

Notice published pursuant to Article 19(3) of Council Regulation No 17 concerning Cases COMP/35.163 — Notification of FIA Regulations, COMP/36.638 — Notification by FIA/FOA of agreements relating to the FIA Formula One World Championship, COMP/36.776 — GTR/FIA & others

(2001/C 169/03)

(Text with EEA relevance)

1. THE CASES

On 22 July 1994, the Fédération Internationale de l'Automobile (FIA) notified its regulations to the Commission under Regulation 17⁽¹⁾. Subsequently, the agreement between FIA and International Sportsworld Communicators Ltd (ISC) relating to the marketing of broadcasting and media rights to certain FIA championships (except formula one) was also notified (Case COMP/35.613). The commercial arrangements relating to the FIA Formula One World Championship were notified separately (Case COMP/36.638 — FIA/FOA) by the FIA and Formula One Administration Limited (FOA) on 5 September 1997.

The Commission published notices⁽²⁾ summarising the notified agreements and inviting third party comments.

In 1997 and 1998, the Commission received three complaints concerning these notifications. The complaints were lodged by: (i) the AE TV Cooperation GmbH (Case COMP/36.520 and Case COMP/37.319), a television company whose complaint focused mainly on the European Truck Racing Cup; (ii) the GTR Organisation (Case COMP/36.776), which organised and promoted an international series for 'Grand Touring' (GT) cars. All three complaints were subsequently withdrawn, and the cases closed.

On 29 June 1999, the Commission issued a Statement of Objections. The parties submitted their written responses to the Statement of Objections in February 2000.

On 26 April 2000, the FIA and FOA submitted several proposals to modify substantially the notified arrangements in order to meet the concerns expressed by the Commission in the Statement of Objections. Subsequently, the parties filed further submissions, the latest on 12 January 2001. This notice describes the FIA rules and the commercial arrangements between FIA, FOA and ISC which will result from the above-mentioned proposals, modifications and submissions by the parties.

2. THE PARTIES

FIA was founded in France as a non-profit-making association. It has at present more than 162 members (29 from EU countries). These are national automobile clubs, associations, and national motor sport federations (ASNs). The FIA

⁽¹⁾ OJ L3, 21.2.1962, p. 204/62.

⁽²⁾ OJ C 361, 27.11.1997, p. 7 related to Case COMP/35.163 and Case COMP/36.638.

members organise and regulate motor sport in their respective territories.

ISC is a company founded by Mr Bernie Ecclestone. Its principal activity was the marketing of television rights to FIA international series other than F1. In spring 2000, Mr Ecclestone sold the company to Mr David Richards and ISC is now charged with the promotion of the FIA World Rally Championship and the FIA Regional Rally Championships.

FOA/FOM, companies controlled by Mr Ecclestone, are engaged in the promotion of the FIA Formula One Championship. The term FOA/FOM, for the purposes of this notice, includes FIA Formula 3000 International Championship Limited, an Ecclestone family trust interest, which is engaged in the promotion of the FIA F3000 Championship. The 1998 Concorde Agreement provides that FOA is the Commercial Rights Holder to the FIA Formula One Championship. FOA is thus responsible for televising and generally commercialising the Championship. On 28 May 1999, FOA changed its name to Formula One Management Limited (FOM) which manages the rights. The commercial rights themselves were taken over by an associated company, now also named FOA.

3. PRODUCTS/SERVICES

These cases concern the following services and products: (a) the organisation of cross-border motor sport series; (b) the promotion of such series; (c) the certification/licensing of motor car sport events' organisers and participants; (d) the broadcasting rights of the FIA Formula One Championship.

4. THE NOTIFIED ARRANGEMENTS

4.1. The FIA rules

The rules, which are the subject of the notification, comprise five sets of documents⁽³⁾:

- (i) The Statutes of the FIA, ('the Statutes')

The Statutes are the principal constitutional document of FIA. They record the objectives of FIA; the persons eligible to become members; the rights and obligations attaching to membership; the role of FIA and its members in relation to motor sport; the structure and the organs of FIA and its sources of income.

