

Broadcasting of the Olympic Games

A great many articles have appeared at regular intervals in the press concerning the “billions” the International Olympic Committee “must” be receiving from the sale of television rights for the Olympic Games and the Winter Olympics. The confusion and inaccuracies appearing here and there made us decide to publish this article.

However, before speaking of the sale of rights, contracts, the rules to be respected and the destination of the sums obtained in this way, we feel it is indispensable to define right from the start a few technical terms whose subsequent use and understanding will thus be simplified.

What exactly the televising and radio broadcasting of the Olympic Games involve

Without wishing to go into the purely technical side of these broadcasts, a few explanations should nevertheless be given as to what they entail, as it is these technical and material requirements that form the basis on which the contracts are discussed.

For you to follow on television or the radio the feats of a Lasse Viren, a Bob Beamon, Shane Gould's or Aki Bua's records, or a Wolferman's leap for joy, it is necessary beforehand to assemble considerable technical equipment, since the broadcasting of any event—by radio or television—from one place to another calls for three fundamental actions: the gathering of the *information* on the spot, its transmission to its destination, and its reception. Actually the third stage, reception, does not

concern us here since it depends directly on the receiving country—even though it is the “sine qua non” of the other two.

Gathering the information on the spot presupposes special equipment, specially designed for the purpose, qualified personnel for handling it and someone in charge to direct the whole affair. For example, we find following the work of Shane Gould's legs underwater on the screen completely natural. But the equipment used—underwater cameras, divers, special lighting, etc.—can only be used for this purpose alone, and cannot be used for following for example the marathon event.

The material gathered—sound, picture or both—can be considered the “raw material”. It can then be transmitted as it is towards its destination, and we will then see what the cameraman has seen, or be processed on the spot, splicing, slow motion to analyse the movements, playbacks, repeats, etc. In the latter case, it is information in its finished or final form that will be transmitted, and what we will see will have no relation to what the cameraman might have seen.

Processing the information requires additional equipment and personnel, different from those used for gathering it.

The information then has to be transmitted. The principle is the same, whether it is “raw” or the finished product. Transmission can be effected in three different ways: via cable (telephone network for example), by micro-wave link, or via a satellite.

In all three cases, what is known as a “signal” has to be produced. What exactly is meant by this word, the vital importance of which we shall see later?

A transmitter sends out a train of regular waves. In themselves these waves contain no particular information. (They are, for example, the regular hum heard when a station has just stopped its programmes.)

But by “modulating” this wave, that is to say by imparting to it coded deformations, it becomes a carrier of information: it becomes a signal.

The “TV signal” is a high frequency signal, produced by the modulation of a wave by a video signal, the latter being the complete final signal transmitted to the appliance producing the modulation of the wave sent out by the transmitter.

This video signal comprises three items of information: information concerning the brilliance of the successive elements of the picture, and two groups of time signals, called “synchronization signals”.

The video signal is therefore the “raw” or “processed” information, collected by the cameras and the microphones, i.e. the picture and the sound. This coded information is transmitted to the modulator. It is this instrument (or set of instruments) which, by modifying the wave of the transmitter according to the message it receives, makes possible the transmission of a TV signal.

We now have a clearer idea of what is entailed in a television broadcast of an event from one place to another.

But how does this affect the Olympic Games?

The problem is complicated by the fact that in the space of a fortnight, and in twenty-six different places, over 4,000 events will be held, of varying duration,



from a few seconds to a few hours, and representing a total of some 1,300 hours (while the Games cover a period of two weeks, i.e. a maximum of 360 hours). Add to this some 100 radio organizations and about 70 television companies all wanting to broadcast all or part of the Olympic Games, interview the athletes, etc.

And as an example, while almost every viewer all over the world saw Dave Wottle win the 800 m. in Munich, they did not all see the same thing. The United States received pictures specially taken by ABC; most of the other countries received the world programme filmed by the DOZ, while others saw a splicing geared more to their own athletes in the race. Finally, a number of the IOC’s rules have to be respected, in particular those concerning advertising, statements, commercialization.

