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# Family Feud:

## Olympic Revenue and IOC / USOC Relations

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### Prelude

It is no great secret that the financial health of both the International Olympic Committee (IOC) and its most flamboyant offspring, the United States Olympic Committee (USOC), is fundamentally embedded in the competitive zeal of American television networks and corporate business giants bent on linking their endeavours with the world's most illustrious sports spectacle. The ability of the IOC to generate billions of dollars through the sale of worldwide television rights and corporate sponsorship affiliations is matched by equally impressive revenue production from roughly the same sources by the USOC. The IOC's fundamental financial efforts are aimed at helping to underwrite the activities of its Olympic 'family' members worldwide, those being Organizing Committees of Olympic Games (OCOGs), International Federations of Olympic Sports (ISFs), and National Olympic Committees (NOCs). Alternatively, the USOC is equally driven to enhance the fortunes of American Olympic athletes in competition with their peers across the globe. Is it any wonder, then, that the "two hands in the same pot" syndrome has produced a reactionary and often fiery relationship between the two giants of Olympic commercialism? It is the mission of this essay to describe the historical events that have led to, and continue to exacerbate, the IOC/USOC philosophical and practical dichotomy when the subject of Olympic finance is raised.

From 1955 until 1966, the first era of evolving television matters with respect to the Olympic Games, the domineering and resolute Avery Brundage<sup>1</sup> presided over the IOC's efforts to come to grips with the new medium. In 1958 Brundage was instrumental in modifying Rule 49 in the *Olympic Charter* to deal with the question of tele-

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vision rights. Rule 49 fundamentally provided that television rights to the Olympic Games be sold through negotiations managed by the OCOGs with networks. As the earliest returns from television rights fees began to filter into IOC coffers in the 1960s, a heated and sometimes rancorous debate took place between representatives of the NOCs and ISFs over how television rights revenue should be shared among members of the Olympic family. The IOC was finally successful in establishing modest consensus agreement on the matter. Known as "the Rome Formula," final deliberations and ratification by the IOC Session in April 1966 on the subject of television revenue-sharing produced an equation that awarded roughly 66.6 % of the total dollars to the Organizing Committees of the Summer and Winter Olympic Games, while the remaining 33.3 % was split equally between the IOC and the collective bodies of NOCs and ISFs.<sup>2</sup> Arguments within the Olympic family concerning television money in the 1970s and early 1980s were largely restricted to OCOG demands for increasing shares of television contract revenues. OCOG leaders pressed the IOC to recognize the fiscal responsibilities placed on their shoulders due to burgeoning expenses required to meet the technical needs of the world's broadcasters in a new technological age. The USOC response to all this was mute. It would not be until the era of sensational escalation of television rights fees in the late 1970s and 1980s that USOC officials were aroused to seek their own independent share of the American revenue pot.

### **Storm Clouds: The IOC, USOC, and American Television Negotiations for the 1988 Seoul Olympics**



**Richard W. Pound**

In 1983, Samaranch appointed Richard W. Pound, a tax lawyer and IOC member in Canada (1978), to lead the IOC's fledgling Television Rights Negotiations Committee. Even though the IOC had empowered itself to act as an equal co-partner in television negotiations with the Organizing Committees for the 1984 Winter and Summer Olympic festivals in Sarajevo and Los Angeles, respectively, the 1988 cycle

of negotiations marked the first time that this approach was actually applied.<sup>3</sup> The Television Rights Negotiations Committee, under Pound's leadership, was the body designed to represent the IOC's interests at the negotiating table. Samaranch also envisioned Pound as a lever to diminish the power and authority of Monique Berlioux, the long-time IOC Director who guided IOC interests in television negotiations in the 1970s and early 1980s, with whom his working relationship was deteriorating.<sup>4</sup> Pound was enthusiastic, but lacked experience. However, his learning curve proved quite steep. He did not disappoint his boss.

In 1980, Boone Arledge and his team of ABC negotiators had obtained the U.S. rights to the 1984 Sarajevo Olympic Winter Games for \$91.5 million. In January 1984, marking his first foray into Olympic television negotiations, Pound and Calgary officials successfully finalized a \$309 million deal with the American Broadcasting Company (ABC) for U.S. television rights to the 1988 Olympic Winter Games. These negotiations, marked by feverish bidding from the three major over-the-air networks, ABC, National Broadcasting Company (NBC), and Columbia Broadcasting System (CBS), resulted in a quantum rise in the value of U.S. television rights for an Olympic Winter Games. While one might have expected three celebrants in the wake of the Calgary negotiations - Pound, Calgary organizers, and ABC officials - Boone Arledge and his colleagues were anything but joyous. They had obtained the rights but, in the process, had exceeded ABC's predetermined maximum offer by a whopping \$34 million.<sup>5</sup> Media observers were swift to suggest that ABC could anticipate a \$50-60 million loss on the Calgary project. ABC's coverage of the Sarajevo Games did not generate the excitement of the televised events in Lake Placid four years earlier, as evidenced by poor Nielsen ratings, part of which was due to the failure of the United States ice hockey team to repeat its 1980 "Miracle on Ice." In fact, the entire Sarajevo episode did little to improve the confidence of members of ABC's Sport Department in the Olympics.<sup>6</sup>

