

Answers to Questions for the Record Posed by Representative Omar

1. **The Muhammad Ali Boxing Reform Act (“Ali Act”) was designed, in part, to create anti-monopoly firewalls to address historic conflicts of interest in boxing by preventing a single entity from simultaneously controlling fighter contracts and the systems for rankings and titles. Under H.R. 4624 – the Muhammad Ali American Boxing Revival Act (“Revival Act”), a unified boxing organization (UBO) is allowed implement its own system for title belts and rankings and contract fighters, potentially giving substantial centralized authority to a single entity. In light of that design:**
 - a) **Please explain how rankings and title shots will be determined within a Zuffa Boxing UBO, including who will serve on ranking committees, how they will be selected, and whether any independent body will have oversight.**
 - b) **Will any independent, non-TKO entity have the formal authority to review, appeal, or overturn ranking and title decisions? If so, please describe the process; if not, please explain why not and how you believe this arrangement is consistent with the original purpose of the Ali Act.**
 - c) **How will you ensure that boxers who challenge pay or contract terms are not disadvantaged in rankings, matchmaking, or title opportunities within your system?**

I respectfully challenge the premise of the question. The Ali Act was not designed to prevent a single entity from contracting with boxers and maintain a ranking system. The opposite is true. At the time of the enactment, boxing was extremely fragmented, and it remains so today. Congress heard testimony from numerous witnesses who explained why the sanctioning organization system was often arbitrary, self-serving, and at times corrupt. Among other things, it was the collusion between promoters and sanctioning organizations that raised concerns in Congress. The Ali Act’s very first legislative finding makes this very point. Congress found:

Professional boxing differs from other major, interstate professional sports industries in the United States in that it operates without any private sector association, league, or centralized industry organization to establish uniform and appropriate business practices and ethical standards. This has led to repeated occurrences of disreputable and coercive business practices in the boxing industry, to the detriment of professional boxers nationwide.

UFC does not rank its fighters. Rankings are done by a panel of media members. Information about athlete rankings can be found at <https://www.ufc.com/rankings>. At the UFC, we have every incentive to put on the fights fans want to see. Matchmaking decisions are scrutinized by fighters, media and mixed martial arts fans.

2. **Under the Ali Act, promoters and sanctioning bodies must disclose certain financial information to boxers and state athletic commissions. As drafted, the Revival Act appears to remove those requirements for UBOs.**
 - a) **As a matter of policy, will Zuffa commit to providing full disclosure of event revenues, media rights fees/bonuses, and any league fees to boxers and to state regulators for all Zuffa UBO events?**
 - i. **If not, please explain why that information should be kept confidential from the boxers and regulators for UBOs and not for non-UBOs.**

H.R. 4624 will create more freedom, choice and opportunity for boxers. It does not mandate that they participate in the UBO system; it creates an innovative alternative model to the boxing ecosystem, which we expect will only create more opportunities for boxers and grow the sport.

In the UBO model, which has found success in other areas such as MMA, all athletes know exactly what their compensation is from each event. The contracts are transparent, and further disclosure requirements will not change that. Furthermore, athletes are often represented in contract negotiations by managers and lawyers.

The Ali Act requires two types of disclosures from promoters: (i) to the state boxing commissions; and (ii) to the boxers. UBOs will comply with all required state disclosures and therefore state commissions will have all the disclosures they need.

As for disclosures to the boxers, the Ali Act requires that a promoter disclose revenues from that boxer's "match" specifically. As a result, the current disclosure system in boxing is unreliable and is often a disservice to up-and-coming or mid-level athletes. Such disclosures made sense when a broadcaster would pay a specific license fee for particular matches taking place on an event. However, such a system leads to arbitrary and self-serving disclosures when promoters sign multi-year media rights and sponsorship deals. Even without considering such deals, a promoter would have to unilaterally assign a percentage of the gate to each match on the card because fans buy tickets to the entire event, not to see a single match. The current disclosure model is simply ill-suited to a UBO structure, under which we would enter into multi-year commercial deals, which is beneficial to build the athletes' and the UBO's brand.