All this obviously calls for a carefully planned but supple form of organization, equipped with the technical facilities needed to answer the requirements of users. In a moment we shall see how each of the Organizing Committees of the Games has solved the problems facing it, but first of all let us take a look at the financial aspect of the question.

Who created the modern Olympic Games? A Frenchman, Pierre de Coubertin, who founded the Interna-

tional Olympic Committee responsible for the four-yearly celebration of the Games.

The Olympic Games are therefore the property of the IOC, an independent organization. They are the work of the IOC, which owns all rights appertaining to them, even if it delegates part of its powers to other organizations (International Federations, in particular, for the technical side of the competitions).

Consequently, the right to broadcast the Olympic Games via the radio or television can be granted only by the IOC, and by it alone. The fees payable in such a case must be paid to it alone, since it is the sole owner. Whether these amounts are then shared out among Organising Committees, IFs, NOCs and the IOC should have no influence whatsoever on the negotiations. This is however what has often happened. Let us try to understand.

Why television rights?

The problem of television rights is in fact only the visible and more spectacular part of another much vaster problem: that of the funds required for the smooth running of sports organizations.

At the time when the IOC and most of the International Federations were founded, there was no chasing after funds: it was the time of rich patrons and many fortunes were gradually whittled away by the increasingly heavy demands made on them by sports associations and clubs. One has only to think of the straitened circumstances in which the reviver of the Olympic Games died to realize this.

With Pierre de Coubertin gone and his fortune swallowed up, the IOC had to make up its mind to live on a very meagre scale. At the end of the second world war, its expenditure exceeded its receipts by half, and these consisted mainly of the subscriptions of its

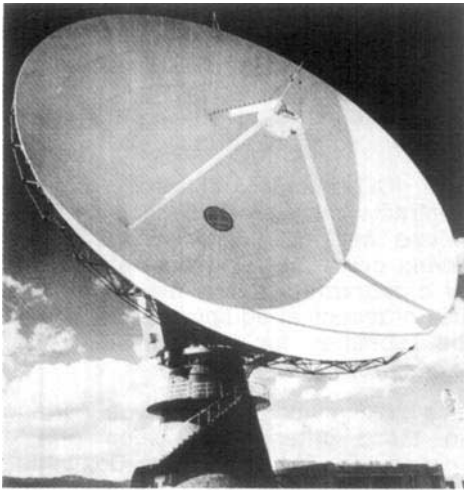
members. It should also be added that the President paid all his own expenses and even those of his secretarial staff. If he had not done so, the deficit would have been at least three times as high.

The International Federations were also going through a hard time. But being used to gaining a by no means negligible source of income from their various championships, they considered it normal to add a special tax onto the admission tickets to the Olympic Games. They put this proposal to the IOC, which agreed to study the question. This tax was to amount to 3% and the proceeds were to be shared between the IOC and the International Federations.

At that time Mr. Avery Brundage, who was Vice-President of the IOC, noticed that the Organizing Committees frequently derived a substantial profit from the organization of the Olympic Games. Basing his reasoning on the fact that no individual and no association should make any profit out of the Olympic Games, he suggested the inclusion in the rules of a clause stipulating that any profits of this kind should be used uniquely for furthering the cause of amateur sport, and should be divided between the NOC of the organizing country and the IOC for the promotion of the Olympic movement.

This clause was accepted and included in paragraph 8 of the Fundamental Principles of the IOC dated 1949: "All profits and funds deriving from the holding of the Olympic Games (after payment of all proper expenses in connection with their organisation and of any *contribution to the funds of the International Olympic Committee*) are paid to the National Olympic Committee of the country holding the Games and are necessarily applied for the promotion of the Olympic movement or the development of amateur sport."