While Neal Pilson, President of CBS Sports, and Arthur Watson, President of NBC Sports, breathed a collective sigh of relief that they had failed to win the rights to the Calgary Olympic Winter Games (at least at the price paid by ABC), they shared a measure of frustration with Arledge concerning Pound's negotiating strategy. Pound and his Olympic partners in Calgary had employed a "sealed bid" procedure that involved the simultaneous submission of bids at or above a set minimum for each round of bidding. When Pilson learned that the sale price had soared past his maximum offer of \$257 million, he removed CBS from the negotiations before the third round of bidding. After five rounds of bidding, Arledge and Watson had both offered \$300 million. By virtue of a coin flip, NBC was offered the opportunity to provide an improved offer. Watson offered \$304 million. Arledge was asked to concede or better Watson's offer by at least \$1 million. Arledge consulted ABC's President, Fred Pierce, by telephone and returned to the table with a bid of \$309 million. Watson followed Pilson to the sidelines.<sup>7</sup>

Television executives in the United States were united in the opinion that the IOC was exploiting the U.S. market for maximum revenue while not employing the same methods in other regions. They were especially perturbed at the IOC's protectionist attitude concerning the European Broadcasting Union (EBU) which had never been asked to pay what American executives considered fair market value for Olympic television rights. One can imagine their outrage when Samaranch negotiated a \$5.7

million contract with EBU for western European rights to the Calgary Games more than two years after the U.S. deal had been settled.<sup>8</sup>

Pound understood the concerns of U.S. television executives and worked diligently behind the scenes in the 1980s and 1990s to increase Olympic television revenue from non-American sources, especially Europe. However, sensing Pound's agenda, Samaranch refused to relinquish personal control of the IOC's interests in negotiations with European television executives. Nevertheless, a yellow light of caution had been introduced. Inaction on the part of the IOC in terms of exacting maximum revenue from Europe, warned Pound, might encourage U.S. executives to apply for an exemption from the Sherman Anti-trust Act. If the U.S. Department of Justice agreed to the networks' request, the networks could submit a pooled bid of their own choosing, leaving the IOC without a negotiation process and, hence, minimum revenue.<sup>9</sup> An evolving commercial television industry capable of providing the IOC with viable alternatives to the government-sponsored EBU, assisted Pound's case in the 1990s. While EBU currently retains an inside track on European negotiations, it is now required to provide offers reasonably reflective of current market values.

In the aftermath of the television rights negotiations for the Calgary Olympic Winter Games, U.S. television executives were less than bullish on the prospect of bidding for the U.S. rights to the 1988 Seoul Olympics. Political instability on the Korean peninsula, poor economic indicators within the U.S. television sports market, and a troubling 14-hour time difference between Seoul and New York left Pound and his Korean television negotiations colleagues without eager suitors, at least at the price envisioned by the Seoul organizers.<sup>10</sup> The U.S. networks refused to engage in "Calgary-like" negotiations and deferred talks until the Seoul Olympic Organizing Committee (SLOOC) produced a complete event schedule.<sup>11</sup> In September 1985, Pound realized in advance of formal negotiations to be held in Lausanne that Korean expectations (\$600-700 million) far exceeded any potential offer from any of the bidding networks. Monique Berlioux, prior to her dismissal by Samaranch and the IOC Executive Board in May 1985, and SLOOC's television consultant, Barry Frank, had each been party to informing the Koreans that they might anticipate such a figure.<sup>12</sup> The Koreans, fully aware that history had shown the value of U.S. television rights to be approximately 2.5 times the worth of the rights to the Olympic Winter Games staged in the same year, needed little encouragement.<sup>13</sup>

The Koreans were "stunned and demoralized" by the offers provided by the "big three" networks.<sup>14</sup> The highest bid, \$325 million, was tendered by NBC. Despite Pound's persistent plea to the Koreans that NBC's was the best available offer, and that a second round of bidding in a month's time would likely yield similar, or even reduced offers, they balked.<sup>15</sup> "At one point," wrote William Taaffe of *Sports Illustrated*, "[Pound] took the SLOOC members aside for a lengthy private lecture. It was the Olympic equivalent of being taken to the woodshed."<sup>16</sup> Korean negotiators were unmoved. The NBC offer was so far short of domestic expectations that not one Korean official would sign the agreement, knowing fully well the frosty reception that would await that individual upon his return to Seoul. The personal intervention of SLOOC's President Roh Tae Woo at the request of Juan Antonio Samaranch came too late to salvage the talks. A second round of bidding in New York was scheduled for early October.<sup>17</sup>

While Pound winged his way back to Montréal following the failed negotiations

in Lausanne, undoubtedly disappointed with the results of his European junket, little did he know the manner in which his challenge to conclude a U.S. television rights deal would soon become even more daunting. Before the second round of negotiations opened in New York, the USOC informed Pound, Calgary, and Seoul officials that it would “insist on some compensation from both organizations [SLOOC and OCO ’88] in order to give its ‘consent’ for Olympic telecasts to occur in its territory using Olympic symbols, emblems, network composite logo and general ‘Olympic’ designations.”<sup>18</sup> This startling demand threatened the results of the ABC/Calgary/IOC deal because ABC had negotiated in good faith with the belief that it could employ a composite logo, one combining the network’s logo with the Olympic rings commonly used during pre-Olympic and Olympic coverage in order to advertise the network’s relationship with the Olympic Movement. ABC also assumed that it was empowered to market advertising time to sponsors who, in turn, understood that they would be allowed to employ the Olympic rings or related symbols in their commercials. If the equilibrium of OCO ’88 and ABC officials had been altered in the wake of the USOC’s ultimatum, it is safe to assume that Pound and his Korean partners were similarly affected. Pound characterized the short- and long-term implications of the USOC’s initiative as “extremely serious.”<sup>19</sup> The IOC’s Director of Legal Affairs, Howard Stupp, and SLOOC’s U.S. lawyer, Don Petroni, scrambled to assess the legal merit of the USOC’s claim.