⁽³⁾ The complete text of these documents is published every year by the FIA and can be found on FIA homepage: www.FIA.com.

FIA operates through a General Assembly; a Committee consisting of the FIA World Council for Touring and the Automobile and the FIA World Motor Sport Council; a Senate; the specialised Motor Sport Commissions; an International Court of Appeal; a Secretariat; and any other permanent or temporary commission or sub-commission which the Committee decides to set up.

- (ii) The International Sporting Code of the FIA and its Appendices, (the Code)

The Code is the document by which FIA lays down rules for the organisation and the conduct of motor sport events. It is administered by a number of different organs of the FIA, in particular the World Motor Sport Council. The Code and the General Prescriptions (see below) detail the sporting/technical rules under which the relevant motor sports events are to be conducted. The Code contains various appendices, which lay down very detailed specifications for vehicles, driver's equipment, approval of circuits, etc.

The Code takes effect as an agreement among the members of FIA. It confers on the ASNs power to issue licences to various classes of participants in motor sport competitions (drivers, manufacturers and organisers). By accepting a licence, the licence holder accepts to be contractually bound by the provisions of the Code and the provisions for its enforcement in accordance with the FIA statutes.

The main provisions of the Code as notified are:

- in accordance with Article 108 of the Code, any person wishing to be eligible to participate, as a competitor or as a driver, in any competition is required to make an application for a licence to the relevant ASN and to pay the appropriate fees,
- all international competitions are required to be entered on the international sporting calendar recording all international events to be held during the year. Article 47 states that no licence holder may participate in an international event if it is not entered on the FIA calendar and that no one may take part in such an event if he does not possess an FIA licence. Initially, entry on the calendar was at the discretion of FIA. If a participant does not comply with these provisions, FIA may withdraw his licence thereby excluding him from any event authorised by FIA. For instance, Article 58 states that in the case of non-compliance, any person or group which organises a competition or takes part therein will have their licence withdrawn. Article 118 provides

that 'any person who shall enter for, drive in, officiate at, or in any manner whatsoever take part in a prohibited competition will be suspended by the ASN which has issued them with their licence',

- the version of Article 24 initially notified provided that no international series could be organised without the written approval of FIA which approval was conditional on the respect of FIA's rights of ownership concerning the televising of international championships.

- (iii) The General Prescriptions applicable to all FIA championships, challenges, trophies and cups (the General Prescriptions)

The General Prescriptions set out the detailed sporting and technical rules under which FIA motor sport series are to be conducted. The initial notification included a provision according to which all filming and moving picture rights pertaining to any FIA World Championship are vested in FIA. In 1997, FIA submitted to the Commission a new version of this General Prescription which provided that this rule applied not only to all FIA championships but also to any international series authorised by FIA. In 1998, FIA again modified the rule in order to reduce its scope solely to FIA series.

- (iv) The Regulations of FIA International Championships

Each FIA International Championship has its own set of sporting and technical rules which are published in the FIA Yearbook of Automobile Sport.

- (v) Information contained in the FIA Yearbook and the FIA Bulletin

The FIA Yearbook and the FIA Bulletin include regulations and information on drag racing, the annual international sporting calendar, organisers of events, advertising in automobile sport, international circuits and hill-climb courses and long distance rallies.

4.2. The notified agreements

The notified arrangements also consisted of the following agreements: the Concorde Agreement, the Formula One Agreement, a number of promoters contracts, a number of Broadcasting Agreements relating to the FIA Formula One World Championship and the FIA-ISC Agreement concerning the FIA World and Regional Rally Championships.

