boxing license to have a physical examination, an ophthalmologic eye examination, and negative results on recent tests for HIV and hepatitis. *Nev. Admin. Code 467.027*. Additionally, the commission has authority to order any other "examination or testing" it deems necessary to protect the health and safety of the fighter, his opponent, the ring officials and the public. *Id.*

Sanctioning Organizations

Although the *Muhammad Ali Boxing Reform Act* placed some requirements on sanctioning organizations, it is still difficult to determine how many of these groups actually provide anything useful for the sport. One of the reasons why Nevada is recognized as the “Boxing Capitol of the World,” is because of the number of *championship fights* held in the state each year. During 2000 alone, Nevada hosted 26 world championship fights and 28 continental championships. For each one of those championships, a sanctioning organization made money from Nevada licensees (usually the boxer, but sometimes the promoter). Many of the championship fight cards attracted thousands of fans in person, and hundreds of thousands of more fans watched the events on television; and I would venture to guess that most of those fans didn’t have any real notion of what the organization behind the “belt” actually does for the sport. The more knowledgeable fans would note that the organization “ranks” the fighters in each weight class, and awards a “belt” to the champion in each category. Beyond those aspects however, even the most ardent fan probably could not describe what else these organizations do to earn 3 percent of the champion’s purse.

Because Nevada hosts so many championship fights each year, it is very difficult for someone to sneak anything by the Nevada Athletic Commission. Simply stated, the commissioners, Executive Director Marc Ratner, and his staff have heard all of the stories before.

When it came to light last year that the International Boxing Federation (IBF) was involved in potentially corruptive practices, Nevada took swift disciplinary action against those who held privileged promoter’s licenses in the state and had admitted their involvement in the matter. In summary, Nevada’s Executive Director with legal assistance from the Attorney General’s office, filed public disciplinary proceedings against promoters, Top Rank, Inc. and Cedric Kushner Promotions, Ltd. Discipline was warranted because the presidents of both those promotional companies acknowledged during the IBF proceedings that they had paid the president of the IBF, Robert Lee, money that was beyond the organization’s standard sanctioning fees. After the disciplinary actions were filed, the parties reached stipulated settlements in both cases. The settlements included regulatory fines of \$125,000 against Top Rank, Inc. and \$175,000 against Cedric Kushner Promotions, Ltd. Additionally, the commission placed conditions on each promoter’s license regarding further dealings with sanctioning organizations.

In a related matter, admissions by Dino Duva, the former president of New Jersey Sports Promotions, dba Main Events, caused Nevada’s commission to call that promoter forward into a licensing hearing to explain why it also should not be subject to monetary fines and conditions on any future licenses. The commission ultimately determined that the immediate remedial actions taken by Main Events, in conjunction with the company’s extensive cooperation with the federal government’s investigation, favored re-licensing of the company for the 2001 calendar year with appropriate conditions.

Due in part to the IBF criminal proceedings, and recognizing that sanctioning organizations play a significant role in boxing, the Nevada Athletic Commission decided to study the involvement that the various sanctioning organizations have in Nevada. In November 1999, the commission asked Nevada Attorney General Frankie Sue Del Papa to undertake a comprehensive look at how the sanctioning organizations are structured and how the organizations enhance or detract from the commission’s goals of protecting the boxers, as well as the ticket buying and pay-per-view buying public.

The commission’s *Report to the Governor on the Role of Sanctioning Organizations in Nevada’s Boxing Industry* was presented to Nevada Governor Kenny C. Guinn at the end of April 2001.⁶ The report is the most extensive review of sanctioning organizations ever conducted by Nevada. Indeed, the commission believes that the report is possibly the most comprehensive analysis of sanctioning organizations ever conducted by a regulatory body.

The bulk of the report is an effort to better understand the internal structure and workings of sanctioning organizations. To accomplish this goal, the Attorney General’s office sent letters to eleven organizations that sanction boxing title bouts. Those eleven sanctioning organizations are: the International Boxing Association (IBA), the International Boxing Council (IBC), the International Boxing Federation (IBF), the International Boxing Organization (IBO), the North American Boxing Federation (NABF), the National Boxing Association (NBA), the World Boxing Asso-

⁶A copy of the commission’s report can be found on the Nevada Attorney General’s website at <http://ag.state.nv.us/gaming/sanctioning.pdf>.

ciation (WBA), the World Boxing Council (WBC), the World Boxing Federation (WBF), the World Boxing Organization (WBO) and the World Boxing Union (WBU).

Although varying in detail, all eleven sanctioning bodies responded to the letter. Additionally, Executive Director Marc Ratner, Senior Deputy Kizer and I met with representatives of the WBC, IBA and NABF. Those three organizations provided very detailed information about their activities, as did the WBO. Correspondence was received from two organizations, the WBU and NBA, stating that those entities do not plan to sanction any title bouts in Nevada in the near future. Consequently, those two organizations provided very little information.

Beyond the information voluntarily provided by the organizations, Nevada Attorney General Investigator Jim Freeman also compiled detailed information summarizing the sanctioning fees paid to the organizations from fighters' purses. Investigator Freeman created a chart illustrating that from 1996 to 2000, five selected organizations (IBF, WBA, WBC, WBO and USBA) sanctioned approximately 124 title bouts in Nevada, resulting in payment of approximately \$8.85 million in fees from Nevada licensees to those organizations. The Nevada Athletic Commission hopes to use the report to better understand the sanctioning organizations, and therefore to better regulate the industry.

Having gone through some of the areas that Nevada has improved upon over the past year or so, I would now like to offer a few suggestions for further improved regulation of the sport.

Recommendations

Medical

There needs to be a central repository where fighters can send their medical examinations and tests. In addition to the standard tests, it would be very helpful if all boxers had "baseline" tests conducted before they are able to receive their first professional license. Such testing could track whether a fighter's physical well-being has diminished over the course of his career; a valuable tool for knowing when a fighter should retire.

The information within the repository should be maintained as confidential. Necessary exceptions could be made for state commissions to review the information in order to determine a boxer's physical and mental fitness, and for specifically approved legal, administrative or judicial proceedings.