The USOC based its claim for a share of U.S. television revenue on a federal statute, the Amateur Sports Act, which had been passed by Washington legislators in 1978. Even though the thrust of the Amateur Sports Act involved providing a mechanism for settling disputes between the USOC, National Collegiate Athletic Association (NCAA), and the Amateur Athletic Union (AAU) concerning the governance of amateur sport in America, it also granted exclusive use of Olympic emblems within the U.S. territory to the USOC. Hence, the USOC was invoking its right to control the use of Olympic emblems in the U.S. with the expectation of being paid handsomely in return for granting others the exclusive use of the Olympic rings and other emblems. The USOC backed its legal argument with the assertion that use of Olympic emblems on U.S. Olympic telecasts compromised its own domestic sponsorship program. Without some form of compensation, argued the USOC’s lawyer, Richard Kline, the USOC was sacrificing significant revenue from potential sponsors who would normally affiliate themselves with the USOC and the American Olympic team if they understood that it was the only way to link their company’s logo with the powerful five-ring Olympic symbol. Stupp and Petroni concurred that the USOC’s legal footing was secure.<sup>20</sup>

However, Stupp was disturbed by the USOC’s action in light of its refusal to share any of its portion of the profits from the 1984 Los Angeles Olympics with the NOCs throughout the world. The USOC had been granted 40% of the profits from the Los Angeles Games. Repeated requests from Samaranch for \$7 million to be distributed to the NOCs in order to offset extra accommodation costs accrued by their respective Olympic teams in Los Angeles had been rebuffed consistently.<sup>21</sup> If the USOC argued that the claim on U.S. television revenue was based on a desire to protect what was “rightfully theirs,” Stupp concluded that the USOC could not deny the IOC request because the participation of the world’s NOCs had been, in part, responsible for the financial success of the Games.<sup>22</sup> The USOC was only willing to con-

sider a "Friendship Fund" dedicated to assisting future foreign athletes with training expenses incurred while in the United States.<sup>23</sup> Stupp, like Pound, understood the practical reality of the matter. Some sort of agreement with the USOC was necessary in order to prevent trouble with ABC and its Calgary telecast sponsors, as well as to prevent the ongoing discussions concerning the U.S. television rights for Seoul from being torpedoed.<sup>24</sup> Samaranch, concurring with Howard Stupp's legal advice and Richard Pound's opinion, assigned the latter the responsibility of negotiating a settlement with the USOC.<sup>25</sup>

A negotiated settlement with the USOC on "domestic rights" was necessarily delayed as Pound and Korean organizing officials faced the second round of television rights for the Seol Games. When the parties convened in New York, Pound's prognostication held true. The U.S. networks refused to engage in a bidding war. ABC did not modify its original offer of \$225 million. CBS held firm at \$300 million, but end-loaded the deal such that \$246 million would not be payable until after the Olympic flame had been extinguished in Seoul. SLOOC badly needed money "up-front." NBC reduced its offer to \$300 million, but pledged \$50 million at the time that an agreement was signed. NBC also offered a revenue-sharing agreement on its profits from advertising income.<sup>26</sup> If NBC were to peddle \$900 million in commercial time to corporate sponsors, the value of the contract would climb to \$500 million.<sup>27</sup> NBC was SLOOC's only viable option. Pound put on a brave face in public for the benefit of his Korean partners, all of whom were in for a rough ride from the domestic media upon their return to Seoul. Privately, however, he understood that SLOOC's chances of realizing a sum in excess of \$300 million were nonexistent. With this deal tentatively in place, subject to establishing suitable clauses for insurance and an acceptable agreement with the USOC, Pound proceeded to address the USOC's claim.

Parrallel negotiations conducted by Pound with SLOOC/NBC and the USOC resulted in the formal contract signing in March 1986. NBC proved troublesome for Pound because of demands issued subsequent to the signing of the tentative deal in October 1985. NBC, recognizing its enhanced negotiating authority, pressed for clauses advantageous to its interests during the process of drafting the formal agreement. Much of NBC's aggressive stance resulted from its bad experience with the Moscow Olympics. Smarting from that episode, it now sought means to guarantee recovery of its money in the event of political turmoil on the Korean peninsula that might have an effect on the Olympic Games. The IOC's share of the television contract was placed in escrow until the Games were concluded, and in the event that four of the top ten medal-winning countries from the 1976 Montreal Olympics failed to send a team to Seoul, NBC could obtain a reduction in the rights fee if it proved damages. Further, if the USOC failed to send a team, as indeed happened in 1980 for the Moscow Games, NBC could claim a refund on rights money previously transferred, production expenses incurred, and interest.<sup>28</sup>

Pound and fellow IOC members Julian Roosevelt (U.S.) and Jim Worrall (Canada) held concurrent discussions with the USOC that resulted in the development of the Broadcast Marketing Agreement (BMA). The BMA granted the USOC \$15 million, the payment to be borne equally by the IOC, OCO'88, and SLOOC, in exchange for the USOC's consent to the use of Olympic emblems by ABC, NBC, and U.S. television advertisers in 1988. In exchange for its consent with regard to Olympic Games

in the future, the USOC was granted 10% of U.S. television contracts for 1992 and beyond.<sup>29</sup> The USOC's original demand had been for 20% of future U.S. contracts. Even though the price exacted by the USOC had been steep in Pound's thinking, he believed it preferable to a rumoured action by U.S. Congress in the form of a tax on future U.S. television contract monies, a tax which might very well result in monies paid to the United States Government far greater than those amounting to the USOC's 10%.<sup>30</sup>

