



Sport Update

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Olympic Games for sale

The IOC has rejected the latest bid from the European Broadcasting Union (“the EBU”) for the rights to the 2014 Winter Olympic Games and the 2016 Summer Olympic Games, ending an association which has lasted for over fifty years. In previous years, the IOC agreed a deal with the EBU for the rights to broadcast the Olympic Games in Europe. The EBU in turn would agree deals with public service broadcasters throughout Europe. This year the IOC viewed the EBU bid as too low and now two leading sports agencies, Sportfive and Infront Sports and Media, are in the running for the contract. These companies may sell the rights in Europe territory by territory. Reports suggest that the EBU was offering slightly more than the €560 million it paid for the 2010 and 2012 Olympic Games while the IOC is reported to expect closer to €1 billion for the 2014 and 2016 Olympic Games. The decision of the IOC is not completely out of the blue. In a deal worth €23 million, the IOC awarded the rights to the 2014 and 2016 Olympic Games to Fox Turkey, a national broadcaster, rather than the Turkish public-service broadcaster which is also an EBU member. The IOC has also agreed a reportedly €152 million deal with Sky Italia, a pay channel, with the guarantee that it offer some free-to-air coverage.

In Ireland the summer Olympic Games is currently a ‘listed event’ and is shown live on RTE. The Irish legislation is the Broadcasting (Major Events Television Coverage) Act 1999 and the Broadcasting (Major Events Television Coverage) (Amendment) Act 2003 and is derived from EU directives. Although many perceive the Irish legislation as requiring ‘listed events’ be shown on free-to-air television, this is not necessarily the case. Section 4 of the 1999 Act provides that where a broadcaster under the jurisdiction of the State acquires the exclusive broadcasting rights to a ‘listed event’, it cannot broadcast the event unless the event has been made available to a ‘qualifying broadcaster’ on the request and payment of reasonable market rates by the ‘qualifying broadcaster’. But what if the ‘qualifying broadcaster’ can’t agree (or afford) a reasonable market rate? Section 5 of the 2003 Act provides for an arbitrator to determine the reasonable market rate. No provision is made for where two or more ‘qualifying broadcasters’ seek to broadcast the event. In Ireland a ‘qualifying broadcaster’ is a free-to-air station which has 95% or greater coverage (or 90% where there are less than three stations who meet the 95% threshold). That said, for commercial reasons, it is almost inconceivable that the Olympic Games would not be shown on free-to-air television, although if a private sports agency obtains the rights to broadcast the Olympic Games, they will become much more expensive.

In the UK David Davies, former executive director of English soccer’s Football Association, has been appointed to lead a review of the UK’s ‘listed events’. The list currently is broken into two categories: events that cannot be shown exclusively live on pay-television and events which can be shown exclusively live on pay-television but of which highlights must be shown on free-to-air television. It is reported that the list is being reviewed in light of the pending switch to digital broadcasting which will be complete by 2014, however there may be other factors at play. The challenge to the UK’s ‘listed events’ legislation mounted by FIFA and UEFA in the European Court of First Instance may have led the way towards this review (please see *Beauchamps Sport Update Volumes 13 and 20*).

The Olympic Games are designated by the UK’s Department for Culture, Media and Sport as a ‘listed event’ meaning it must be broadcast on free-to-air television. The legislation requires broadcasters who have 95% coverage in the UK and who are free-to-air to be allowed to broadcast ‘listed events’. A likely bidder for the broadcasting rights to the Olympic Games in the UK is BSkyB which is projected to have an adequate number of subscribers to qualify to broadcast listed events by 2014, but as the list currently stands, BSkyB would need to air the Olympic Games on free-to-air channels. It is possible that BSkyB could air the Olympic Games on free-to-air television, reaping in the financial benefits from the advertising potential.



And now a word from our sponsors...

As most of you are aware the US car companies are facing financial hardships with the US Congress rejecting their bid for a bailout. Although it claims the timing is coincidental, General Motors has decided to end its endorsement deal with golfer Tiger Woods one year early. The contract is believed to be worth €5.37 million per year and was due to expire at the end of 2009.