The *Concorde Agreement* as originally notified was agreed on 5 September 1996 and was for a period of five years from 1 January 1997. On 27 August 1998, the parties notified the 1998 Concorde Agreement which replaces the earlier agreement and runs from 1 January 1998 until 31 December 2007. The agreement is between FIA, all of the Formula One teams and FOA, the latter being designated as the commercial rights holder. The agreement sets out terms for the organisation and running of the FIA Formula One World Championship and the voting structure for its control, by reference to other agreements, contracts, FIA rules and regulations.

In the Concorde Agreement, the teams recognise FIA's exclusive property in the FIA Formula One Championship, including in particular the trade marks, the right to the title thereof and responsibility for its organisation (clause 1.1). The teams undertake to participate each year for the duration of the agreement (clauses 5.3 and 5.2) and not to participate in any other race, competition, exhibition or championship for open wheel single seat cars other than formula one or a race for cars complying with a current FIA Formula (for instance, Formula 3000) (clause 5.2).

Clause 4.1(b) defines FIA rights as all rights that are or become lawfully vested in and held by or on behalf of FIA including all rights granted by the teams. The teams grant to FIA on an exclusive basis the rights in, and ancillary to, their performance, the performance of all cars, machines, equipment and persons connected to the teams (including the drivers) as well as the rights in the formula one events (clause 4.2(a) and (b)). According to clause 4.10, the teams have no rights to the championship elements, i.e. to any film footage of the relevant events and any official timing information, intellectual property rights, trade names, logos or other indicia owned by or on behalf of and/or vested in FIA and/or FOA. However, the teams retain certain rights such as the right to produce and market their own merchandise as well as computer games (clause 4(d)).

FIA and FOA undertake to the formula one teams (clause 5.4(d)(ii)), that the championship will be shown free to air where there are suitable broadcasters prepared to do this. FIA warrants that all FIA rights will be granted to FOA for exploitation in order to make payments to the teams as provided by schedule 5 of the agreement (clause 5.5) ⁽¹⁾. FOA also undertakes to each team that it will enter into Grand Prix contracts with the promoters who are to host a formula one Grand Prix during the term of the 1998 Concorde Agreement (clause 5.4(c)). FIA undertakes to enter a Grand Prix event on the FIA calendar only where the promoters have entered into a Grand Prix Contract with FOA (clause 11.2(a)).

The *Formula One Agreement* is between FIA and FOM (then called FOCA Administration Limited) (the latter has now

⁽¹⁾ The Concorde Agreement sets out the obligations on FOA to pay certain amounts to all teams to reflect their contribution to the FIA Formula One World Championship. FOA agrees to pay each team a sum calculated by reference to, *inter alia*, FOA's gross revenues from exploitation of the TV rights.

novated its rights to FOA). It is dated 19 December 1995, took full effect on 1 January 1997 and is effective until 2010. FOA acquires from FIA for 14 years all of FIA's commercial rights to the FIA Formula One World Championship, including the such right as the FIA has to exploit the sound and moving picture rights to the Championship. FOA agrees to reward FIA and all teams to reflect their contribution to the championship. FIA and FOA mutually undertake to use their best endeavours to maintain the FIA Formula One World Championship as the premier world championship for racing cars and the only FIA world championship for single seater open wheeled racing cars.

The *Grand Prix contracts between FOA and local promoters* are drafted in accordance with the terms of schedule 4 to the Concorde Agreement. The agreements typically run for five years. They relate to the promotion of a Grand Prix event and govern the commercial and financial management of such Grand Prix. The promoter assigns to FOA all copyright, intellectual property rights and other rights which it may have now or in the future in any media (clause 23.3). Under clause 27, the promoters undertake to ensure that during the term of the contract no race for open wheeled cars other than the Grand Prix or a race in the Formula 3000 Championship will take place on the circuit.