### **A Back Door Approach: The USOC and the Olympic Television Broadcast Act**

While the intense media coverage of U.S. President George Bush's showdown with Saddam Hussein in the Persian Gulf mesmerized the world's television audience in January 1991, Pound flew to Washington, D.C. to deal with still another challenge, this time in the form of proposed congressional legislation with possible repercussions for the IOC and its management of U.S. television rights negotiations. "The Olympic Television Broadcast Act," sponsored by Congressman Tom McMillen, a Maryland democrat, alarmed Pound. The legislation, if passed, transferred control of U.S. television negotiations from the IOC to the USOC, thereby empowering the latter to determine its share of Olympic television revenue. The bill also provided the networks with an exemption from the Sherman Anti-trust Act, opening the possibility of a collaborative bid at a price favourable to the networks. Last, the consortium of U.S. networks would be prevented from interrupting live coverage with commercials.<sup>31</sup>

Pound was troubled. He had fended off earlier approaches from the USOC in 1989 and 1990 that pursued an increase in its percentage share of future television contracts.<sup>32</sup> Contrary to the USOC's assurance to the IOC, when queried on the matter, that it was not party to the Washington legislation process, McMillen told Pound that the USOC indeed had been involved in crafting elements of the bill.<sup>33</sup> It became obvious that the USOC was using McMillen as a means of pressuring the IOC in discussions concerning its share of future U.S. television contracts. Pound was puzzled that the USOC did not understand the potential impact of providing the U.S. networks with an exemption from the Sherman Anti-trust Act. Limitations on commercial advertising would also drive down the money offered by the networks because they could rightfully point to reduced advertising revenue.<sup>34</sup> For his own part, McMillen was responding to concerns expressed by U.S. television executives in light of spiraling rights fees. He also believed that American consumers shouldered an excessive share of the cost of staging Olympic Games through premiums placed on products sold by Olympic advertisers. McMillen predicted a "trickle-down" effect on the price of products marketed by Olympic advertisers no longer forced to pay top dollar for commercial time.<sup>35</sup> Pound pressed Samaranch to accept that the IOC bore some responsibility for the actions underway on Capitol Hill because of its reticence to deal with the widening gap between rights fees paid by American networks and those located in other global regions. "If the networks are really involved in this," wrote Pound, "then our problem will be exacerbated and until we can show that other parts of the world are approaching U.S. levels on a per capita or other appropriate measure, we can expect little sympathy from within the U.S."<sup>36</sup> Inaction, Pound informed

Samaranch, was anathema. Without definitive action by the IOC, events in Washington might spin out of control. He believed that he had borrowed some time for the IOC to deal with the issue because he had warned McMillen that such legislative action in the U.S. might damage Salt Lake City's chances in the vote scheduled for June to name the host city for the 1998 Olympic Winter Games.<sup>37</sup>

In September, Pound sensed that neither the ramifications of the McMillen bill nor his warning had altered the thinking of Samaranch and Marc Hodler, the two individuals who controlled the IOC's interests during negotiations with EBU. Samaranch and Hodler dismissed consideration of production proposals or offers from EBU's rivals. Samaranch's consistent rationale favoured EBU over private companies "which could not cover the Games properly."<sup>38</sup> More revenue from Europe was a desirable end, noted Hodler, but "full coverage" was critical. At a meeting of the IOC Executive Board, Pound scolded his colleagues for failing to recognize the rapidly evolving European television market. "The worlds of television and business [have] changed, everything [has] changed," noted Pound, "except for the IOC, which [is] still selling TV rights as in the 1960s." He reiterated the danger of U.S. government action if the inequity in fees paid by U.S. and European television executives was not addressed.<sup>39</sup> Pound's persistence, the lingering spectre of the McMillen bill, and a whopping \$300 million offer for European television rights to the 1996 Atlanta Olympics from Ufa, a German network, pushed Samaranch and Hodler's hand and forced EBU to structure a competitive offer of \$250 million.<sup>40</sup> This deal represented a sizeable increase on the combined sum of \$94.5 million paid by EBU, TVE (Spain), and OIRT (Eastern Europe) for European television rights to the 1992 Barcelona Olympics. In 1991 the Olympic Television Broadcast Act disappeared from Washington's legislative docket.

### **The Front Door Approach: IOC / USOC Discussions Concerning U.S. Television Revenue**

The IOC's decision to grant the USOC 10% of U.S. television contracts beginning with the 1992 Albertville and Barcelona Olympics in order to conclude a \$300 million agreement with NBC for the 1988 Seoul Olympics provided an entering wedge for the USOC to pursue its financial aims further. In 1989 and 1990, in the months preceding the introduction of the McMillen bill, the USOC unsuccessfully lobbied the IOC for an increase in its share of future U.S. contracts. The portent of the McMillen bill provided the USOC with a means of squeezing the IOC for concessions; however, the dividends were not immediate.