The mention, in this rule, of a "contribution to the funds of the IOC"



is therefore the first record of the financing of the IOC by the Olympic Games. In fact, the scheme for a tax submitted by the International Federations could not be put into effect right away: the regulations governing taxation in Great Britain, at the time of the 1948 Olympics, were so draconian as to make it pointless. The organizers of the London Games were asked therefore to make the IOC a fixed contribution of £5000 (S.Fr. 36,000 today), and those of St. Moritz £2000 (S.Fr. 14,400 today). The rules and regulations of the IOC were amended accordingly and article 22 was introduced: "The International Olympic Committee requires the Committee entrusted with the organisation of the Olympic Games as well as the Winter Games to pay to the International Olympic Committee such sums as may be agreed upon as a contribution towards the expenses of the administration of the IOC and the development of the Olympic movement." Matters stayed this way until 1956, when, for the Melbourne Games, television came into the picture for the first time. For a while the IOC thought that it would be able to solve its financial problems thanks to the royalties paid by television. But as the

latter wished to enjoy the same benefits as the radio, no agreement could be reached, and there was no television coverage of the Melbourne Games.

Being unable to budget on the basis of purely hypothetical revenues, the IOC, while reserving for itself the benefit of article 8 (see above), reinforced the rules in its favour. The fixed contribution was raised to S.Fr. 100,000 for the 1960 Games, payable in advance, and a new paragraph was added to the rules in 1958: Art. 49: "The direct, or what is commonly called live television rights, to report the Games shall be sold by the Organizing Committee subject to the approval of the IOC and the proceeds from this sale shall be distributed according to its instructions." The problem seemed clearly put and easy to solve. But technical progress and the television audience had grown so tremendously between the Melbourne and Rome Games that the Organizing Committee gained from its sale of rights, as allowed it by the IOC, an amount far exceeding all estimates.

Therefore, at the Rome Session in 1960, realizing that the negotiations with the Organizing Committees were inconclusive, the IOC decided to fall back on Rule 21, which it modified as follows: "The Committees entrusted with the organization of the Olympic Games and the Olympic Winter Games must pay to the International Olympic Committee the sums decided." The actual amount was fixed according to the probable fees to be derived from the sale of rights and was to be shared equally between the IOC and the International Federations. The NOCs, naturally, protested against this decision, feeling that the International Federations already had considerable sources of income at their disposal, thanks to their championships, whereas they themselves had to pay from their own funds all the expenses involved in sending their teams to the Olympic Games.

In view of the amounts asked for at Tokyo (\$130,000, that is S.Fr. 390,000 today) and at Innsbruck (\$20,000, or S.Fr. 60,000 today), the IOC considered that dividing the total into three would only weaken the potential of the organizations concerned and placed the NOC's demand on one side for the time being. Their request was granted however at the Sapporo and Munich Games in 1972.

Even before the Mexico Games, television had taken on world importance: relay stations, links by satellite, the advent of electronic tubes and colour. It now represented one of the main sources of information for the public. The IOC modified its rules once again.

1966: Art. 8: "All profits derived from the holding of the Olympic Games are paid to the IOC and are necessarily applied to the promotion of the Olympic movement or to the development of amateur sport."

Art. 21: "The Committees entrusted with the organization of the Olympic Games and the Winter Olympic Games must pay to the IOC the sums decided by it."

1967: Art. 49: "Subject to the provisions of the preceding paragraph, the right to broadcast the Games on television shall be sold by the Organizing Committee, on behalf of and subject to the approval of the IOC, direct to television organizations for their respective territories, or to national or international associations of such organizations, and the resulting fee, which is to be paid by the purchaser or purchasers to the International Olympic Committee, shall be distributed in accordance with the rules which the latter prescribes for this purpose."

It was not long before the extremely wealthy private American companies tried to purchase the sole rights for broadcasts. The level of their bids soon became so high that other countries

began to fear a "de facto" monopoly. Furthermore, the contracts proposed risked infringing some of the IOC's rules and regulations, in particular those relating to advertising, the use of Olympic emblems, etc.