Such a repository would save boxers the time and money of repeating the same tests each time they apply for a different state's license. Also, the centralization of the medical information would save state commissions enormous time currently spent tracking down the medical information from fighters.

Unified Rules

Every boxing match in the United States should be conducted under the same rules. Currently, the Association of Boxing Commissions has established Unified Championship Rules for title bouts. The consistency of these rules helps the fighters; assists the ring officials and better informs the boxing fans.

In an effort to standardize its rules, Nevada has modified most of its rules to mirror those within the Unified Championship Rules. This is important because it's very difficult for fighters to concentrate on protecting themselves when they are trying to remember things like whether this particular state uses the "3 knockdown rule" or not. Similarly, it's quite difficult for referees to focus on the bout if they are constantly having to worry about the rules changing for different bouts. This would be the equivalent of a line judge at Wimbledon having to remember from match to match whether the lines are *in* or *out*. Finally, uniformity is also better for the live and television audiences, because it's hard to remember all the different rules the announcer goes over before each fight. For instance, some states still use the "3 knockdown rule," but the Unified Championship Rules has no such provision. That difference explains why some fight fans still automatically think that a fight is over when one boxer goes down for a third time in one round.

Arbitrations

As set forth above, the binding arbitration process that Nevada provides is a useful tool for expeditiously and economically resolving conflicts between boxers and managers. The availability of such alternative dispute resolution measures should be encouraged in other jurisdictions. The obvious caveat to such a proposal is that the arbitrators need to be knowledgeable about the industry and its laws. One way to achieve that objective would be to obtain a federal grant for training potential arbitrators about the process and the laws.

Sanctioning Organizations

After reviewing all of the information compiled by the Nevada Attorney General's officer, Nevada's commission is contemplating two changes regarding how the state interacts with sanctioning organizations.

First Recommendation: While the commission does not license sanctioning bodies, the commission does have significant authority to regulate championship *bouts* held in the state. As with non-championship bouts, the commission and/or its Executive Director can refuse to allow a championship bout if it would constitute a probable mismatch.

Furthermore, the commission must approve all championship bouts. Consequently, if the commission believes that it would be detrimental to the sport of boxing and/or the state of Nevada, then it may deny such approval. In addition to a potential mismatch, grounds for such denial could include a sanctioning body requiring its champion to defend against an undeserving mandatory contender.

However, those powers are limited to the approval and regulation of actual bouts. Thus, the commission is supporting Nevada Assembly Bill Number. 446 (AB446) which was introduced by Assembly Speaker Richard Perkins. If passed into law, AB446 will provide the commission with statutory authority to pass regulations concerning sanctioning organizations and broadcast television networks. In essence, the law would allow for "discretionary" registration of sanctioning bodies by the Nevada Athletic Commission. This course of action was necessary because these entities continually come into Nevada, avail themselves of the state's well-regulated industry, then leave the jurisdiction without anyone knowing exactly what role they play in furthering the positive aspects of the sport. If a sanctioning organization or television network is directed to register with the commission, the entity will thereafter be required to submit all requested information, including how the entity receives funds from a Nevada boxing event, how the entity is structured and to what extent the entity expends the collected funds on boxing related causes. The law would also permit the commission to pass regulations explaining what remedial measures can be taken against a sanctioning organization if it fails to comply with the reporting requirements. Such measures could include barring the organization from sanctioning its championship contests in the state. If that were to occur, the bout between the two fighters might still be approved to take place in Nevada; however, the commission could rule that the winner of the fight not be presented with the organization's "belt" in the ring. Furthermore, the commission could instruct that the sanctioning organization not be allowed to have any representatives (aka "supervisors") receive "credentials" for the event. The notion of sanctioning organizations having numerous "supervisors" at fights has potential pitfalls for state commissions, not the least of which is the fact that some of the organizations sometimes forget that it is the governmental body regulating the event, not the private organization. As a result of seeing how some organizations have tried to influence state commissions, Nevada will be considering another possible change to its regulations concerning sanctioning organizations.

Second Recommendation: Many sanctioning organizations request that a supervisor for the organization be sitting ringside to verify the compilation of the judges' scores. While it can be beneficial to have someone "double check" the math of commission personnel, too often more than one person from an organization comes over to see the round-by-round results. This may create an unacceptable situation where an informed party (with an invested interest in the outcome of a title bout) could divulge the judges' scores during the course of the bout. Such action could cause a change in the strategy of one of the fighters.

Consequently, the commission may consider a regulation requiring that only one representative from each involved organization be allowed to sit ringside and see the scores during the bout. Moreover, the name of the representative must be given to the commission at least 48 hours before the bout, and the commission may deny the request for any cause deemed reasonable. In the event of a denial, the organization must immediately submit the name of another representative. Finally, except for emergencies, the representative may not leave his or her ringside seat during the title bout, nor may he signal or otherwise inform anyone of the judges' scores prior to announcement of the winner.

Confidentiality Provision Within the Professional Boxing Safety Act

There is a provision within the *Muhammad Ali Boxing Reform Act*, specifically 15 USC §6307e, which provides that promoters must disclose certain information to boxing commissions. However, there is a later provision in the act providing that if a state cannot statutorily protect the confidentiality of the documents submitted by promoters, then the promoters must submit the documents to the Association of Boxing Commissions. See 15 USC §6307g(b). Although certainly well-intentioned,

that particular provision has proven to be a hindrance—not a help—to Nevada (and possibly other states). Under current Nevada law, the promoters' documents are not statutorily prevented from public inspection (or from inspection by the promoter's business competitors), so Nevada presumes that its licensed promoters have been submitting the required documents to the Association of Boxing Commissions. As a result, not only is Nevada barred from receiving the documents, it also knows that the documents are housed somewhere in another jurisdiction (where they are not helping regulate Nevada's industry). As a consequence of this law, Nevada has been forced to take a backseat to a voluntary organization for the past year. As part of Nevada's AB446, the commission is attempting to rectify the matter by creating an exemption to the state's public records laws. The exemption would make confidential "Any information required to be disclosed to the commission and kept confidential pursuant to federal law." Nevada Assembly Bill 446 at §8. If passed, that revision should eliminate the problem for Nevada, but many other states will continue to experience the dilemma until the law is revised.