In meetings through much of 1991 and 1992, Pound and IOC Marketing Director Michael Payne represented the IOC's interests during discussions with USOC Deputy Secretary General John Krinsky and USOC Executive Director Harvey Schiller. Payne and Krinsky failed to find common ground during a meeting in February 1991.<sup>41</sup> Talks continued sporadically for another 18 months. By October 1992 Pound believed the two sides had struck an agreement. However, Schiller backed away from a deal agreed to "in principle," reiterating the USOC's desire that the agreement include an increase in the USOC's portion of revenue from the U.S. television contracts for the 1998 Nagano Olympic Winter Games and the Summer Olympics of 2000, wherever they might be celebrated. Pound informed Schiller that his demand

was impossible to meet, partly because the host city contract had been already been signed by Nagano, and partly because the host city agreement for the 2000 Games had already been circulated to the cities bidding to host that spectacle. Stymied, the USOC subsequently lobbied for 20% of the U.S. television contracts for 2004 and beyond. Pound informed Schiller that the suggested 20% figure was unacceptable. He was willing to discuss a shift to 15%.<sup>42</sup>



**Harvey W. Schiller**

Schiller insisted that any agreement struck required the USOC to receive an amount greater than 10% for Nagano and the 2000 Games. In a counter-proposal, he offered to agree to an unspecified amount for Nagano and Sydney, greater than 10%, to be negotiated by the USOC and IOC. If Salt Lake City emerged as the host of the 2002 Olympic Winter Games, said Schiller, the USOC would accept 10%; however, if a non-U.S. city was selected, the USOC would require a minimum of 12.5%. Pound did not dismiss Schiller's plan, but indicated that the IOC was not in a position to take money from the OCOGs, ISFs, and NOCs. Schiller then offered the services of the USOC as the IOC's advisor in U.S. television negotiations for 1998 and 2000 in exchange for a fee that would provide the means for increasing the USOC's share of the contracts. Pound, unwilling to abandon his practice of employing professional consultants in this capacity, responded: "While you are, no doubt, every bit as good at television negotiations as you are at golf, with the greatest respect in the world, the U.S. television market in these troubled times is such that we *both* need the very best of professional advice if we are to maximize the revenues and maintain the preemi-

ment position of the Olympic Games as it television property.” Pound believed that the additional revenue might be found by adjusting the USOC’s share of revenue generated from The Olympic Program (TOP).<sup>43</sup> It was becoming more difficult to justify the current formula that granted the USOC more money than that received by all the other NOCs combined.<sup>44</sup>

Schiller, considering Pound to be the roadblock towards reaching an agreement on the USOC’s terms, sent his proposal to Samaranch without acknowledging Pound’s earlier comments to him. Upon learning of this, Pound sent a blistering letter to Schiller, taking him to task for ‘going over his head.’ “Your action in resorting to [Samaranch] when you know perfectly well that the matter has been delegated to me has been interpreted as suggesting that the IOC may not determine who shall represent it in this matter, which is not acceptable behavior on the part of the USOC,” wrote Pound.<sup>45</sup> Schiller claimed that Pound had refused to discuss the issue with him in April 1993 at a meeting of the Atlanta Coordination Commission. The primary purpose of that meeting, replied Pound coolly, was to deal with the needs of the Atlanta Olympic Organizing Committee (ACOG). Pound also noted that he was willing to discuss the matter with him at any time in response to Schiller’s assertion that Pound was not taking the matter seriously. “Any time someone demands millions of the IOC’s dollars, I assure you I take the matter seriously indeed,” concluded Pound.<sup>46</sup> Pound held a higher hand in his ‘showdown poker’ game with Schiller. The USOC had agreed in 1986, that beginning with the Albertville and Barcelona Games, it would receive, in perpetuity, 10% of the U.S. television contract. It was a signed, valid, and binding agreement. Pound refused to be bullied by the USOC. He knew that some form of accommodation with the USOC was required, but the agreement would occur on the IOC’s terms. Even though Pound had to be wary of the USOC initiating another “McMillen bill” on Capitol Hill as a means of furthering its financial aims, he was not willing to concede 20% of future U.S. television contracts to Schiller and his colleagues. In an effort to temper Schiller’s ambitions, Pound noted that the IOC had accepted the USOC’s argument in 1986 that the ability of the U.S. networks to sub-license the use of an IOC-approved composite logo permitted the broadcasters to “offer ‘competing sponsorships’ and that there was a diversion of sponsorship funds which might otherwise go to the USOC.” It had been the sole basis of the USOC’s claim. However, the USOC had now approached the IOC asking that this privilege be removed from the broadcasters. The IOC was willing to accept this request, noted Pound, who confessed some confusion as to why the USOC should (now) have any share of U.S. television revenues, “when the only basis for requesting a share has now been removed as a problem for the IOC in its sponsorship efforts.”<sup>47</sup> Pound and Schiller could not reach an agreement.

With the IOC unwilling to concede 20% of future U.S. television contracts to the USOC, and the USOC insisting on this figure as a cornerstone of any arrangement, progress in negotiations ground to a halt. Relations between the USOC and members of the IOC Marketing Department deteriorated further during 1993, 1994, and 1995. Even though Samaranch and USOC President LeRoy Walker enjoyed a solid relationship, the atmosphere surrounding the IOC’s Pound and Payne and USOC officials, notably Schiller and Krinsky, was anything but friendly. Television/marketing issues provided the grist for conflict. The emergence of an IOC/NBC long-term partnership in 1995 brought matters between the IOC and USOC to a rolling boil.

## The Sunset Project



NBC's purchase of the U.S. television rights to the 2000 Sydney Olympics (\$705 million) and 2002 Salt Lake City Olympic Winter Games (\$545 million) did not mark the first occasion when a national broadcaster acquired the rights for more than one Olympic festival during the same set of negotiations. Earlier in 1995, Channel 7 acquired the Australian television rights for the 1996 Atlanta (\$30 million) and 2000 Sydney festivals (\$45 million) for \$75 million.<sup>48</sup> However, the NBC/Sydney/Salt Lake City deal negotiated "in principle" by Pound and NBC's President of Sports, Dick Ebersol, at a meeting in Montréal, provided the impetus for an initiative that has provided the IOC and Olympic family with financial security in the medium term and improved the working relationship between the IOC and at least one US. Olympic broadcaster, as well as those television network broadcasters from other regions in the world that subsequently signed long term deals.