The IOC decided therefore that all contracts between the Organizing Committee and the television companies laying down the conditions of the sale of broadcasting rights, the supply and use of technical equipment, etc. should be submitted for its approval before signature.

The examination of contracts according to these criteria very soon proved inadequate. The Organising Committee of the Munich Games, basing itself on a restrictive interpretation of the rights subject to contracts, drew up a second contract relating to the technical facilities required for the transmission of television broadcasts to the United States, the company involved demanding unilateral installations, in view of the particular programme it wanted to offer its viewers. Consequently, in 1971 the IOC modified Rule 21 and added the following paragraph:

"... All payments for TV rights and financial contributions in connection with television belong to the IOC who will dispose of certain portions to International Federations, National Olympic Committees and Organising Committees."

It is clear therefore that all sums paid by television companies belong exclusively to the IOC, which then shares them out among the Organising Committee, the International Federations and the National Olympic Committees and itself, according to a distribution plan which has hardly varied since it was adopted by the Rome Session in 1966.

Who takes part in this distribution?

This distribution is carried out in two stages: first of all the total amount is



shared between the IOC and the Organizing Committee according to the following scale:

1st million dollars: IOC 3/3 OC —
 2nd million dollars: IOC 2/3 OC 1/3
 3rd and subsequent
 million dollars: IOC 1/3 OC 2/3

Thus, for example, out of a total sum of 6 million dollars, the IOC would receive $1,000,000 + 666,666.66 + (333,333.33 \times 4) = 3,000,000$ dollars and the Organizing Committee: $0 + 333,333.33 +$

$(666,666.66 \times 4) = 3,000,000$ dollars. But for a contract involving 10 million dollars, the respective shares would work out at: IOC: 4,333,333.33; OC: 5,666,666.66 dollars. As the gap increases with the size of the amounts involved, it is easy to see that the higher the figure agreed to in the contract, the higher the Organizing Committee's share.

In the second stage, the sum paid to the IOC has to be shared among three groups: the IOC, the International Federations and the National Olympic Committees, each receiving one third. (The NOCs have been included in this distribution since 1972.)

The IOC's actual share therefore of a contract worth 6 million dollars would be 1 million and of one worth 10 million dollars 1,444,444.44 dollars (the Organizing Committee's shares being 3 million and 5,666,666.66 dollars respectively).

While we are on the subject, let us describe the system for dividing up the sums to be paid to the International Federations and, since 1972, to the National Olympic Committees.

For the International Federations of the Summer Games, half the sum due to them is shared equally among them, the other half being divided according to the proportion of the sales of admission tickets for each sport. For the Winter Games, the system of division has changed a great deal: at Grenoble, five Federations only out of six took part and received shares as follows:

skiing - 38.33%; ice hockey - 11%;
 bobsleigh - 10%; tobogganing - 10%
 and biathlon-33%.

At Sapporo, each Federation received 1/6th of the total amount. As from 1976, the total sum will be divided into ten parts, each of the six Federations receiving a certain number (bobsleigh 1, tobogganing 1, biathlon 1, skating 2, ice hockey 2, skiing 3).

With regard to the National Olympic Committees it would obviously be ridiculous to divide the total sum allotted

them into 131 more or less equal shares (according to which criteria?); each would receive only an insignificant sum (for example, for Munich, dividing into equal shares, each NOC would have received S.Fr. 51,800). Therefore the whole amount is paid into the Olympic Solidarity account, and preserved for their benefit through the IOC.

By means of these figures, it is easy to see that those who benefit most from television rights are the Organizing Committees who receive on an average at least about 60% of these amounts, their share increasing with the total amount of the contracts, reaching for example 64.6% for \$ 50 million and 70% for \$100 million.

Even so, they find these sums insufficient, and want the rental and payment for the technical facilities to be refunded to them as well.

The part played by the Organising Committees

At the Tokyo Games in 1964, the Organizing Committee signed a contract with NHK, the Japanese radio and television company.