In conclusion, I want to once again thank you Mr. Chairman, and all the members of this Committee for allowing me to represent not only Nevada, but all states which host boxing events, and for allowing me to articulate how the states and federal government can continue to work together to protect and effectively regulate this valuable sport.

The CHAIRMAN. Thank you very much, Mr. Hendrick. We are joined by Mr. Roy Jones, Jr. We would like to hear from you, sir. Thank you for joining us.

Mr. JONES. Thank you.

**STATEMENT OF ROY JONES, JR., PROFESSIONAL BOXER,
C/O THE JONES HOUSE**

Mr. JONES. First, I thank you, Senator McCain and this Committee for passing the Muhammad Ali Reform Act. You have started the fight against the people who have brought our sport down to the level it is today. But events in recent days show that much more has to be done.

Does the world really believe that the box-off among Ruiz, Holyfield and Rahman will determine who the true heavyweight champion of the world is? There are many who believe that there are three or four other heavyweights who could beat any of the three. I am at the twilight of my boxing career and most people know I say what I think. I would be willing to do anything to help you help boxing.

I believe the way to get our sport back to the good old days is to provide a league concept, something like the NFL, or maybe baseball, NHL, etc. Every sport has a governing body. We have the television networks and promoters governing our sport. This is a problem. I don't know much about how to do this, but I hope this Committee will study the problem and use its influence to try to legitimately bring the boxing rules back to where they were.

What we have today is a joke. We need some new ideas. We need you and the Committee to bring people together so people who are very knowledgeable of the sport, people who are honest and willing to try to save the sport that we love. Why don't we look at some experts in some of the other sports who also love and know boxing?

In closing, I commend the work that you have done. Please don't stop. Use your influence to try one more time to bring the private sector into boxing so that the changes can be made without legislation. If this fails, then maybe the only other answer is to outlaw those contracts between boxers and those who now control the

sport, the networks and promoters. Thank you for giving me this opportunity. Respectfully, Mr. Roy Jones Jr.

The CHAIRMAN. Thank you, sir. Mr. Jones, who promotes your fights?

Mr. JONES. I do most of my promotion myself, along with maybe, sometimes I use another promoter to help co-promote my fights.

The CHAIRMAN. If you were not at the skill level that you are, do you think you could promote your own fights?

Mr. JONES. No. I probably could not promote my own fights because if I were not at the skill level I am, I wouldn't be able to generate the money, or to get somebody to legitimately come—HBO, they wouldn't expect that I am a boxer. If they don't know you, if you are not a big fish in the sea, they are not going to step up and do anything for you. I as a promoter sit back and watch them and other networks look all around me and not even give me the opportunity to promote, unless I fought. So I know for a fact if I was not in the position that I am in, they would not allow that to happen.

The CHAIRMAN. How much of a role do you think the networks play in this problem?

Mr. JONES. A big role. Reason being is because they are the ones who go select what promoters they use. And it is like, it is as though they have a monopoly. The promoters have a deal with, at one time with Don King and Showtime against HBO.

Then something happened. The promoter goes and establishes some relationship with the network. He can go get more done at the network than any of the fighters can because they know that he will be back next year with a new fighter or he will be back 2 years from now with a new improved fighter. Whereas when a fighter goes he has a struggle to fight just as if he would in the ring.

The CHAIRMAN. Let us talk about with the witnesses some of the recommendations that have been made here. I am intrigued by this idea of somehow taking the ABC and increasing its powers so that it would have national impact. I think the states would be very reluctant to give up their control of, or some of the control of boxing that they have. After all, governors appoint commissioners, etc. I would like to flesh out that idea a little bit. Does anybody have any ideas exactly how that would work? Mr. English?

Mr. ENGLISH. Well, this really developed from a discussion we were having just about a year ago this time at a seminar that was held by Seton Hall Law School on boxing. There is no question, having attended ABC conventions, that there is a strong element of home rule, almost to the point of mulishness—with all due respect, because if you listen—

The CHAIRMAN. Because they would lose power.

Mr. ENGLISH. Well, not only that. It's—there are some members of the ABC who in my perception are wedded to old ways, whether it is because of power or because of entrenchment, mental entrenchment, I can't—

The CHAIRMAN. Should we not also put this in the context that the majority of major boxing events take place in Nevada, New York, or New Jersey?

Mr. ENGLISH. California and Texas.

The CHAIRMAN. So we have 50 states that have equal representation, right, Greg?

Mr. SIRB. Correct.

The CHAIRMAN. But the overwhelming majority of boxing events certainly as far as revenue is concerned take place in a handful—or on one hand—of states.

Mr. ENGLISH. Well, we say that, but—let's just analyze that for a half a moment. It happens that New Jersey is going through a dry period the last two years.

The CHAIRMAN. Other witnesses, jump, respond on this. Go ahead.

Mr. ENGLISH. It happens that New Jersey has been going through a dry period the last few years. A couple of years ago, Nevada did. Michigan, for some reason, and I will go on record as saying I think that that commission was among the worst I have ever seen in my life, has right now a fair number of boxing matches. I don't know how you apportion power based upon that, with the fluctuations that occur.

The CHAIRMAN. So what do you do? You have the ABC appoint or elect a select group of—

Mr. ENGLISH. One thing that the ABC has been managing to do the last—frankly the last four, eight years anyway, I am not familiar before that—because it was such a weak organization, they managed to elect very good leadership, and I am not simply saying that because Greg Sirb is here on the panel with me. Between Marc Ratner, Greg Sirb and, while he sometimes causes friction, Larry Hazard, these are very, very capable people.

And so long as that type of person is in the leadership position, if the ABC has some clout to uniformly enforce certain things across state boundaries—which it doesn't have right now, it can recommend, it can do a lot, but it really can't say to the folks in, say, Louisiana, you know, you really have to do look at the suspension list, and sort of be guided by that.

I mean, I know that is part of the federal law, but it doesn't happen. We know that it doesn't happen. We know that sometimes boxers fight when they are on the suspension list in the lower level club fights.

So as long as there is no body with the money, the willingness to tackle some of the investigations that needs to be done.

The CHAIRMAN. The authority.