Pound and Ebersol officially consummated the NBC/IOC contracts for the Sydney and Salt Lake City Games at a meeting in Lausanne. Later, relaxing over drinks and cigars, they discussed in abstract terms what would be required in order for a U.S. network to sign a contract for the 2004, 2006, and 2008 Olympic festivals. One issue that immediately rose, of course, was that the contract would be signed before either party knew the site of any of the Olympic celebrations involved. The two men agreed to compile independent lists of negotiating points necessitated by such a process, under the assumption that none of the festivals would be awarded to American cities. Pound labeled the initiative "The Sunset Project."<sup>49</sup> Without mentioning the preliminary discussions with NBC, Pound presented the concept to members of the IOC Executive Board, who subsequently voiced their approval to move forward with the idea.<sup>50</sup> With Samaranch's endorsement, discussions soon turned to serious negotiations. In December 1995, a tentative deal was struck for the 2004 Athens Olympics (\$793 million), 2006 Olympic Winter Games (\$613 million),<sup>51</sup> and 2008 Summer Olympics (\$894 million). The sums reflected the use of a 3% year-over-year increase on the amounts negotiated for the Sydney (\$705 million) and Salt Lake City (\$545 million) festivals. The agreement also included a 50:50 revenue sharing agreement between the IOC and NBC on advertising revenue surpassing the sum of NBC's rights fee and production costs for each of the festivals.<sup>52</sup> The \$2.3 billion contract

received enthusiastic support from the IOC Executive Board and set in motion a spate of long-term contract agreements in 1996 and 1997 with broadcasters in regions outside of the United States.<sup>53</sup>

One of the reasons why Pound supported the establishment of a long-term deal in the U.S. was because the USOC remained locked into receiving 10% of future U.S. television contracts. Knowing that renewed entreaties from the USOC for redress would most certainly be raised, the IOC's negotiating position would be improved with agreements in place for future festivals. On the former point, Pound was right. The USOC reacted quickly in the wake of the public announcement of the NBC/IOC Sunset contract.

For some time, the USOC had lobbied for greater input in the negotiations process. On occasion in the 1990s, Pound had consulted the USOC for advice on the U.S. television market; but with respect to his discussions with Ebersol, he kept the USOC 'out of the loop.' The USOC believed it had lost face with the U.S. networks.<sup>54</sup> Dick Schultz, the USOC's new Executive Director, refused to approve the second contract with NBC and demanded an increase in the USOC's share of the revenue for the 2004, 2006, and 2008 festivals from 10% to 20%.<sup>55</sup> The Amateur Sports Act, argued Schultz, necessitated USOC approval of all U.S. Olympic television contracts. Pound was cool to the thought of increasing the USOC's share of the money since the current arrangement guaranteed Schultz and his colleagues the hefty sum of \$230 million.<sup>56</sup> Even though Pound understood that the USOC would have to be satisfied through a new arrangement, he was steadfastly against conceding 20% to the Americans.

For his part, Samaranch desired an improvement in IOC/USOC relations. In advance of the 1996 Atlanta Olympics, Samaranch and Schultz discussed possible terms of a new Broadcast Marketing Agreement. Schultz indicated that the USOC would accept a shift from 10% to 15%.<sup>57</sup> However, the USOC, unbeknownst to Pound and Samaranch, was again exploring 'back door' opportunities on Capitol Hill.

NBC officials, ever alert to proposed Congressional legislation impacting on their affairs, notified Samaranch and Pound that legislators were considering amendments to the Amateur Sports Act buried deep in an unrelated Senate bill, amendments which guaranteed emasculation of the IOC with respect to authority over television matters in the U.S. The most harrowing element of the legislation, from an IOC point of view, involved transferring control of U.S. television negotiations to the USOC.<sup>58</sup> It was the McMillen bill revisited. Investigation revealed that the USOC, as with the McMillen bill previously, was involved in the process. If Congress passed this amendment, the IOC would have been drawn into a public fight with the USOC. For purposes of U.S. consumption, the USOC could have portrayed the IOC as the 'bad guy' by claiming that too many American dollars were leaving the country. Even though the IOC could rightfully claim that the USOC had usurped its intellectual property rights, the potentially damaging results of such a public squabble had to be avoided if at all possible. Samaranch, Pound, and IOC Director General François Carrard confronted Schultz at Atlanta's Olympic Stadium during the course of the 1996 Games. Schultz denied any knowledge of discussions in Washington. When Pound produced a memo sent to Schultz by the USOC's Washington lobbyist that contained an update on progress concerning the Senate bill, Schultz lamely dismissed the proposed changes as "housekeeping amendments." Pound read aloud the ele-

ments of the legislation most prejudicial to the IOC's interests. Samaranch and Pound sternly advised Schultz to take the necessary steps to have the amendments removed from the Senate bill. Schultz complied.<sup>59</sup>

In October, key representatives of the IOC and USOC met at a 'summit meeting' in order to deal with the strained relations between the two organizations. Pound urged Samaranch to relinquish little ground to the USOC in discussions concerning television revenue and marketing policy. The results of this meeting, Pound believed, would have significant impact on the IOC's ability to 'do business' in the U.S. Pound told Samaranch and his colleagues that the USOC challenge to the IOC's authority posed serious ramifications. "The IOC is tolerated [by the USOC], barely, because it has the power to award the Games to U.S. cities on occasion," he warned. "The basic position of the USOC is that, in the United States, the IOC has no role and that it is the USOC which controls and runs all things Olympic the IOC is denigrated by officials and staff members of the USOC at virtually every opportunity to try to undermine the role of the IOC." Continued Pound, "to give some flavor to this attitude, the IOC is often referred to by some USOC officials as 'Eurotrash.' It would be unwise to underestimate the degree of antipathy to the IOC which exists within the USOC."<sup>60</sup> Samaranch may or may not have needed Pound's rhetoric. He was disappointed as well as angry to learn that while he was conducting discussions with Schultz concerning the USOC's share of future television revenue, the American NOC was pursuing its own agenda in Washington.