3. **H.R. 4624 explicitly allows UBOs to operate "without reliance on a sanctioning organization operating independently" while running their own belts and rankings for contracted fighters.**
 - a) **In a Zuffa UBO, will there be any equivalent of a mandatory challenger system that guarantees a boxer who keeps winning will eventually receive a title shot, even if they are not a big star or an easy fight to sell?**

- i. **If yes, please describe that process and what rights/options a boxer would have to enforce it; but,**
- ii. **If no, please explain why you believe it is acceptable for all title opportunities to be based solely on your future league’s commercial discretion.**

There is no explicit need for a “mandatory challenger system” in a UBO because the UBO has every incentive to hold championship bouts and have the best fight the best. Few trust the existing and highly fragmented ranking system, which is one of the reasons why boxing is in serious decline. Many professional boxing sanctioning organizations maintain their own championship titles across numerous weight divisions for men and women. These sanctioning organizations often crown multiple champions within a single weight division. This fractured system has created an environment where there can be numerous so-called “World Champions” in a single weight class—thereby confusing fans, diluting the value of championship belts, and diminishing the prestige of all boxers competing for titles. Having so many champions benefits the sanctioning bodies who collect sanctioning fees from promoters and boxers for the right to compete for their belts.

In the UBO system, by contrast, boxers will not be charged any fees for the right to challenge or defend their UBO championship or to receive a UBO belt. Within the UBO system, there is a finite number of fighters in each weight class. Those boxers will be known to the entire world and their rankings, which will be made by a panel of media participants, will be publicly disclosed. This model has worked in the context of other disciplines such as in MMA, which has a proven track record putting on the fights that fans demand to see when they want to see them, including championship fights.

4. **In response to my question regarding TKO’s \$375 million class action settlement – alleging the use of long-term, restrictive contracts¹ and other anticompetitive practices² – you responded by stressing that “*We did settle the lawsuit...it was 10 years of litigation. We made a business decision to settle it, but I want to be clear, there was no finding of liability...*”. Now that this case is settled, could you provide more information:**
- a) **Please describe which specific contract clauses were challenged in those cases;**
 - b) **For each such clause, state whether you intend to use the same or similar provisions in Zuffa Boxing contracts with boxers;**
 - c) **If you do not intend to use them, please explain what safeguards will replace them and how boxers will be protected from similar coercive practices.**

The UFC made a business decision to settle litigation that had been going on for a decade. We made no admission about fault and are compliant with federal competition laws. However, because there is pending related litigation, we are unable to comment further.

5. It was noted many times during the hearing that multiple UBOs could form. And in your response to my concerns about TKO's ongoing antitrust lawsuits³ – alleging very similar claims of wage suppression as before – you stated that “...*If our system is not providing the economic opportunities for athletes, they can avail themselves to the existing system...*”. I understand that—theoretically under H.R. 4624—boxers could choose from a selection of non-UBOs and UBOs, but in reality, I am concerned about such a real choice never coming to fruition. Because it seems like TKO will be the only player in town with billions of dollars behind them (including media deals,⁴ arena support,⁵ and foreign state investors⁶) to launch and maintain a major league-style model. Please address any potential market dominance issues by explaining:
- a) How many UBOs do you realistically expect to form in the first five years of enactment, and who do you expect will back them financially?
 - b) Will TKO commit not to demand exclusivity in media rights or venue contracts, or any anti-competitive practices,⁷ that would make it commercially impossible for rival UBOs to enter and compete in this market?
 - c) What specific steps are willing to take to avoid becoming a de facto monopsony (i.e., single dominant buyer of elite boxing labor in the UBO lane) and ensure that your labor/contractual practices are fair?

While it is impossible to state how many UBOs will be formed after enactment of H.R. 4624, we can only point you to the significant number of market entrants and competitors in the MMA industry where the UBO model has been implemented. For example, one such promotion, the Professional Fighters League (“PFL”), has its own media deal with ESPN,¹ and according to news reports, is looking to expand its media footprint with a bigger broadcasting deal.² We view competition as healthy for the sport which boxing lacks. Finally, regarding your concern about competition for athletic talent, I can attest that numerous athletes have switched MMA promotions, often moving from UFC to another promotion (e.g., ONE or PFL) after building their brand thanks to the UFC platform. This is healthy for the MMA ecosystem, demonstrates significant competition, and is an example of the type of dynamism we hope to bring to boxing.

6. Do you intend to require that Zuffa Boxing fighters agree to mandatory arbitration, class action waivers, and other contractual provisions that would limit their ability to bring claims under the original Ali Act or antitrust laws in courts?