Mr. ENGLISH. The authority.

Mr. GOOSSEN. Senator, what I would like to add to that is this. And again, it almost boils down to having that—not almost, it boils down to having that authority.

If a certain state, and I don't care if it is one of the big ones that host 60 percent of the fights or one of the smaller ones that does 15 fights a year, if one of the states do not adhere or join the ABC, then it would take the people in the industry such as the promoter, such as the television network, not to promote fights in the areas, the states that do not abide by the rules and regulations of the ABC.

It is the only way that you can force the states, if they do not belong to the ABC, if they do not follow their rules, and not violate their own state policies, then the promoters and the networks

would not be able to promote in that state. I think that would be certainly enough motivation for those states to join an ABC.

The second situation that we would have to do in conjunction with that is obviously find a way to fund the ABC. Again, you have got certain situations with states that certainly wouldn't want to give up any of their revenue. However, whatever it would take again, Senator, to get an overseer of our industry is what we are willing to do as a promoter. I speak on our behalf.

The CHAIRMAN. In the context of your answer, what about a commissioner?

Dr. HOMANSKY. Well, I was at the first ABC meeting 14 years ago. It was totally ineffectual until you all's involvement, in my opinion, of leading us to the next step. Can it be the right framework? I truly believe it can. The states can work through the framework of the ABC.

And my example of that would be the NCAA. The NCAA is a voluntary organization that people join. You don't join, you are not a member, you don't get to fight—you don't get to compete in those championships. But that is a framework.

The CHAIRMAN. And that would come out of the ABC?

Dr. HOMANSKY. That would come out of the ABC. The ABC with the state commissions is the right framework to go forward. The government can look at certain aspects of this and give direction. But this sport will be able to regulate itself or it will not be able to survive.

The CHAIRMAN. Mr. Hendrick, do you want to comment?

Mr. HENDRICK. Thank you, Senator. I was just going to follow up on your comment that with all due respect to the ABC and its current form and its current leadership, I would be a little bit concerned about majority rule, where it is universally recognized that Nevada is the boxing capital of the world, and I would be somewhat concerned if a majority rule of states that are only putting on one or two fights a year were to tell Nevada how to properly do something.

So from that standpoint, I am a little concerned about an overriding Committee where there isn't some kind of representation based on who is doing the yeoman's work. And I say that not because I come from Nevada, but because if you stand in the batter's box enough, you are going to hit a curve ball because you see enough curve balls. Nevada, our commissioners, our executive director, Marc Ratner, they see curve balls every day. Thus, they are not going to have one slip by them. But a majority rule would concern me if we couldn't have a little bit of say-so, because we are seeing those curve balls every day.

The CHAIRMAN. In other words, some are more equal than others, like senators. But I think the other point, too, another added wrinkle, of course, is the Indian tribes, who are sovereign nations and therefore, you would have to somehow make sure that they are part of this as well.

Before you came in, Mr. Jones, there was a recommendation for "binding arbitration." As a fighter, would you feel comfortable if you have a dispute over money that it go to an individual who would make a decision? In other words, you can either go to court or as in baseball, a procedure for a binding arbitration would exist.

But I would like to remind you that in baseball, the arbiter does not have a range of choices. He has two choices. One, the player's position, and two, the management position. Would you feel comfortable with that kind of situation?

Mr. JONES. Probably. It is according to, probably, who that person is or what that person is. I would have to see where that person's background came from, do I believe he is in the right position to make a fair decision to me. If he is, then of course. If everybody has to abide by this, then I am going to abide by it because that is the way everybody should do it. And that is the type of steps that we have to have in boxing, so that people can see and everybody can follow suit. If this is the way you are going to do it, this is the way you have to do it.

So everything is, I feel with the IBF, the WBA and the WBC where everybody came down to the IBF because it is right here in the United States, but nobody said nothing about the WBC and WBA, because they are out of the country. That is not fair to me. Although what they were doing was wrong—don't get me wrong—but everybody don't have to abide by the same rules. We can't go get into the offices like we can in the IBF.

So if it is the same and everybody has to abide by it, I am always going to abide by it. And I am always going to be for that, because I feel like that would help everybody else.

The CHAIRMAN. You are a role model to millions of young Americans. How do you feel when you read that promoters are giving people duffle bags full of cash in order to get them to break agreements with other promoters?

Mr. JONES. That is the problem. That is part of the problem that we have in boxing. That is part of what has brought boxing to where it is today. And it is a horrible feeling to me because it makes the fighter look bad, it makes the promoter—it makes the business look just like everybody perceives it to be. I am a person who has been able to get a deal with Nike, I had a deal with brand Jordan, but none of these people wanted to deal with me after they found out that I did not have a promoter. That I was by myself.

The CHAIRMAN. But as you said, you are one of the few boxers in America that could be your own promoter.

Mr. JONES. Well, because of the way the promoters can give you a bag full of money and make guys—influence guys to do things like that. That is one of the problems, because they are able to come by and do that and make him sign and do whatever. Now he is committed to that guy for however long it is, because of that one little bag of money. And it is like, to me, I think that is unfair, and I think something should be done to the promoters for doing that. But nothing happens so they continuously do it.

The CHAIRMAN. Well, if the witnesses will indulge me for a moment in my old age. I have observed recently some terrible decisions, and one of them being a fight that took place in San Antonio where a fighter from Mexico City clearly won the fight. Again, I believe that it was against Ayala, because Ayala had a big fight already contracted that was coming up. The announcer on television said, "Follow the money, follow the money." That is why this decision was rendered.

What are you going to—I guess I am directing my comments primarily to Greg, and anybody else who wants to comment, when fights are obviously, obviously misjudged? I guess that is the right terminology. And one of the reasons why I was so upset about this fighter from Mexico City, because he did not get the decision, he may fade into obscurity. He may never have another fight that would be televised nationwide again.

What in the world can be done about—I am not talking about differences of view. I am talking about blatant, blatant miscalls of a fight?

Mr. SIRB. Well, I have to agree with you in that case. And there is obviously more than those cases that have come up over the years. One of the things that any national body, and I stick with national, not federal body—but any national body needs to have, and that's the training of the officials. Like major league baseball, you have to be go to school, you have to be trained, you have to come up through the ranks to reach a major league baseball type level.

