

“Federation International de l’Automobile: a motor racing mess”

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Pablo Vignone

A hundred million dollars is an enormous sum of money.

Considering, it is a fine.

A sports fine.

A hundred million dollars was the most expensive fine applied in the history of sport.

That happened in motorsport.

Engines and speed involve large quantities of money, noise, fuss, and heavy metals; with those strong characteristics, it’s difficult no to consider motor racing as a right-wing sport.

As a matter of fact, the Soviet Union took pride for its role in the space race, they sent the first man in orbit, but the Kremlin never considered building a racing car. Formula 1 is the top step of the ladder, but the Eastern Bloc, when it existed, thought nothing about preparing and racing a car against the most sophisticated machines Capitalism could build to run two hundred miles per hour and beyond.

There were British cars, there were American cars, French and Italian too, even Nazi German cars, but never Russians. We never had a Cold War in motor sport. But, instead, we have had spy stories. Yes, we did. Competition is fierce in Formula 1. In 2008, the eleven teams that took part in the World Championship spent in the whole almost 3300 million euros. One of them never got finish: it was bankrupt by the end of the year.

So, it is a sport of millionaires, and to be able to survive in that environment is a difficult task. They have to win and to do so they need the most advanced technology they can afford. Ten years ago, the teams had nearly 200 people, but they have increased to four or five times that number. Always in search of victory.

Of course, they don’t expect to spend all that money in order to lose. They desperately need to win to be able to justify the huge amounts spent.

In 2007, the Spygate exploded in F-1. Some guy of the Italian Ferrari team has something a friend of the British McLaren team could use. You know the case: it involved a huge 780 pages document with technical information. A very big case even for Formula 1, where they used to take an indiscreet look to what the others were doing in terms of technology.

The spies stories multiplied in Formula 1 when the Cold War ended. People from the secret services now disemployed were offering their work and their gadgets mostly to protect the teams from being spotted.

An example: when the driver is at the track, travelling at high speed, his engineer is able to talk with him on the radio. A team has several frequencies to use, and their rivals can scan the airwaves to listen what they are talking. I know that, during 2001, one team in particular used Mossad pieces of equipment to prevent that.

But, when the top teams got involved in a major spying scandal, the bubble burst.

Enters the Federation Internationale de l'Automobile. Blazers are what you have to wear when you enter Place de la Concorde 1, the headquarters of the FIA, considering motor racing a selective sport with a tendency to turn right..

You know the president, even if you are not a motor racing fan. Max Rufus Mosley, the third son of Sir Oswald Mosley and Diana Mitford. A former racing driver, a barrister, he owned the March Formula 1 team in the early seventies, before setting as the lawyer and main adviser of another character you knew very well: Bernard Charles Ecclestone, one of the wealthiest persons here in England.

Ecclestone was the leader of the extremely British Formula One Constructors Association, which represents the teams and since the late seventies was engaged in a fiery dispute with another character that you know probably less.

He was called Jean-Marie Balestre and, by 1978, was elected FIA president. Born in 1921, his father was the secretary of the Socialist Party in Paris. His role during the Second World War was a controversial one. He was photographed wearing a French SS uniform, and was arrested by Allied forces after the occupation. He claimed that he was working for the

Resistance, and then was tortured, deported, and had a suspended death sentence.

After the war, he made money with a publishing house, became secretary of the French motor racing body in 1968 and ten years later, this rather autocratic person felt himself in position to fight what he consider greedy teams.

The war between Ecclestone and Balestre lasted several years, left many people on the side of the road, but finally a truce was called, and the british entrepreneur was introduced in the FIA ranks as promotional affairs vice-president. His lawyer learned the FIA from inside. Specially when Mr. Ecclestone proposed Monsieur Balestre to nominated Mr. Mosley as the new FIA Manufacturers Commission president.

FIA members wanted to retain the former Commission president, Philippe Schmitz, but had to bit the bullet; then Mr. Mosley asked for a “very substantial salary”; the manufacturers had to paid it.