At the summit meeting, Samaranch delivered a terse message to Dick Schultz, John Krimsky, and LeRoy Walker. The Olympic Movement, Samaranch related, was comparable to a club: "Being a member was not compulsory, but members had to abide by the rules."<sup>61</sup> "If the IOC is weak," added Samaranch, "then the USOC will also be weak." The IOC, concluded Samaranch, was willing to "get along without the USOC."<sup>62</sup> Anita DeFrantz, a member of the IOC Executive Board, and a former U.S. Olympian, believed that Samaranch's stern tone, completely uncharacteristic of him in previous dealings with the USOC, proved important.<sup>63</sup> Though it might wound the global Olympic Movement, the USOC knew that Samaranch's none-too-veiled threat, if acted upon, would mark the end of the USOC.<sup>64</sup> Subsequently, the IOC and USOC reached an agreement to elevate the USOC's share of future U.S. television revenue to 12.75%, commencing in 2004.<sup>65</sup> Even though the USOC's share increased, the IOC's interests were protected as well as those of the NOCs and ISFs by virtue of an earlier IOC decision to increase the overall share of television revenue accruing to the IOC/NOCs/ISFs from 40% to 51% beginning in 2004.<sup>66</sup> Schultz's Washington gamble did not produce the desired results; however, the USOC had been able to effect some change in its percentage share of future U.S. television revenue. From the IOC's perspective, the discovery of the USOC's activities on Capitol Hill prior to the Atlanta Olympics provided the means to rein in the USOC. While both sides departed the summit meeting with a mutually acceptable agreement, the process reflected the massive fissure between the IOC and USOC in terms of inter-organizational trust.<sup>67</sup>

## **The IOC, USOC, and Corporate Sponsorship Conflict**

In early December 1982, four months after soccer's World Cup tournament con-

cluded in Madrid; a courier departed the newly created offices of International Sports and Leisure Marketing (ISL) in Lucerne, Switzerland bearing a package addressed to Juan Antonio Samaranch at the IOC Secretariat Headquarters at Château de Vidy in Lausanne.<sup>68</sup> The parcel contained a specially commissioned limited edition lithograph entitled "The Case Against the Bourgeoisie" by Franz Borghese, one of Italy's most celebrated modern satirical artists. Accompanying the package was a letter from Klaus Jürgen Hempel, Managing Director of ISL. Entrusted with the future development of ISL, Hempel's letter and gift were designed to capitalize on a series of informal talks held previously between IOC President Samaranch and ISL's founder/owner Horst Dassler, head of the Dassler family's vast global Adidas sporting goods empire. The thrust of their discussions aimed at marketing the value of the Olympic Games and its identifying logo/symbols. An appreciative Samaranch quickly responded to Hempel, thanking him for "the nice lithograph by Franz Borghese," and offering his personal salutations and best wishes for "a happy and fruitful new year."<sup>69</sup> Indeed, 1983 proved to be fruitful beyond any prediction. In point of fact, 1983 ushered in an era of lucrative Olympic commercialism tied to the affairs of business marketing.

Created shortly after the finals of the 1982 Soccer World Cup, ISL, specializing in sports sponsorship marketing, had obtained exclusive contracts with the International Football (Soccer) Federation (FIFA) and two of its continental sub-federations, the European and South American Football Unions.<sup>70</sup> In an effort to expand its global operations, ISL identified the Olympic Movement's five-ring symbol as "the most powerful and visible symbol in the world of sport."<sup>71</sup> ISL envisioned a worldwide sponsorship marketing program involving various multinational corporations, "most of them from North America, Japan or Western Europe," that would generate sufficient revenues to provide a regular income for the Olympic 'family,' and, of course, enhance its own company resources and power in the world of sport business.<sup>72</sup> The IOC was relatively inexperienced in marketing matters. Its first initiative in that regard had been a disaster. In 1979 the IOC had entered into an agreement with Intelicense Corporation in an attempt to market the Olympic pictogram graphic figures, originally introduced at the Munich Olympic Games in 1972.<sup>73</sup> The IOC/Intelicense relationship resulted in court actions, against each other the the dissolving of Intelicense.<sup>74</sup>

Samaranch's support for ISL's vision of Olympic marketing was prodded by his increasing anxiety over the IOC's nearly sole reliance on revenues generated from the sale of television rights.<sup>75</sup> Continued dependency of this nature posed serious problems.<sup>76</sup> Responding to this concern, Samaranch urged the organization of a new IOC commission responsible for identifying areas of opportunity for the generation of revenues, and for recommending a strategic direction to the IOC Executive Board for their acquisition. Television rights revenue alone, though impressive, was not sufficient to satisfy the IOC's rapidly expanding needs and responsibilities. The new administrative body, entitled the Commission of New Sources of Financing, was chaired by the late Louis Guirandou-N'Diaye, IOC member from the Ivory Coast. The commission quickly set to work on its new mandate. At its second meeting in New Delhi in late March 1983, it approved in principle the concept of a worldwide sponsorship program along the lines of a plan forwarded to the IOC by ISL's team of marketing experts.<sup>77</sup>