The CHAIRMAN. How are they selected in Nevada?

Dr. HOMANSKY. We select them. We have input, but no official is chosen outside the state of Nevada. The ultimate authority, the ultimate decision is the referees and the judges are chosen by us. That does not happen everywhere.

The CHAIRMAN. Are you sure? I have seen these fights where they call in somebody from a foreign country because the promoter demands that country be represented. Or that America not be represented.

Dr. HOMANSKY. There is no question. It is an international sport and we do at times use international officials. But it is our choice on the officials that we have observed.

The CHAIRMAN. Without pressure from the promoters?

Dr. HOMANSKY. Without pressure.

Mr. GOOSSEN. Senator, that pressure usually comes from the organization, that they want one of their international officials to be a part of it. I think Greg hit the nail on the head. Obviously that is also another big undertaking, but one that is sorely needed. And I think that to go beyond that, if you look at any of the other major sports—football, basketball—if you have got someone that consistently blows the call, he is not going to be reffing any more football games or basketball games. We don't have that procedure in our industry, where again too many states are going to penalize the incompetence of certain judges.

That is what we need to get rid of. It gives the taste of what you have just said with the announcer: "Go follow the money." Unfortunately, in other sports, if a referee blows a call, there is no tinge of unethical practices there. It is just the ump is blind. In our sport, it automatically jumps out: Who paid this guy off?

So that is what we have got to get rid of. And the only way we are going to get rid of it is through a national commission, through a body that governs our sport and then has the ability to penalize people—again any licensee, whoever does not stand up to the rules and regulations.

The CHAIRMAN. I do not want to spend too much time on the issue, but it is just terrible when you see a young fighter fight his heart out.

Mr. GOOSSEN. You are right.

The CHAIRMAN. And then be the victim of a bad decision.

Mr. GOOSSEN. And it is what you said again, Senator. He may go into obscurity, but worse yet he might end up fighting for a lot less than what he made for this fight, and still never get a fair decision because now he's labeled a loser.

Mr. SIRB. One of the things to follow up on. I know we gave you some of the copies, the first time we gave you a world judge's report. With the help of some statistics that we have gathered that I know we share with all the states, every world judge, each round that they have scored for the past 4 years, and shows them side by side. So there are some judges over there that each commission now knows should not be judging. They are horribly outside the average score.

The CHAIRMAN. Would you be guided by that, sir?

Dr. HOMANSKY. Yes, sir. There is no question we also look at objective data. And here are officials that come into the state of Nevada that have had too many even rounds, that their scores do not make sense. We do keep records of that. There is communication between our executive director, Marc Ratner and Greg, and we do not use those officials again.

The CHAIRMAN. Greg, I would like to have the ABC come up with a recommendation along the lines of the NCAA, so that we can get some kind of national oversight, perhaps without the appointment of a boxing commissioner or a boxing czar, etc. I am always uncomfortable with, well, also from a political standpoint, it would be very difficult to override the objections of most governors if we took away the authority. But if we had some kind of concept where, following along the lines of the NCAA, where there could be oversight enforcement that would cross state lines. And I would be glad to try to turn that into some kind of legislation.

Mr. SIRB. One of the things, besides the NCAA, one of the things I follow closely because I handle athletic agents' issues, is the Amateur Sports Act that Senator Stevens did, and I thought he did a wonderful job on it. It is basically gives authority for amateur boxing to a private organization, Colorado Springs, USAA Boxing that runs amateur boxing through state lines. I think the legislation can be patterned after the Amateur Sports Act.

Just to get one thing that Kirk said that I know that has been a problem in our association about how we share the wealth of the votes. At meetings when I am with the athletic agents, I mean, I deal with the Yankees on one hand, who rake in millions upon millions of dollars, but when they go to the table, the Pittsburgh Pirates, one of my beloved teams in one of my states, who rake in maybe one-tenth of what they do, still has one vote. And the Yankees have to follow, once the Pirates have their vote, if they get beat, they have to follow it. It is sort of similar to what we have here.

There are eight states, and these are statistics. On the West Coast you have Nevada, California, and Texas. They do probably 80 percent of the fights over on the West Coast. On the East Coast

over the past 5 years a number of fights, you have New York, Pennsylvania, and Florida doing the fights. The large number of fights. So if you put those, six states together, you have probably got about 60 or 65 percent of the fights occurring in six states. But just like NCAA, the Indiana basketball teams has got to do the same thing that Fairfield University has to do. It just has just got to be a compromise that has to be worked out.

The CHAIRMAN. There is no disagreement among the witnesses that we need a medical registry or repository system such as Dr. Homansky has recommended? There is no disagreement on that? You might want to do that separately so that we could get that done.

And you suggest a sanctioning fee as being the means of funding that?

Dr. HOMANSKY. I throw that out to you as a rough estimate in America of 4 to 5 million dollars in sanctioning fees, 10 percent of that to fund this. And I think the world body should be happy to do this for the fighters.

The CHAIRMAN. Mr. Jones, let us talk just for a second about sanctioning fees. Do you pay those?

Mr. JONES. Yes, I do.

The CHAIRMAN. Do you think you should?

Mr. JONES. No, sir. I don't.

The CHAIRMAN. What kind of range are you talking for a major fight?

Mr. JONES. I have seen it go up as high as around, once I paid close to \$500,000 in sanctioning fees.

The CHAIRMAN. Which meant someone's signature on a piece of paper.

Mr. JONES. Yes.

The CHAIRMAN. What do you do about that?

Mr. SIRB. Again, if we registered the sanctioning bodies, if the ABC in the law registered the sanctioning bodies, we would set those fees. Those fees would have to be set and they could not go against it.

That is outrageous. I have a fighter that I know well, again, Nate Miller, who was the reigning cruiserweight champion of the world for like 18 years, we added up all the figures that he paid. For his belt he ended up paying like over a million dollars for a belt that we priced out at under \$475.

The CHAIRMAN. And they are ugly besides.

[Laughter.]

