

November 9, 2017

Muhammad Ali Expansion Act Desperately Needed and Long Overdue

Chairman Latta and Ranking Member Schakowsky:

My name is Jon Fitch, and I would like to submit this letter to express my unwavering support for passage of H.R. 44, the Muhammad Ali Expansion Act.

At Purdue University, I lettered in wrestling four years in a row and was team captain during my senior year. After graduating with degrees in Physical Education and History in 2002, I started my fighting career with a record of 2 wins and 2 losses, and quickly realized the level of commitment and specialized training needed to compete in professional MMA was far beyond the training I had been receiving. Subsequently, I moved to San Jose, California to train with many elite, world-class martial artists engaged in multiple martial arts including wrestling, boxing, jiu-jitsu and Muay Thai.

I won my next sixteen professional bouts, compiling a professional record of 18-2-1. This culminated in a championship bout against Georges St. Pierre, widely considered to be one of the greatest mixed martial artists of all time. While I came up short in that title fight against St. Pierre, losing a 5-round decision, I expected this to be the first of my opportunities to compete against the best in the world. My hopes and dreams were not actualized, despite my success in the cage.

Following my defeat to St. Pierre, I compiled a record of 5-0-1 against world-class level competition and was widely considered to be the number 1 contender in the welterweight division (170 pounds) for over 5 years. Despite my success in the cage, I was never given another title shot and was often criticized by the promotion for employing a tactical style to maximize my grappling skills while minimizing damage and obtaining victories. I soon learned that consistently winning was not enough, becoming the number 1 contender in my division was not enough, and that my promoter could simply refuse to provide me with title shots for not fighting in a more dangerous, “exciting” fashion.

Following my defeat to St. Pierre, I was presented with a merchandising agreement by the promotion, which required me to grant them, **in perpetuity and for no compensation**, the rights to my image for use in a video game. When I asked to have this agreement reviewed by my counsel, I was told that I needed to do this for the promotion. When I attempted to negotiate a limit on the term of this agreement which lasts forever—even after death—I was released from the promotion despite being amongst the best welterweights in the world. Not content, the threats of being released were extended by the promotion to my entire team in San Jose and to my management.

From my success in the ring at the pinnacle of the sport, I expected to earn enough during my career to fund a comfortable retirement, enabling me to transition into a second career. Despite competing against world-class competition at the top of my division for nearly 15 years, this will not be the case. I, like most professional MMA athletes, will soon retire with little to nothing to show for my career and many lifetimes of accumulated damage incurred on my body.

The same has not been true for the sport’s dominant promotion, the UFC, which sold a majority stake in 2016 for an amount reported to be in excess of \$4 billion dollars. Reportedly, the UFC sold the remaining equity in 2017, putting the final valuation at approximately \$5 billion dollars. If these reports are true, the

three principal owners of the UFC would have earned many multiples of all UFC fighters combined, throughout Zuffa LLC's ownership of the UFC.

As a result of my experiences and being deprived of my opportunity to compete in a legitimate sport, I have educated myself. No other sport allows the owner of an event or promotion to act as its own sanctioning body determining rank and championship status, while requiring the athlete to compete exclusively for that owner. If title shots and rankings are not earned by athletes through competition, what is being conducted is not a sport at all but the equivalent of a reality show premised around athletic endeavors.

If the Dallas Cowboys were not only a team, but also issued their own title, and owner Jerry Jones was the Commissioner, the absurdity of this arrangement and the ripe conflicts of interest and control that Mr. Jones could exert over his players would be clearly apparent to and condemned by all. Unfortunately, this is the world in which all professional combat sports athletes live in--with the exception of boxers.

The abuses and coercive practices under which I compete are not limited to a single promotion and have in fact diseased the entire sport of MMA. MMA was built upon a structurally flawed model inconsistent with sport and designed to achieve a monopoly over an entire sport. Recently, I won a championship match in another promotion and defended this title in a match on New Year's Eve at Madison Square Garden in New York City. Despite my success in competition, the promotion subsequently obtained new investors and I was arbitrarily stripped of my title without having lost. This manipulation by promotions is inconsistent with sport and serves to deprive me of the merits of my career which I have earned through competition.

This amendment to the Ali Act is desperately needed by all combat sports athletes. Coercive contractual practices that plague mixed martial arts not only deprive each athlete of rights already offered to boxers, but also prevents investment in the sport. As a result, the sport's natural growth is stunted.

Fighters are hamstrung in their ability to negotiate fight purses because promotions are not required to disclose to fighters the revenues earned from such bouts. Boxers, on the other hand, have the ability to negotiate their purse. Just recently, boxer Chris Algieri invoked the Ali Act to obtain financial disclosures from his promoter to assist him in negotiating his purse. For no seemingly logical reason, fighters in other combat sports are not provided the same opportunities or disclosures.