¹ Brett Okamoto, ESPN, PFL agrees to new multiyear broadcast deal with ESPN (November 30, 2023) https://www.espn.com/mma/story/_/id/39013376/pfl-agrees-new-multiyear-broadcast-deal-espn

² Tariq Saleh, Sportcal, PFL eyes major new US rights deal in next phase of growth (October 30, 2025). <https://www.sportcal.com/media/pfl-eyes-major-new-us-rights-deal-in-next-phase-of-growth/>

Zuffa Boxing's proposed contracts include clauses that are commonly used in athlete contracts, will be subject to negotiation between Zuffa Boxing and the athletes' managers and/or lawyers, and will require the athlete's review and signature.

7. Will Zuffa Boxing contracts allow boxers to participate in non-UBO bouts, including fights promoted by non-UBO promoters or for WBA/WBC/IBF/WBO titles, without automatically extending or renegotiating their UBO contracts?

H.R. 4624 does not prevent an athlete signed with a UBO from participating in non-UBO bouts. This would be a matter negotiated in the contracts between the UBO and boxers. As a general matter, Zuffa Boxing intends to hold intra-UBO bouts. The UBOs will be incentivized to dedicate resources to the development and promotion of athletes signed with the UBO. This will also bring the certainty and predictability required for the long-term success of the sport. As was discussed during the hearing, major media companies no longer carry boxing because current boxing promoters are unable to provide the predictability and consistency that a UBO will bring.

8. Please identify all ongoing litigation and any active investigations by federal or state regulators involving UFC, WWE, or the TKO Group.

We are unaware of any ongoing litigation or active investigations by federal or state regulators involving the UFC, WWE or TKO Group.

9. Your CEO, Dana White, told CBS Sports in September that you will not need changes to federal law to launch a Zuffa boxing league in 2026.⁸

- a) **Do you agree with that statement? Is that statement still true?**
- b) **If you do not need this legislation to operate a league-style boxing venture, then please explain what specific advantages are provided in the Revival Act that TKO/Zuffa could not access or do not already have under current law.**
 - i. **But if this legislation would actually be beneficial to your business plan, please detail the existing regulatory barriers constraining Zuffa Boxing's entry or growth and/or the specific provisions in H.R. 4624 that would assist TKO/Zuffa Boxing.**

Whether or not legislation that expressly allows for the creation of UBOs is enacted, TKO has launched Zuffa Boxing within the current legal framework. However, that framework will be significantly enhanced by the authorization of UBOs as I described in my testimony.

The proposed amendments set forth in the Revival Act would be beneficial to all participants in the boxing ecosystem by expressly authorizing and prescribing the requirements of a UBO and thereby remove ambiguity and uncertainty within the existing regulatory framework under the

Ali Act. Because the Ali Act's existing provisions were enacted to address specific issues within the pre-existing, fragmented and non-unified boxing system, it is unclear whether certain provisions may or may not be applicable to an entirely new and innovative model in the form of a UBO. Elimination of this ambiguity would benefit and provide clarity for the operation of Zuffa Boxing and all other UBOs.

10. Please outline the foreign ownership and capital structure of the Zuffa Boxing venture, including:

- a) **The percentage of equity or profit participation held directly or indirectly by entities owned or controlled by the Saudi Public Investment Fund or Turki Alalshikh, and any other foreign sovereign wealth funds?**
- b) **Any debt or revenue-sharing arrangements with those entities; and,**
- c) **Any rights those entities hold with respect to veto power, scheduling, site selection, or media rights.**

While Sela Company (which is owned by PIF) has an equity stake in the Zuffa Boxing venture, TKO is authorized to make all operational decisions on behalf of Zuffa Boxing. The terms and details of the ownership and capital structure are otherwise confidential.

11. Please describe how much influence your Saudi investment partners will have over important business decisions, and what, if any, safeguards exist to ensure that U.S. financial and security interests are prioritized.

- a) **And for major Zuffa Boxing events (e.g., title fights or large stadium shows), who will ultimately decide:**
 - i. **Which fighters are offered contracts;**
 - ii. **Which markets or venues receive those events; and**
 - iii. **Whether events are staged in the United States or abroad (like in Saudia Arabia).**

Our investment partners will not have an operational role in Zuffa Boxing. The terms of the partnership are strictly financial.