Four years later, the son of the founder of the British Fascist Party chose to use the his FIA knowledge against the allegedly SS man.

In October 1991, by 43 votes to 29, Mosley won.

He won again in 1993. And again in 1997. And then in 2001. And in 2005. Up to today.

Eighteen years have gone by since he took control. And next election for FIA president is next October, in four months. Will he stand another election?

Back to Spygate. Mr. Mosley took an active party in trying to impose justice and to discover the truth of what had happened between Ferrari and McLaren. In those days, the vice president of FIA was Marco Piccinini, from the well known family of bankers. Mr. Piccinini has been Ferrari's deputy over the '80s. But, in spite of what had happened, in spite of Mosley's will, the FIA ruled at the end of July 2007 that there wasn't enough evidence that McLaren team had benefited from the confidential dossier his employee had in his hands.

It was a private matter that became public.

Do you like Formula 1? There is a chance you are paying for that, whether like it or not. Maybe not here in England, where Mr. Ecclestone said last April “it’s a disgrace that the British government doesn’t step in to help”. But perhaps in my country, Argentina, I and others taxpayers would pay for it.

In 2008, governments all over the world paid more than 400 millions dollars to have Formula 1 in their countries. It was the biggest income F-1, a fascinating sport turned into a private business, received last year. Larger than TV rights or sponsors advertising incomes.

Now, the Argentine government is willing to pay more than 50 million dollars to have a Formula 1 Grand Prix in 2010 to celebrate two hundred years of independency as a country. We can do something more useful with all that money, can’t we?

And, why are they negotiating with Mr Ecclestone. Is not the FIA the owner of the championship and the sport?

The fact is, no. FIA is not the owner of his own Formula 1 World Championship any longer. The body only “administers rules and reglaments of Formula 1” as you can read in its website, because less than ten years ago, it leased the commercial rights of F-1 for 313 million dollars... Peanuts bearing in mind that FIFA sold the 2002 World Cup TV rights in 600 million pounds, and that the FIA lease was not for a championship or two, but for 100 years, a complete century of motor racing. A smart way to make business with your friends.

Back again to Spygate. One month after the sentence, there was another private affair, this time in the McLaren team, between the two drivers, Lewis Hamilton and Fernando Alonso. But as it happened at the pits of the Hungarian track of Budapest, it was seen by all the public and TV audience. McLaren managed it, but FIA chose to get involved and decided to penalize Alonso. The Spanish driver went ballistic, because he felt the team was giving privileges to his british team-mate, and, in a private conversation, threatened his boss to give new evidence in the Spygate to the FIA.

Mr. Mosley was aware of this, and asked Alonso to disclose everything he knew. So, a new trial was set, the new evidence came public and, in September 2007, McLaren was deprived of all the points won on the sport during that year, and hugely fined. Remember those hundred million dollars?

Sir Jackie Stewart, three times world champion, criticised the way Mr. Mosley conducted himself; the FIA president dismissed him: he called Stewart “a certified halfwit”. Only because Stewart, who has become so successful in sport and business life, is dyslexic.

The words of team owner Frank Williams were difficult to ignore: "I won't use the word witch-hunt –he said- but there is enormous tenacity to find out what happened".

It seemed like Mosley acted as if his only concern were the veracity of the new evidence, not taking in consideration the way in which it has been raised. The question was one of real or fake, not public or private.

Then, you know, six months later, the sex scandal exploded. You probably have had enough from it, so I won't repeat the details of the sadomasochistic orgy with five prostitutes.

But it is worth remembering that Mr. Mosley won a privacy action against the News of the World newspaper, which ran the story, because it breached Article 8 of the European Convention on Human Rights. He argued that what he does in private is his own business and that the world does not need to know. He won also around hundred thousand sterling pounds for damages.

But what had happened before? There was a pretty good reaction against Mosley as he made public (again, private versus public) his will to remain as the FIA president. Many FIA club and several manufacturers asked him to step aside.