Dr. HOMANSKY. Senator McCain, I have to take a little opposing view here. Roy could have said no. Roy is big enough that he could have said no, and the only reason I bring that up is because he didn't. And I am not going to speak for him or for other people, but the belts still do mean something. They mean history.

The CHAIRMAN. This was my next question. Roy, does it matter to you whether you are the WBO, IBF, WBC, WBA, any other alphabet soup champion, or you are recognized by USA Today in their rankings and throughout America as the best fighter in the world, pound for pound?

Mr. JONES. Right now the alphabet order doesn't really matter to me. But if I don't have a championship belt around my waist,

then I am competing for nothing. Because always as a child coming up you want to be a world champion. That was my goal when I turned professional. And it's like, people put their pressure on you, and yeah, you could have said no but how many of us are going to say no?

The CHAIRMAN. What does it mean if you are in the WBO?

Mr. JONES. Right now it don't mean nothing to me because I know what I truly am. But in boxing if you aren't in the WBC or the WBA or the IBF, you are nobody. And that's the ultimate thing. If you have just those three titles, you're considered undisputed champion of the world.

Mr. GOOSSEN. Senator, the way we fix it is having this ruling body, the organizations have to live within those rules and regulations. The ABC has taken steps in that regard with ratings criteria. Some of the organizations have followed through on it, some have ignored it. They have got to be, they have got to be standards set there. As Roy said, and I have seen it every day, fighters, and you know, it's funny, the best example we have, the HBO for years have vilified the organizations and said we don't need them. It is the fighters. And quite honestly, they are correct. But yet, they are fighting, they went from \$3.5 million, they were supposed to pay Hasim Rahman to fight Lennox Lewis for close to \$20 million because they didn't want to lose the title.

That was the bottom line. They wanted those titles. So they are a valuable asset, the fighters, the networks, the promoters, but not valuable enough where they extort money from fighters, extort moneys from promoters, and/or not follow the rules and regulations as dictated by our commission that we should have that oversees our industry.

The CHAIRMAN. Go ahead, Mr. Jones. And comment on whether you think this is a good thing that has been going on, this box off for the title that is going to end up some day with you and Mr. Trinidad fighting.

Mr. SIRB. You mean Mr. Hopkins from Philadelphia.

The CHAIRMAN. Yeah, Hopkins, excuse me. If Mr. Trinidad beats Hopkins, excuse me.

Mr. JONES. I agree with what Mr. Goosen said. And I think that box-off could be helpful in a sense because those guys are guys who really don't have big names with the exception of Trinidad. So that brought Jaffe, that brought Keith Holmes tribute that they may have never received, so always it is not a bad situation when you look at it and it is beneficial to more than one fighter.

Now at the end of the roller coaster it is going to be beneficial to me and the winner of the Trinidad-Hopkins fight. So by building that hype, that is the type of promotions that I think is supposed to take place. People don't realize that at the end of the road, Don King could get ridiculous and the fight could never take place. And that is what's bad about it. Because in this sport, nobody can go in and say, Well, Don, you are only allowed this much, the fighters should get the lion's share of the money, and the fight should happen. Because in that instance, I would say no. But with the title issue is like they are using my pride, my motivation to keep me going against me. And when you say you are going to pay this or give my title up, no, I don't want to give my title up. Networks say

we don't care about the titles, give the rights up yet the first thing they ask you is, is this a title bout? Tomorrow you tell me the reason you took this fight or the reason you paid this guy so much as opposed to that guy is because it was a title fight. I can't get my titles like that.

The CHAIRMAN. Another great fan of boxing and one of the members of this Committee who has been extremely helpful to us in passing legislation we have in the past, and a friend of Virgil Hill's, is Senator Dorgan.

Mr. JONES. I didn't mean to hit him.

Senator DORGAN. Mr. Chairman, I am not very happy with Mr. Jones.

[Laughter.]

Mr. JONES. I didn't mean to hit him, he actually ran into it.

[Laughter.]

[The prepared statement of Mr. Jones follows:]

PREPARED STATEMENT OF ROY JONES, JR., PROFESSIONAL BOXER,
C/O THE JONES HOUSE

I want to thank Senator McCain and this Committee for passing the Muhammad Ali Boxing Reform Act. You have started the fight against the people who have brought our sport down to the level it is today. But events in recent days show that much more has to be done.

Does the world really believe that the Box-Off among Ruiz, Holifield, and Rahman will determine the true heavyweight champion of the world? There are many who believe that there are three or four heavyweights in the world who could beat any of the three.

I am at the twilight of my career and as most boxing people realize I say what I think. I would be willing to do anything to help you help boxing.

I believe the way to get our sport back to the "good old days" is to provide a league concept—something like the NFL, NBA, MLB, NHL, etc. Every sport has a governing body. We have the television networks and the promoters governing our sport. This is the problem.

I don't know how to do this, but I hope this Committee will study the problem and use its influence to try and get a legitimate boxing ruling body that will control the sport. What we have today is a joke!

We need some new ideas. We need you as a Committee to bring together some people who are very knowledgeable of the sport! People who are honest and are willing to try to save the sport which I love. Why don't we look to some of the experts in other sports who also have a love and knowledge of boxing?

In closing, I commend the work you have done. Please do not stop. Use your influence to try one more time to bring the private sector into boxing so that the changes can be made without legislation. If this fails, then maybe the only answer is for you to outlaw those contracts between the boxers and those that now control the sport . . . the networks and the promoters.

Thank you for giving me this opportunity.

Respectfully submitted,

ROY JONES, JR.

**STATEMENT OF HON. BYRON L. DORGAN,
U.S. SENATOR FROM NORTH DAKOTA**

Senator DORGAN. Mr. Jones, welcome and welcome to the rest of you. I am really pleased that Senator McCain has taken such an interest as Chairman of this Committee over a number of years on this subject. And we have made progress. I think the Muhammad Ali Act is progress. That credit goes to Senator McCain.

I was thinking as I was sitting here in the mid 1980s, when I was a member of the House of Representatives, Bill Richardson, Pat Williams, myself and others, and Senator McCain were inter-

ested in boxing and even back then we talked about trying to get some legislation. The fact is we never could. And it was kind of the same argument that I am hearing here today. Well, gosh, you cannot do anything that hinges on Las Vegas because we handle most of the fights and we know how to do it and, you know, we do not want somebody else telling us what to do.