The *Broadcasting Agreements* have been concluded by FOA with 60 broadcasters worldwide. For each Grand Prix, FOA contracts with a broadcasting company in the host country to serve as host broadcaster, who is responsible for the production of moving images of the Grand Prix and making a signal — the 'international feed' — available to non-host broadcasters. Some of the agreements provided for a discount of 33% on the price paid by the broadcaster if the broadcaster agreed not to broadcast any open wheeler racing other than formula one. There are two categories of broadcasting agreements. For free-access television, contracts are typically concluded with one broadcaster in a territorially defined area and with certain limited exclusivity granted. They have a duration of between one and five years except for a small number which are for 10 years. For pay television, FOA has entered into pay TV contracts for the 'supersignal' — a service provided by FOA using state-of-the-art digital technology to produce six separate channels. The duration of these agreements is up to 11 years.

The *FIA/ISC Agreement* became effective on 27 August 1996 and expires on 31 December 2010. Under this agreement, FIA granted ISC for 14 years the exclusive broadcasting rights to 18 FIA championships for ISC's own use and benefit. ISC also submitted copies of agreements it had concluded with organisers of events and with broadcasters. In April 2000, an Ecclestone family trust sold the entire share capital of ISC to a conglomerate led by Mr David Richards who informed the Commission that prior to the transaction, FIA had modified its contract with ISC which now only holds the rights to the FIA World Rally and Regional Rally (European, African, etc.) Championships.

5. MODIFICATIONS AND UNDERTAKINGS BY THE PARTIES

The Commission's Statement of Objections issued in June 2000 made the preliminary assessment that FIA had a 'conflict of interest' in that it was using its regulatory powers to block the organisation of races which competed with the events promoted or organised by FIA (i.e. those events from which FIA derived a commercial benefit). Moreover, for a certain period of time, FIA may have been abusing a dominant position under Article 82 of the EC Treaty by claiming the TV rights to motor sport series it authorised. An analogous situation was created in formula one by the imposition of certain clauses in the Concorde Agreement. Finally, certain notified contracts appeared to contravene Article 81 and/or Article 82 of the EC Treaty in that they raised further the barriers to entry for a potential entrant: the promoters' contracts prevented circuits used for formula one from being used for races which could compete with formula one for a period of 10 years; the Concorde Agreement prevented the teams from racing in any other series comparable to formula one; the agreements with broadcasters placed a financial penalty on them if they showed motor sports that competed with F1 series. Certain agreements between FIA and broadcasters appeared to restrict competition within the meaning of Article 81 of the EC Treaty by granting the latter exclusivity in their territories for excessive periods of time.

Although the parties do not agree with the Commission's Objections, they have nevertheless agreed to modify significantly certain of their arrangements.

The modifications have the following objectives:

- to establish a complete separation of the commercial and regulatory functions in relation to the FIA Formula One World Championship and the FIA World Rally Championship where new agreements are proposed which place the commercial exploitation of these championships at arm's length,
- to improve transparency of decision making and appeals procedures, and to create greater accountability,
- to guarantee access to motor sport to any person meeting the relevant safety and fairness criteria,
- to guarantee access to the international sporting calendar and ensure that no restriction is placed on access to external independent appeals,
- to modify the duration of free-to-air broadcasting contracts in relation to the FIA Formula One World Championship.

In order to achieve a more complete separation between sporting and commercial matters and in order to increase transparency, FIA proposes that Mr Ecclestone relinquish his seat on the FIA Senate and his role as FIA Vice-President for Promotional Affairs. FIA proposes to make Mr Ecclestone an honorary Vice-President of FIA. FIA is also prepared to stipulate that the representative of the formula one commission should not participate in any decision in the FIA World Motor Sport Council regarding the authorisation of any series which is a potential rival.

Moreover, FIA will be prepared in principle to participate in the sporting management and attach the FIA's name to a series where the series' organiser wishes to form a partnership with FIA, where an organiser promotes the definitive competition in a particular discipline, where that organiser demonstrably properly manages that competition and where the discipline itself is sufficiently popular and developed.