NHK therefore possessed full powers to sell rights to foreign television companies, and at the same time to collect all their fees. The Organizing Committee received 1.67 million dollars, including the rights on films and the sale of various licences.

The Mexico Organizing Committee chose another method: it was the receiver in all contracts, not only with the national organization *Telesistema*, but with all foreign companies too. However, the host organization provided no technical facilities for the use of the other parties to the contract and contented itself with ensuring the production of signals and links with other countries. While Mexico's receipts were greater than those of Tokyo, it should be noted that it is practically impossible to calculate the expenditure on technical facilities by foreign television companies.

Based on the experience gained in earlier Games, the Organizing Committee of the Munich Games introduced a new system: it signed a contract with the two German television companies which were regrouped in a special organization known as DOZ (Deutsche Olympia Zentrum für Radio und Television). DOZ was responsible for ensuring the full coverage of all events, for working out a world broadcasting programme and placing at the disposal of foreign companies all installations and technical equipment needed for the production and transmission of national programmes.

This solution also offered the advantage of avoiding the proliferation of cameras and teams of cameramen and technicians at the scene of the contests. The Organizing Committee, for its part, signed the contracts with the foreign television companies.

In view of the tremendous cost involved in setting up and running DOZ (DM 125,000,000, that is S.Fr. 145,000,000) the Organizing Committee looked for a way of reducing its expenses to a minimum: it thought it had found it by interpreting the words "rights of broadcasting the Olympic Games" in a restrictive sense, that is to say by considering only the right to use the signal. When the American chain ABC demanded special equipment, the Organizing Committee drew up a contract differentiating between broadcasting rights as defined above and the rental or use of DOZ's equipment and installations.

No one would dream of asking athletes to pay a fee for using any of the tracks, stadiums, swimming pools or other facilities during the Olympic Games. In the same way, why should an Organizing Committee expect to be repaid for, or to rent out the technical installations indispensable to the broadcasting of the Games?

The IOC objected to this attitude, which it considered in contradiction to the spirit of its rules and regulations. In

fact, in order to give the public the best possible information on the course of the Games, it is only natural that the Organizing Committee should take all necessary steps to give the different forms of mass media the facilities and equipment needed for the proper completion of their mission, just as it has to take all steps required to provide athletes with the best possible conditions for the practice of their sport.

The Organizing Committee of the Munich Games admits today that the 125 million DM it spent has not been wasted; thus, the German Federal Post Office is now benefitting from the communications network installed for the Games. The premises are being used.

Finally, the equipment purchased for the event — transmitters, electronic cameras, ciné-cameras, monitoring devices, vehicles, etc. have either been used by local stations, or sold to other companies. The European television companies, for example, have purchased a considerable amount of the equipment used at the Munich Games, especially the Austrian Television Company, in view of the Innsbruck Games.

To sum up, the major part of the equipment — facilities and installations — can be considered an investment almost sure to keep its value after the Games.

Television in Montreal

Before proceeding, in 1970, to the choice of the towns to hold the 1976 Games, the IOC asked, and obtained, assurance from all candidates that the royalties from television would be paid into its funds in full prior to being shared out according to the plan agreed on.

In spite of this, two years later, the Organizing Committee of the Olympic Games in Montreal submitted two con-

tracts for the IOC's approval; one concerning broadcasting rights, the other the provision of the technical facilities. In support of its demand, the COJO stated that the cost of equipping and running ORTO (the host radio-television office) would come to some 56 million dollars and was to be provided by the Organizing Committee itself.

It is understandable that the Organizing Committee should wish to recover its outlay of 25 million dollars.

However, a simple calculation shows that, supposing contracts total 39 million dollars, the distribution provided for by the IOC allows exactly 25 million dollars to the COJO. Yet, for an identical total, applying the system advocated by the COJO (1/2 for technical expenses incumbent on the COJO, 1/2 for rights subject to division), the latter no longer receives 25 but 32 million dollars, to which should be added the considerable value of the equipment set up and material acquired, which can either be saved or sold.