Coercive contractual practices crippling the natural growth of MMA include, but are not limited to: (i) the use of exclusive and non-public contracts; (ii) the assignment of ancillary rights from the athlete to the promoter far beyond the term of the promotional agreement; (iii) champion clauses that prevent champions from ever becoming freely marketable; and (iv) secret discretionary payments that are used to keep the athletes subservient and silent.

Athletes in MMA and other combat sports compete without benefit of independent, objective ranking criteria. Indeed, no credible or objective ranking criteria has been adopted by any promotion in MMA. The sponsor of the Muhammad Ali Boxing Reform Act, Representative Michael Oxley (OH-4), explained on the House floor how the Ali Act seeks to prohibit promoters from being "able to rig the sport by placing favored boxers who have signed away promotional rights in the top rankings," and for those boxers who refuse to cooperate from being "arbitrarily dropped from the ranking or prevented from moving up." In fact, promoters in MMA have stripped fighters of their championship status altogether, or worse, refused to allow them to compete against their champions at all.

The Ali Act requires rankings to be based on merit, not contractual subservience. Standardized, objective rankings serve to increase public confidence in the sport, and as Representative Oxley continued, means "new opportunities for honest boxers who are trying to fight their way up the rankings." Additionally, the sport achieves "more integrity and respect" since boxing fans "will know that championship matches are being fought by true champions." Indeed, the public would be outraged if Rob Manfred, the commissioner

of Major League Baseball, simply replaced the Kansas City Royals in the World Series, or worse, kept them out of the playoffs because the New York Yankees bring higher ratings or more favorable contractual terms. A promoter's ability to write fighters in and out of rankings arbitrarily serves to drastically reduce a fighter's marketability and leverage. This practice is rampant in MMA, impugns the integrity of the sport, and serves to strip fighters of virtually all negotiating leverage at the time their marketability should be at its peak.

The Ali Act addresses these exploitive business practices by requiring objective and consistent rankings criteria. This provision was inserted into the Ali Act to prevent promoters from abusing boxers and monopolizing the sport **by requiring boxers to sign away all their rights in order to obtain an important fight or maintain their current status** in the rankings. In short, the Ali Act attempts to prevent promoters from forcing boxers into coercive contracts as a condition of participating in a given match.

The Congressional findings taken directly from the original Ali Act apply with equal validity to MMA and other combat sports. Like boxing before the Ali Act, "rankings" and "contender" status in MMA and other combat sports are largely pure manipulations by the promoter, and often not the result of merit. To obtain title status, a promoter requires fighters to sign coercive, long term contracts with extension options and sweeping assignments of ancillary rights that go far beyond rights necessary to promote bouts. Fighters who refuse to sign these contracts are simply not provided "championship" status by promotions. Worse, promotions have simply stripped fighters who have already obtained championship status.

Despite the fact that the athletes have earned the right through their performance to fight the best in their respective weight classes, major promoters in MMA almost uniformly require exclusive, long-term promotional agreements from any fighter before they are permitted to fight for a title. As one witness testified before the Senate, "this is akin to forcing a professional tennis player or golfer to sign an exclusive, long term contract with the promoter of whatever event they were seeking to win. The athlete would then only be able to compete when the promoter approved, against only those opponents who also were forced to agree to terms with that promoter." Such a model places all negotiating power and leverage in the hands of the promoter.

The Ali Act curbs exploitive business practices and protects honest competition for the integrity of the sport. As stated in the legislative history of the original Ali Act, an industry free of restraint and exploitive and unethical business practices will lead to increased competition. A free market with unbiased competitions is a crucial aspect to the success of any sport attempting to grow.

Removal of these artificial and anti-competitive restraints will dramatically reshape the MMA industry. With the removal of these artificial restraints, substantial new investments from deep-pocketed investors will be made in MMA. These investors, currently sitting on the sidelines unable to effectively compete in a free-market system, will provide not only more opportunities and earnings power to the athletes, but also additional tax revenues and jobs throughout the nation. **Such organic growth will benefit all stakeholders in the sport of mixed martial arts by increasing revenues in all industry segments.**

I strongly support H.R. 44, the Muhammad Ali Expansion Act sponsored by Representatives Markwayne Mullin and Joseph Kennedy III, and urge its passage at the earliest opportunity. The Muhammad Ali Expansion Act is desperately needed not only for the protection of the athletes, but also to enable these sports to reach their natural, unfettered potential.

/s/ Jon Fitch