We have made some progress in some areas and I think that is good. But I recall sitting over in a hearing that another chairman held in which Sammy the Bull Gravano came under guard to the hearing, and this is I think 4, 5, or 6 years ago, and he described flying to Las Vegas to one of the boxing organization representatives and meeting him and saying he was trying to set up a fight with Rinaldo Snipes, that they had a fighter that was going to fight Snipes. Snipes had fallen out of the top 10 and they really needed him to be in the top 10 to make this a fight that they could springboard from.

So the guy said, well, we could, you know, put him in at number seven for \$10,000. And he, Sammy the Bull Gravano told us in testimony, he said I explained to him that he was asking on behalf of John Gotti. He said well, in that case we could rank him number seven for \$5,000. And so goes too much of boxing, not all of boxing, but too much of boxing.

I think it was Mr. Sirb or Mr. Homansky who said the pressure—when Senator McCain asked about judges—the pressure comes from organizations. Maybe so. But you know, and I know, that there are some organizations that have a substantial connection to certain promoters. I mean, I was just involved with an organization here over the last couple of years about a fighter who was not getting the fight he was supposed to get by contract and by the organization's rules. And what I discovered was well, some promoters are able to go to organizations because they have a very close relationship and jockey around and get exemptions, and this, that, and the other thing.

My guess is the same thing happens with respect to officials at a fight. It might be coming from an organization, but it might be coming from then promoter to the organization, then on to the body. So I think that is also something that happens too often.

Let me just say that my own view is that we need an organization with some muscle, and that is the only way it is going to work. Every other professional sport has it. There are different iterations of it. Some have no connection with government, some do. But if you do not have a commissioner with some clout, if you do not have the capability to establish some standardization of rules and safety, it is not going to work. And it seems to me you have got to have something that helps—from these gate receipts—accumulate some money, so that at the end of the fighter's career, the fighter is not thrown away penniless, that there is something available at the end of that career for those fighters as well. They provide wonderful sport.

And I grew up, Mr. Chairman, as a young boy in southwestern North Dakota. I mean, never saw a fight but I was listening to the Pabst Blue Ribbon fights on the radio. My grandad got me a copy of Ring Magazine—he got me a subscription to Ring Magazine, not Fleischer. And I listened to Kid Gavilan and Sugar Ray and Archie

Moore and Ike Williams. I grew up knowing fighters. So there was only, you know, there is one heavyweight champion and one light heavyweight champion.

The CHAIRMAN. And eight divisions.

Senator DORGAN. Yeah. And now we have got this proliferation. And in many ways, boxing is a wonderful sport and in many ways, it is a pretty shabby, tawdry situation as well. So, I did not mean to give a speech here. Let me thank Roy Jones for being here. As I said, I got involved in helping Virgil Hill earlier in his career when he was not invited to the Olympic trials. And I called them and said this boy is from North Dakota, you do not know him but it does not hurt you to invite him to trials. And he went on and won the trials in the Midwest and went on to win a Silver Medal in the Olympics. He is a wonderful young man. And you ought to fight him two, three more times and see what happens.

[Laughter.]

In any event, I am delighted you are here, and I think you are a real role model in boxing and I think your willingness to come and testify in open hearings about all of these things requires a great deal of courage, but I think I will also pave the way for changes Senator McCain wants to make, and I and others want to make that will improve the sport of boxing.

Mr. JONES. Thank you so much. And one thing I want to add, when you say a committee with muscle, they also should have the right to be able to go back and look at fights that were badly judged and overrule. Because I felt just as bad, when you were saying that, I have been one of the biggest victims of a bad decision in my life, but that decision didn't hurt me. It actually helped me catapult myself and it gave me more fighting. But I don't like to call names, but when I watched Gutierrez Espadas fight Eric Morales—

Senator DORGAN. Right.

Mr. JONES.—and to see them just take Gutierrez's Espadas's title because they thought Nasseem Hamed was going to be the one they were fighting with, that bothered me. I sat there with tears in my eye wondering, how is it in this country they can just do, and when nobody does anything about it? That can happen to me. That could happen to my kid one day. And that is why I think something should be done.

Senator DORGAN. Just one other question. Is there some risk to you being here, any of you? I mean, boxing is a really interesting sport in terms of control these days. You know what I am talking about. You get frozen out very quickly, very easily, and now we have got a couple of other interests that probably cannot be frozen out, but are some of you—do you feel a little pressure coming to testify today?

Mr. GOOSSEN. Senator, I would just tell you on my behalf that there is not enough money in the world not to have me sitting here. Any threats of expulsion from boxing that would allow me not to be here. Because I was just thinking in my mind when I heard Senator McCain mention to Greg to start planning, seeing how this can be enacted—this is what we need. I don't care, the only people that wouldn't want us here are the ones that would have to follow these rules and regulations that we finally get into place.

So damn them, and this is what we have got to do. And I know this is the first day of establishing a national commission for industry and making it something that I am going to be very proud of.

Mr. ENGLISH. Senator, I think that the risk, to the extent that there is risk, really lies most with Roy Jones, Jr., who I think we should all be proud of for being here today. In terms of the promotional company that I represent, Main Events, that decision was made a long time ago.

As an example, Main Events supported Michael Moorer in a suit against the IBF that ultimately led to the disclosures of bribery, indictments and what have you. We did not go into that unknowing. We knew what the consequences would be. We didn't know it was going to be dragged out as long over so many years. But there is a decision you don't sell out the boxers that are associated with you. And for years after that, many years after that, it happened that the Main Events boxers were not ranked highly by the IBF as a direct retribution for having made those disclosures which ultimately led to the indictments and the convictions.

Yeah, there is some risk, in that sense. But forget the promotion company; the risk really lies to boxers like Roy Jones. I think he should be commended for being here.

The CHAIRMAN. Mr. Hendrick?