On 28 June 2000 and 5 October 2000, FIA modified the International Sporting Code as follows:

- Article 2 — addition of a positive affirmation that the purpose of the code is to facilitate motor sport and that the code will never be enforced so as to prevent or impede a competition or the participation of a competitor, save where FIA concludes that this is necessary for the safe, fair or orderly conduct of motor sport,
- Articles 17, 58, 84, 113, 118 — addition of a provision stating that FIA will state reasons for refusing any entry to an international event, for any withdrawal of a licence which arises as a consequence of a rule breach, if an international licence for a track or autodrome is refused, if a licence to an applicant who does not meet the relevant criteria is refused and in the event of FIA being called upon to adjudicate upon a disagreement between ASNs upon the imposition of certain penalties,
- Article 24 — deletion of a reference to the FIA rights of ownership to the media rights in championships as described in the general prescriptions,
- Article 47 — insertion of a positive affirmation that any applicant who qualifies for a licence within the terms of the code shall be entitled to such a licence and that any refusal of a licence shall be reasoned,
- Article 63 — insertion of a positive affirmation that the holders of organiser's licences who apply for organiser's permits shall be entitled to those permits provided that the relevant criteria are met,

— Article 74 — insertion of a positive affirmation that any refusal of an entry will be reasoned and deletion of a provision stating that no appeal is available in the event of the refusal of an entry,

— Article 165 — insertion of a positive affirmation that FIA will notify and state reasons to the persons upon whom sentence is passed in the event of a decision to suspend or disqualify,

— Article 169 — insertion of the positive declaration 'without prejudice to any right to appeal any decision' and removal of the statement that any appellant may incur disqualification in the event of such an appeal,

— Article 189 — insertion of a positive declaration that judgments of FIA's Court of Appeal shall be reasoned,

— Article 191 — in relation to the publication of judgments, insertion of the statement 'without prejudice to any right of appeal' and removal of the statement that any appellant may incur disqualification in the event of such an appeal. FIA proposes to introduce a new sub Article (Article 191(b)) in the International Sporting Code which states:

'For the avoidance of doubt, nothing in the code shall prevent any party from pursuing any right of action which it may have before any Court or Tribunal',

— Article 204 — removal of a cross-reference to the general prescriptions which claims ownership of the media rights to FIA's championships,

— Annex G — insertion of a guarantee that provided an event complies in all respects with the provisions of the code FIA will enter it onto the calendar. FIA proposes to incorporate a new Article 5 to Annex G of the International Sporting Code as follows:

'Where two applications are received for the same date in the calendar and the Calendar Commission determines that it would be contrary to the interests of the sport to grant both and where no negotiated solution is possible, the event which has a longer history of holding its event on the day in question shall take precedence',

— Article 27 of the general prescriptions — deletion of this article which incorporated a claim by FIA to ownership of the media rights and replacement with an affirmation that the organiser of an event shall ensure that media coverage is fair and impartial.

The parties have also modified their commercial arrangements in the following manner:

— 1998 Concorde Agreement

By letter dated 28 July 2000 from FIA to the signatory teams to the Concorde Agreement and to FOM (formerly named FOA), FIA unilaterally waived its right to enforce the provision in clause 5.2 of that Agreement which bound the teams not to participate in any other race, competition, exhibition or championship for open wheeler single seat cars. FOA did the same by a letter dated 1 September 2000 to the signatory teams to the Concorde Agreement and FIA. By its letter of 28 July 2000, FIA unilaterally waived its rights in relation to clause 27 of the promoters contracts between the commercial rights holder and the promoters.

Moreover, FIA intends to waive its right to enforce clause 4.2 of the Concorde Agreement. However this waiver is expressly without prejudice to:

— the right of FOA to use images of the teams and cars in computer games,

— the right of FOA to use images of the teams and cars for promotional material as defined in Article 4.3 of the Concorde Agreement (such as photographs for posters, tickets, etc.), and

— the teams' agreement and consent to FOA continuing to film, broadcast and otherwise exploit footage containing images or representations of the teams and drivers to the extent that any such agreement and consent might be necessary under any national laws.