In the first place, while the IOC, IFs and NOCs each receive 4,666,666.66 dollars to keep them going for the next four years, in the second case (separate contracts), their share is only 1,888,888.88 dollars.

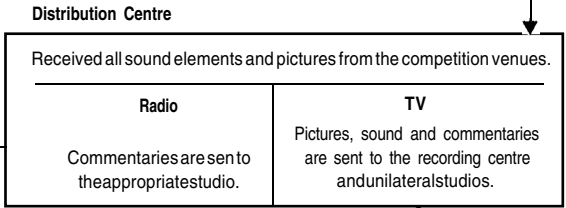
After several discussions an agreement was reached on 9th February 1974 (see page 100), the main points of which were: "A television programme has been set up by common agreement and any future negotiations will be carried out jointly" (joint IOC-COJO press release), and "the COJO would send a full breakdown of the \$56 million for technical facilities" (see resumé of the Executive Board meeting of 9th, 10th and 11th February 1974, page 91).

56 million dollars, for what purpose?

This 56 million dollars represents the ORTO's total budget for equipment, personnel, premises, etc.

Competition Venues (26)

TV:	Electronic cameras and outside broadcast vans at sites where possible. The picture, sound and commentaries for each country are sent to the distribution centre.
Radio:	Commentaries are either recorded on the spot or sent to the distribution centre.
Film:	At the other venues, the events are filmed.

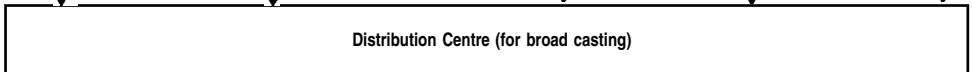
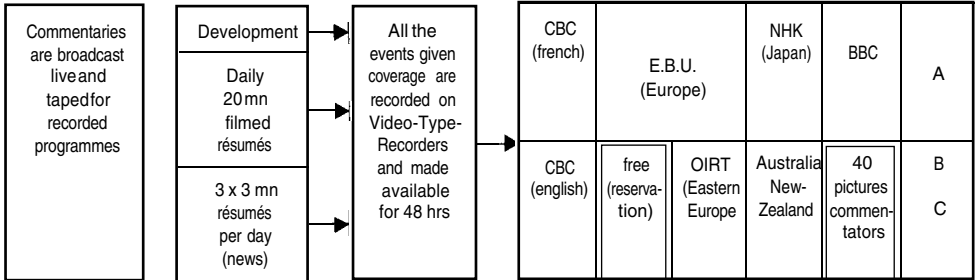


Radio Studios (50)

Films

Recording Centre

Unilateral TV Studios (10)



Broadcaster's home country

Broadcaster's home country

Canada

World

United States

(by local line, cable or satellite)

(by satellite or air express)

(by micro-waves or satellite Anik)

(by satellite Intelstat)

(by micro-waves)

Created at COJO's request on the basis of the Canadian Broadcasting Corporation, the ORTO is the Canadian counterpart of the Munich DOZ. Its role consists in setting up and providing the Canadian or foreign broadcasters with the technical facilities and radio and television services which they need for their programmes. The ORTO also has to ensure the world transmission of these broadcasts.

Why such a sum? In order to provide the TV signal, that is the picture that will be sent to foreign television companies and its transmission by the various means described above. In addition, it should be pointed out that certain companies, such as for instance the American ABC chain, have special needs for their public. Similarly, foreign television companies want more and more to individualize their coverage, with greater emphasis on the athletes of their own countries and not only featuring the winners. Hence the unilateral facilities demanded and the separate contracts.

Unlike Munich, the ORTO in Montreal will not be producing one worldwide programme. Mr. Marcel Deschamps, Director General of ORTO, has considered this policy preferable in view of the particular wishes of foreign television companies.

