

## Mosley submits

*An end to Formula One's civil war?*



AP/AFP

It was 11am in Paris, but high noon for Formula One racing. On Wednesday June 24th at the grand headquarters of the Fédération Internationale de l'Automobile in the Place de La Concorde in Paris, its aristocratic president, Max Mosley, squared off against the small-framed, big-haired Luca di Montezemolo of Ferrari. Mr Montezemolo was threatening to take the big teams out of Formula One (F1), the world's leading motor-racing championship, and set up a rival series unless Mr Mosley accepted his demands.

Within two hours Mr Montezemolo had prevailed. Mr Mosley agreed to step down more or less immediately, his decision to impose a £40m (\$66m) spending cap on teams participating in the championship was scrapped and the teams won a formal role in the governance of the sport. After several weeks' talk of the teams driving off, of lawsuits galore and, finally, of compromise, the clash ended in a rout.

For ten years the teams have sought a bigger say in F1. "We're tired of the present system. We want proper governance that is adhered to," said John Howett, head of Toyota's F1 team and vice-chairman of the Formula One Teams' Association (FOTA), on the eve of the showdown. "It is difficult to continue with Max there." Mr Mosley's involvement in a much publicised sex scandal last year had done little to bolster his position.

Teams backed by big carmakers such as Toyota, Mercedes, BMW, Ferrari (part of Fiat) and Renault had grown frustrated at the autocratic way the sport was being governed by Mr Mosley and Bernie Ecclestone, two British racing veterans who have kept a tight grip on the rule-book and purse-strings of F1 for around 30 years. Firms founded by Mr Ecclestone control the sport's commercial affairs, including the lucrative sale of rights to stage races and to broadcast them. They receive over half the fees paid by broadcasters and the companies or governments that put on the races. The teams want a bigger share of the revenues, although the current arrangement will remain in place until 2012.

Another bone of contention is the decision about where the 17 races in each year's championship should take place. About half of them are still in Europe, but the season now stretches from Melbourne in March to Abu Dhabi in November, passing through China, Brazil, Japan and Malaysia on the way. The newer venues were added partly to broaden the sport's appeal but mainly because the promoters concerned have built fancy courses and paid lavishly for the privilege of staging races. Meanwhile France, the spiritual home of motor racing, and America, the most important car market in the world, have been struck off F1's calendar, to the carmakers' dismay.

The global recession caused the simmering discontent in the sport to boil over into open revolt. After rising costs forced Honda to drop out of F1 last December, Mr Mosley responded by capping the amount each team could spend at £40m a year, for fear that the smaller teams might disappear from the starting grid. Teams that agreed to the limit would be free to introduce any technical changes they dreamed up to improve their cars. Those that refused the cap would be subject to tough scrutiny and stricter technical rules—an intrusion the carmaking teams in particular resented. They wanted the freedom to spend as much as they liked and to innovate; they are, after all, in the sport to boost their image. So they threatened to set up an alternative championship under the auspices of FOTA.

Previous revolts had crumbled, most recently in 2005. But this week FOTA was confident it had lined up a credible series of races with enough circuits, famous drivers and loyal sponsors to threaten F1's monopoly. In the event, the contingency plans were not needed. Mr Ecclestone seems to have deserted his old friend after FOTA won the backing of the ultimate authority in F1, the private-equity firm CVC Capital, which bought control of Mr Ecclestone's sports-rights company a few years ago. Its bankers had been worrying that the sport it had bought might fall apart. In the end, it was Mr Mosley and Mr Ecclestone's authority that collapsed.

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