— Grand Prix contracts with the promoters

By letter dated 13 September 2000 to every promoter in the European Union whose contract contained a clause 27 provision, FOA unilaterally waived its rights in relation to this clause.

— FIA/FOA Agreement dated 19 December 1995

The main proposed amendments to the FIA/FOA Agreement dated 19 December 1995 between FIA and FOA aim at deleting any reference to FIA favouring the FIA Formula One Championship or to FIA endorsing a Grand Prix (over other events) and at guaranteeing that no provision in the agreement would prevent FIA from performing its regulatory functions.

Upon expiry of the abovementioned agreement with FOA, FIA proposes to enter into a 100-year agreement with a commercial rights holder for the marketing of FIA rights in relation to the formula one championship. All rights to organise and receive revenues from the championship will be transferred to this company for a fixed fee. FOA will not be automatically named as successor to the existing agreement. The draft agreement provides for the separation of commercial and regulatory functions in relation to formula one, allows FIA to use its logos etc. for regulatory purposes, acknowledges FIA as the sole regulator of the championship and does not contain any provision requiring FIA to favour this specific championship over others.

FIA proposes to adopt a similar approach to the FIA World Rally Championship (*FIA/ISC Agreement*) and to any other commercially viable FIA series. FIA will enter into arms'-length commercial agreements which will provide for fixed payments to be made to FIA removing thus any incentive for FIA to discriminate in favour of any series for commercial purposes.

— FOA broadcasting contracts

FOA has removed from its standard form TV contract the provision whereby broadcasters were afforded a discount of the rights fee payable if they did not broadcast any other form of open wheeler racing and by letters dated 14 August 2000 to the two broadcasters in the European Union whose contracts contained such a clause FOA unilaterally waived its rights in relation to it. Where exclusive rights have been granted in relation to terrestrial television, FOA is now limiting the duration of these contracts to a maximum of five years in the case of host broadcasters; and to a maximum of three years in all other cases.

FOA undertakes to notify comparable rival broadcasters when exclusive free to air broadcasting arrangements for a given territory expire and to invite them to apply. FOA has agreed to consider applications for broadcast rights on a non-discriminatory basis.

6. ASSESSMENT

The proposed changes to the regulatory framework and to the commercial arrangements appear to the Commission to introduce sufficient structural remedies minimising the risk of possible future abuse and to set the basis for a healthy competitive environment in economic activities related to motor sport. The Commission considers that, *inter alia*, the following elements are of particular relevance to this assessment.

The new rules introduce a separation of commercial and regulatory activities in motor sport, which FIA intends to make effective, *inter alia*, through the appointment as from 2010 of a 'commercial rights holder' for 100 years, for each of the FIA

Formula One and FIA World Rally Championships, in exchange of one-off fixed fee, payable at the outset.

Minimum standards of safety are essential to the proper functioning of motor sport and it is appropriate for FIA to impose rules on participants in and organisers of motor sport events in order to guarantee the maintenance of those standards. In the absence of binding rules, organisers of and participants in motor sport events might be tempted to overlook certain essential safety requirements in an effort to reduce costs.

The modified rules provide that and the Commission has been assured that the FIA rules will never be enforced so as to prevent or impede a competition or the participation of a competitor, save for reasons inherently linked to FIA's regulatory role of maintaining safety standards. FIA has guaranteed that its licensing and disciplinary rules only be enforced to ensure a minimum level of safety at motor sport events (Article 2 FIA code). The reformed rules appear to provide satisfactory guarantees for a new regulatory environment where the FIA's licensing powers and the code's sporting and technical rules will be applied in an objective, non-discriminatory and transparent manner. The FIA will not object to the establishment of new events and the participation of circuits, teams and drivers in them, provided that the essential provisions contained in the code have been complied with. The FIA has in this respect confirmed that all those complying with the rules of the code will have their events listed on the international calendar as a matter of right.