But, just because there's a "credit crunch", not all sponsor companies are becoming Scrooge-like. Coca-Cola announced that it remains committed to sponsoring soccer and the Olympic Games at the top levels and at the grassroots levels. With the World Cup finals in South Africa in 2010 and the Ukraine and Poland co-hosting in 2012, Coca-Cola's commitment to soccer remains strong. Likewise, it has already extended its membership of the IOC's TOP sponsorship programme (the top-tier of Olympic sponsors) until 2020. Coca-Cola is also focusing on the grassroots levels by investing in programmes for schools and local teams in an attempt to fight the growing problem of obesity.

There are still positive investment opportunities for companies in sports sponsorship according to a recent panel session of rights holders and sponsors at the Soccerex convention in South Africa. Brands need to market themselves, regardless of any "credit crunch" and sports will always provide an audience, no matter the current strength (or weakness) of the economy. Companies may just need to be more selective in how they spend their marketing budgets, ensuring they get the most exposure for their buck/Euro/Pound.

We know what that fan needs for Christmas

John "Grinch" Daly smashed a spectator's camera at the Australian Open, claiming the spectator got too close. Daly hit his tee shot into the rough and when he entered a clump of trees to find his ball the fan stepped up to take a photo of the golfer. Daly smashed the camera into a tree, telling the fan if he wants a new one (camera) he'll buy him one. Daly, who will likely not be sanctioned (or at least not publicly) may have had flashbacks to the Honda Classic 2007. It was at that tournament that Daly injured a stomach muscle, requiring surgery, after he tried to stop his swing mid-stroke after hearing the click of a camera. This time he figured he would strike first.

Licence to drive

Seventeen-year old Welshman-boy Tom Cave has been competing in rally races for two years in Latvia and holds an international rally licence from the country. However when he wanted to participate in the Wales Rally GB he hit a roadblock (so to speak). He was unable to drive on ordinary roads to get to the different stages of the race. So, nine days before the race was set to begin, he took (and passed) his road test becoming the youngest ever entrant in the Welsh rally. Tom brought his Ford Fiesta home in 30th place.



RTE Panel in 3D

Theatres in Los Angeles, New York and Boston showed a National Football League game one week ago. This in itself is not extraordinary, although a theatre is not the most likely place to watch the nationally televised Monday Night Football. The San Diego Chargers beat the Oakland Raiders 34-7, also not particularly newsworthy. However this game had a difference. It was in 3-D. Yes the paper glasses that you used as a kid to get the effect of Jaws coming right at you was put to the test in an NFL game. While there were some glitches along the way, the most common viewer complaint was not enough cheerleaders. Imagine the potential if this comes to Ireland!

Beware local advice

Midland Portland Cement, a sixteen-player team, was in Zimbabwe for a match. The players were told that a swim in the Zambezi River is a traditional ritual that would cleanse the team of evil spirits. However, only fifteen players made it back. The Zambezi River is also full of crocodiles. While it may be too late to source the crocodiles in time for the Six Nations in January, don't worry Trap, we should be able to do so before Georgia arrives in February.

For the die-hard fan

A cemetery plot! Fans of the German top-tier team Borussia Dortmund can demonstrate their love for the team by being buried (post-mortem) in a special cemetery. The cemetery will be designed to look like a football stadium. While Argentina's Boca Juniors were the first team in the world to have a cemetery built solely for its supporters, Dortmund's rival team, Hamburg, started the trend in Europe by opening a cemetery close to their stadium for supporters only (although it is unclear how one proves this to a level sufficient for an eternal commitment). The Dortmund cemetery will be open to all football fans. This means that in what may be Dante's tenth circle of Hell, a tried and true Dortmund fan could spend eternity next to a fan of its rival Schalke 04.

The Beauchamps Sport Unit wishes you and yours a joyful Christmas and a peaceful New Year!

Gary Rice
Head of Sport

Beauchamps Solicitors Riverside Two, Sir John Rogerson's Quay, Dublin 2
t: +353 (0)1 4180600 f: +353 (0)1 4180699
e: securemail@beauchamps.ie w: www.beauchamps.ie

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