The ADAC from Germany, the biggest automotive club in Europe, called Mosley to “carefully reconsider” his position as FIA president, and the American Automobile Association, with more than 50 million members, soon joined the calling. The tide was growing.

On April 3<sup>rd</sup>, the FIA called for a General Assembly. By that time, it was clear that clubs that represent 60 per cent of FIA membership have requested or demanded Mosley resignation. FIA has actually 219 motoring and sporting clubs from 130 countries.

Later, on April 9<sup>th</sup>, it was decided that the Assembly would be held on June 3<sup>rd</sup>, two months later. Why? Because Mosley wanted a confidence vote. He then said in a letter dated May 16<sup>th</sup> and sent to the FIA clubs that

it would be “irresponsible, even a breach of duty, to walk away”. But, also, he stated: “I think it essential that there should be a smooth transition. If we are to have that, we need to wait to 2009”.

And he added: “It was always my intention that I was never going beyond 2009”.

Four days before the Assembly, 24 FIA clubs in 22 countries, representing the 85 per cent of people associated to FIA clubs, asked Mosley to step down immediately. But those clubs have only 13 votes to demand resignation.

Then, on June 3, 2008, the General Assembly gave Mosley his greatly desired vote of confidence, by 103 votes to 55, with only seven abstentions and four invalid votes. That gave him the right to complete his term.

It has been reported that the representative of the United Arab Emirates at the FIA, Mohammed Bin Sulayem, was responsible for organising 41 of 105 Mosley’s supporting votes, showing a great display of power and influence.

If Bin Sulayem decided to change sides in the end, he could have secured Mosley defeat. But he remained loyal. It is the same guy that last April destroyed a lent Formula 1 car, valued in one million dollars, hitting a wall some hundred meters after he started to accelerate the car, at the Dubai track main straight.

So, Mosley won the right to keep at his chair all the way to October 2009, but saying in public that he will not stand another election. Did he change his mind? Perhaps.

Three months later, In September 2008, at the Monza track, in Italy, he told Reuters that there was “an awful lot of pressure coming from different parts of the world saying ‘continue’ which is very nice”

In last February, four months ago, he surprised people by saying that even FIA members said he should stay for another term.

Would he? I was told in my country, Argentina, whose national automobile club has one of the vice presidencies of the FIA, that no one is attempting to compete against Mosley.

Oh, wait! There is one guy who is thinking about it.

Nazir Hoosein was the owner of a cinema in India who became one of Mosley's closest allies. He started running the Himalayan Rally in the sixties, and was the FIA delegate of the Motor Sports Clubs of India. But his closeness to Mosley was such that the clubs decided to remove him as its delegate, arguing that he wasn't doing anything fruitful to develop Indian motorsport.

So, what did Hoosein do? He walked away, created the Motor Sport Federation of India, a parallel organisation, despite the fact that the Indian government supports the other federation. When the mess began, because India didn't accept Hoosein as its representative, FIA named him as China delegate!

Finally, an arrangement was established and Hoosein became an Indian delegate because it gave his country one of the FIA vicepresidencies. But luck started to change when tycoon Vijay Mallya became enthusiastic with motor racing and began to lead the Indian federation and the Force India Formula 1 team as well.

Mallya is the same guy who last March successfully bid for the belongings of Mahatma Gandhi in a New York auction, paying 1.8 million dollars and preventing it from going to a non-Indian owner.

With Mallya's ascension in FIA ranks, Hoosein began falling from grace. Has that something in common with the alleged vote against Mosley in the General Assembly? Is this the guy who can defeat Mosley in an election? He was even surpassed by Mohammed Bin Sulayem as the most influential delegate in Asia. Do you think he is the clever man that is needed to defeat Mosley?

Well, in Argentina I was told that all South American countries will support Mosley in case he decides to stand, which seems pretty much the case. Until this very week he is fighting Formula 1 teams trying to impose his ideas about how competition has to be next year, 2010.

Is this the way of grandeur in which this man wants to leave the Federation or simply is he fixing the terms to continue governing?

We will soon see.

Thank you