FIA's submissions have confirmed the availability of legal challenge against FIA decisions both within the FIA structure and before national courts. Access to external independent appeals has been guaranteed in the FIA rules. As mentioned above, the FIA has agreed to insert a new clause clarifying that anyone who is subject to FIA decisions can challenge them before the national courts.

The new regulatory environment removes the previously identified obstacles to intra-brand as well as inter-brand competition. Competing events and series within the formula one discipline (and with other motor sport disciplines) will be possible. The reforms also create the possibility of increased inter-brand competition. New disciplines can be created, and events and series in potentially competing disciplines can be approved. FIA will have neither the commercial incentive nor the regulatory power to limit the type and number of events it authorises, other than on the basis of objective criteria.

The notified agreements as amended will remove those barriers which had prevented in the past the use of FIA licensed products and circuits or the participation of FIA licensees in different disciplines or in competing events in the same discipline. The proposed changes to the notified agreements will, for example, result in the availability of racetracks in Europe for rival series to use, even if these circuits already host FIA Formula One championship events.

The modified Concorde Agreement establishes the organisational structure of the FIA Formula One Championship and provides for the commercial arrangements aiming at marketing the series. As motor sport and especially formula one is a particularly complex technical activity requiring important investments in technological research and development, it is indispensable for all participants to agree on the way the series are organised. In this sport, for instance, all teams participate in all events at the same time. However, it is impossible to market the individual rights of each team participating in a race. As FIA, FOA, the teams, the drivers, the manufacturers and the local organiser or promoter may all have rights in the event, some arrangement between all of them for the sale of rights, especially the broadcasting rights, appears to be indispensable. The Concorde Agreement provides for FOA to be the commercial rights holder for the FIA Formula One World Championship and to negotiate on behalf of the teams and FIA the organisation of the races with the local promoters and the sale of broadcasting rights with broadcasters. These arrangements do not appear to affect prices or output in the market to any significant degree. Individual formula one events do not compete with each other as they are not broadcast at the same time. Moreover all formula one events are available for broadcasting.

Moreover, due to the complex technicalities of this particular sport, the Concorde Agreement allows more efficient marketing of formula one series and guarantees that free to air will be the principal way of transmission to viewers.

All provisions in the notified agreements whereby FIA compelled licence holders to surrender to FIA their broadcasting rights have been removed. The agreements no longer contain any rule or mechanism which would allow FIA to appropriate all media rights to a given championship.

The broadcasting arrangements for formula one, as amended, will bring periods of exclusivity granted to individual broad-

casters to a length that does not exceed what seems reasonable in view of the nature of the rights and the obligations and investments undertaken by broadcasters, given the specific features of the sport. The pricing policy applied to contracts no longer penalises broadcasters who choose to broadcast open wheeler racing events other than formula one. The possibility of intra-brand competition to formula one brought about by the new regulatory environment constitutes a further element in the Commission's favourable assessment of the amended broadcasting arrangements.

7. CONCLUSION

The modifications and undertakings of the parties described above substantially alter the legal and economic context as compared to that described by the Commission in its Statement of Objections. The Commission now intends to take a favourable view in respect of the notified agreements. Before adopting a favourable opinion, the Commission invites third parties to send their observations within one month of the publication of this notice by mail to the following address or by fax to the following number quoting the reference Case COMP/35.163 FIA or COMP/36.638 FIA/FOA:

European Commission
Directorate-General for Competition
Directorate C
Rue de la Loi/Wetstraat 200
B-1049 Brussels
Fax (32-2) 296 98 04.

If a party considers that its observations contain business secrets, it must indicate the passages which in its opinion ought not to be disclosed on the ground that they contain business secrets or other confidential material, and state the reasons. If the Commission does not receive a request with reasons it will assume that the observations do not contain any confidential information.