Mr. HENDRICK. Senator, I just want to say as well that I am in a unique position because I left the government so I have no allegiance to any political aspirations at this point. And I have just started in private practice, and I have always believed that there should be no fear of ever doing the right thing and I have no fear of that. If my career doesn't take on any of this industry, I'll be just fine. But I also want to echo the fact that Mr. Jones is in a very precarious position. For him to come out and publicly say the things that he has said, not only to this commission, but constantly saying in order to improve this sport, says a lot more about him as a man than it does as a boxer. And I congratulate him on that.

The CHAIRMAN. Thank you.

Dr. HOMANSKY. The risk is really with the fighter. That is what we have to remember here. The tawdriness, the problems that have come up, the issues that we are trying to face are worthwhile. It is worthwhile because of the risks that kids themselves undertake when they go into this wonderful sport.

For all of the issues we have been talking about this morning, for the time that we have put into it, we do it because these men and women fight their hearts out in the ultimate competition, and that is where the risk is and that is why this is worthwhile.

Senator DORGAN. Mr. Chairman, if I might just as a final comment say, Muhammad Ali was always one of my favorite fighters, a wonderful fighter obviously. But I also liked as a very, very young man Ezzard Charles who ended up in desperate poverty shining shoes, I believe, at the Fontainebleau Hotel in Florida after he had been a wonderful heavyweight champion.

And my hope is that you will accept the Chairman's challenge to submit some information for your ideas on structure and so on. I commit, as I am sure some of my colleagues will, to working with Senator McCain. We need to continue to make advances here and

continue to address these problems and I really appreciate your willingness.

And Mr. Jones, thanks for your courage and your willingness to be here today as well. You are a wonderful fighter and I have watched many of your fights, and I wish you well.

The CHAIRMAN. I would just like to say that one of the areas that we did not cover that we have talked about a lot in the past is the issue of pensions, and I would like your inputs as far as that is concerned as well. Obviously it has to come out of pay-per-view, at least that is where the money is. And we have to set up criteria for eligibility. But even if we set up an organization, modeled along the lines of the NCAA for the oversight of boxing, we still have not addressed the pension issue, and I would hope that we could attempt to make some progress in that area.

And I just briefly, I would like to hear any real quick views that you have.

But before you do, Mr. Jones, I also want to applaud you. And I want to say that for whatever it is worth, a lot of us will be trying to pay a lot of attention and focus a lot of attention on what happens after the Trinidad-Hopkins fight as far as you're being able to have a reasonable contract for fighting the winner of that fight. And I hope that you understand that there will be a lot of us that will be trying to pay attention to what goes on in that situation, not because of our affection for you, but also our respect for you, and the fact that Americans deserve an opportunity to see what may be one of the great matches of the century.

Mr. JONES. Thank you.

The CHAIRMAN. Pensions, real quick. Flip?

Dr. HOMANSKY. Got to happen. And it can happen. And there is no question in my mind that the money is there. No question. And it doesn't have to come just out of one source, but it is got to benefit all of the fighters, especially the club fighters.

The CHAIRMAN. Greg?

Mr. SIRB. It is started. And we've got the beginning stages of it with the foundations that we started with. But the pension system, the difficult part is there is no union for the boxers, and so it makes it a little bit different when I try to pattern the pension system sort of on major league baseball. But pay-per-view on a little piece of every little fight, even a small club fight, make it a small part of that club fight going into a centralized funding area, where we have already set the parameters up through, the National Association of Attorney Generals I thought did a good job on that. And each fighter hitting that parameter after 40 having so many fights, getting their share back.

The CHAIRMAN. Get with the National Association of Attorneys General, get the ABC to give us a proposal that we can turn into some kind of legislation, okay? So you have got two tasks, all right?

Mr. SIRB. No problem.

The CHAIRMAN. Mr. Goosen, do you have anything?

Mr. GOOSSEN. Senator, your dream has always been to protect the fighter, and that dream cannot be realized without the final touch of a pension for the ones that aren't as fortunate as Roy Jones and a handful of other fighters. It is, we have talked about it with the opponent that Ayala fought. Most fighters, and it is a

shame that there is not more money generated at the lower levels of our industry, but it is a shame of what some of these fighters that are fighting four-round, six-round, eight-round fights, are making.

In our industry it is very cash-poor at the bottom. It is feast or famine. And the only way that we are going to rectify that is to be able to have some type of pension for the fighters that don't have the ability, but still give the fans, give the promoters, give the networks what we are all looking for, and that is a good athletic contest.

The CHAIRMAN. Thank you. Mr. English?

Mr. ENGLISH. I think it is an extraordinarily complex problem. I think it is, I think we all support some sort of a pension plan for boxers. However, we know that there are a couple of models which have failed. The California pension plan system collapsed. The IBF pension plan system, as far as I am aware, works for a couple of boxers, but only a couple of boxers. It only works at the championship level.

I have looked, again, I was a member of the NAG group so I looked very closely at the proposals that came out, the actuarial tables. It would be nice for me to sit here and say yes, Senator McCain, we could do that. I am not sure we can. I hope we can. But I think a lot more work can be done.

The CHAIRMAN. Do you think they could if they had a union?

Mr. ENGLISH. I think you could if you had a national system. You certainly can't do it on only a title bout basis, as the IBF is trying to do. You can't do it on a state by state basis because fighters naturally migrate from state to state where the action is.

The CHAIRMAN. I understand. I agree. Mr. Hendrick?

Mr. HENDRICK. Thank you, Senator. I was just going to echo the comments that it is a difficult problem, but it is one that I commit my resources in the state of Nevada to trying to achieve. And again I want to thank you for taking your time on such a day that is so important to this country, and what you have to be doing for the rest of your day, to take a few moments to help this sport.

The CHAIRMAN. It is my honor. I thank you all for coming. And I would like to have those two issues addressed by the ABC. And how soon do you think, Greg, you could put that together?

Mr. SIRB. I think we can put that together in weeks. I don't think it should take us a very long time. We have a draft in front of us that we have tried to put together.

The CHAIRMAN. I'd like to introduce legislation this summer.

Mr. SIRB. It will be there.

The CHAIRMAN. I want to thank all of you for being here. I appreciate your dedication and efforts to the "sweet science" or the "red light district of sports," whichever philosopher you happen to agree with. Thank you very much. This hearing is adjourned.

[Whereupon, at 11:02 a.m., the hearing was adjourned.]