The ORTO will therefore provide complete coverage of the events and will place fully equipped studios at the disposal of television and radio companies, where each of them will be able to make up its own programme, select its own pictures, etc.

ORTO: Radio-Television Office of the Olympics

The equipment needed to satisfy these demands is obviously tremendous. Mr. Deschamps puts forward the following figures:

- 700 cabins for commentators, equipped with the necessary circuits, and spread over the 26 areas of competition
- 35 video circuits
- 2500 radio circuits
- 10 unilateral television studios
- 50 radio studios
- 20 reporting buses
- 79 video-tape recorders
- 10 slow-motion video-tape recorders
- 13 telecinemas
- 107 electronic colour cameras.

He pointed out that the purchase of this equipment alone would cost in the neighbourhood of 100 million dollars. The ORTO proposed therefore to rent the major part of it.

Running of the ORTO

The ORTO will ensure the electronic reporting of all contests, except archery, shooting, sailing, cross-country steeple chase, modern pentathlon, and road race (cycling). However, wherever several events of the same sport are held in different places on the same

On 4th march, the IOC issued the following statement to the press:

For several weeks there had been statements and articles referring to irregularities when the television contract for the Games of the XX1st Olympiad in Montreal was signed by the American company ABC.

Lord Killanin, President of the IOC, is very much concerned about these allegations of irregularities. After making enquiries, the President of the IOC is convinced that neither ABC nor COJO could have made any party contributions.

The President and Executive Board have approved the procedures and signed the said contract.

day, only one of them will be broadcast live, the main moments of the others being filmed.

In addition, the ORTO will produce a daily film summary lasting about 20 minutes, featuring the highlights of the contests; the attached table gives full details concerning this.

Innsbruck

Alongside these discussions with the Montreal Organising Committee, discussions with the Innsbruck Organising Committee were also held. After a few preliminary difficulties due to an unawareness of certain rule changes, an agreement was reached in January 1974. The Austrian television network ORF would be responsible for the whole programme of the Games and would provide the Organising Committee with the basic hardware. However since ABC as usual requested special facilities, the IOC accepted solely for the ABC contract two parts; one concerning the rights, for 8 million dollars, and the other concerning these special facilities, for 2 million dollars. In addition the IOC received the following letter from the Innsbruck Organising Committee:

"I would like to confirm that all TV contracts other than the ABC contract will, from now on, only pertain to the TV rights and that the hardware will be included in these contracts, i. e. the total amount of money involved with contracts signed with TV companies.

No separate contract for technical facilities or hardware and rights will be issued."

For future Games

Faced with these problems which were more legal than financial, and for which it was unprepared, the IOC needed to react. An important first step was made

in this direction with the drawing up of a technical questionnaire concerning radio and television. Created by the Varna Session in October 1973 for candidate cities for the Games, it should enable the situation to be clarified and put back on a firm footing*.

In addition an IOC sub-commission has also been created to study the different variations possible and decide on the formula to be advocated for the future. Composed of a representative of the American contracting television companies, a representative of EBU (European Broadcasting Union), lawyers and representatives of the IOC, this sub-commission is responsible in particular for drawing up a model television contract as well as bringing up to date and reviewing the technical radio-television questionnaire mentioned above. This sub-committee has recommended adding to the questionnaire (point 21, para. IV) that "The Organising Committee will not ask for the monies spent on technical facilities unless these are justified."

The IOC understands the Organising Committees' praiseworthy desire to minimise expenditure of public funds and therefore obtain the most receipts possible. It should however also consider the interests and requests of the organisations which enable the good development of the event which gives rise to the Organising Committees' existence.

The important thing is to make Certain of the resources indispensable to the world Olympic and sports movement for accomplishing the tasks it has set itself. The path is still narrow, but it exists, and its foundation is becoming stronger. It is now a question of making it carriageable.

Alain Coupat

** The wealth of material in this issue forces us to leave the publication of these questionnaires until our next issue.*