As the Olympic Movement prepared for the 1984 Olympic Games in Los Ange-

les, word that the IOC had initiated discussions with ISL aimed at marketing the Olympic five-ring symbol reached the USOC and its marketing agency, Spencer Marketing Services (SMS). SMS embraced a substantial historical relationship with the USOC, having been fundamentally responsible for the development of the American NOC's corporate marketing program. Concerned about the possible implications to their client of an IOC/ISL marketing agreement, Muriel Cohen, vice-president of SMS, dispatched a letter to the IOC's Monique Berlioux, requesting a meeting with ISL officials:

I read with great interest that [the] International Olympic Committee intends to market its five-ring emblem. Our company has a long history of association with the United States Olympic Committee, having developed their corporate marketing program for them . . . I will appreciate it if you would put us in touch with International Sports Leisure as we would like to arrange to meet with them, either here or in Switzerland.<sup>78</sup>

Berlioux, whose personal and administrative style was abrupt and business-like, responded to Cohen's request by simply sending her ISL's postal address and telephone number in Lucerne.<sup>79</sup> Within weeks of Cohen's letter to Berlioux, other parties began to write to IOC headquarters in Lausanne registering concerns about the IOC's rumoured association with ISL. For example, Walther Tröger, Secretary General of the German Olympic Committee, wrote to Berlioux expressing his concern over innuendos "regarding an agreement between the IOC and a certain company in Switzerland for the marketing of Olympic Symbols."<sup>80</sup> Tröger reminded Berlioux that it was he, along with two of his colleagues, Drs. Ritter and Pilsli, who "started the whole business . . . of transferring national actions and egotism into international cooperation, having in mind, the interests of the IOC as well as the NOCs."<sup>81</sup> Tröger also noted that Ritter and Pilsli had previously submitted a detailed analysis and proposal to the IOC and NOC Assemblies in Europe to market Olympic symbols worldwide.<sup>82</sup> Berlioux's response to Tröger was brief.<sup>83</sup> She simply reiterated the IOC Executive Board's decision made in New Delhi on 24 March 1983 to support in principle the concept of an international Olympic marketing program as recommended by the Commission of New Sources of Financing.<sup>84</sup> On the recommendation of the Executive Board at the 86<sup>th</sup> IOC Session in New Delhi, in late March 1983, ISL was officially assigned the task of developing an international sponsorship/marketing program "aimed at commercializing the Olympic emblem."<sup>85</sup> However, Tröger's letter prompted Berlioux to send a message to all Olympic family members with the information that ISL had been retained because of the "comprehensive program it prepared and submitted to the entire Olympic Movement, and . . . because its partners (Dentsu and Interpublic) represent 70% of those companies in the world likely to collaborate in such a project."<sup>86</sup> Other key considerations in the Executive Board's recommendation included: (1) development of a program that could benefit all NOCs worldwide, (2) IOC control of the commercial development of sponsorship in a manner that did not contradict the ideals of the Olympic Movement, and (3) negating the arduous task of requiring each multinational company to negotiate one-on-one with every individual NOC across the world.<sup>87</sup>

## **Setting a Price: Establishing the Value of USOC Involvement in The Olympic Program**

Within a month of the decision in New Delhi, an in-camera meeting was convened with representatives of the IOC, ISL, USOC, and the British Olympic Association (BOA).<sup>88</sup> Its purpose was to convince the USOC and BOA of the benefits of a worldwide marketing program, and to reassure them that they would not experience a decrease in revenues gained from their own domestic marketing efforts by agreeing to take part in the IOC's proposed worldwide sponsorship marketing program. It was far from a pleasant encounter. Of all NOCs in the Olympic 'family,' the USOC and BOA had developed the most effective domestic marketing programs. Each organization expressed deep reservations towards approving any initiative that would clearly "milk the countries with the most potential."<sup>89</sup> The USOC, in particular, saw the IOC/ISL effort as an attempt to encroach on its own territory, envisioning, correctly, as it turned out, that most of the multinational corporations to be approached would be those whose head offices were based in the United States. After lengthy and sometimes difficult discussions, all parties, including the USOC, agreed on product categories and target dates for concluding an agreement regarding the development of a worldwide Olympic sponsorship program.<sup>90</sup> This outcome marked a major compromise on the part of the USOC.



As early as March 1983 a preliminary *draft agreement* between ISL and the IOC "to assist the IOC in the financing of the Olympic Movement" had been produced.<sup>91</sup> Though the international sporting community was aware that discussions had been ongoing, it was oblivious to the fact that the process had developed well beyond the discussion stage. In early April, Monique Berlioux sent a letter to Horst Dassler reconfirming that the IOC and ISL had "agreed to conclude a *final agreement* by 31st December 1983 at the latest."<sup>92</sup> To formalize the relationship between the IOC and ISL "with respect to the licensing and merchandising of certain Olympic emblems, including the five Olympic rings, throughout the world," a letter of understanding was signed on 2 June 1983 by Berlioux, representing the IOC, and Ems Magnus, ISL's Marketing Manager.<sup>93</sup> The next day, an evidently pleased Magnus wrote Berlioux expressing her "great pleasure in meeting [you] for the first time . . . on such an important occasion."<sup>94</sup> Added Magnus, "you can rest assured that ISL will work hard to meet the expectations of the IOC and the Olympic Movement."<sup>95</sup>

In accordance with the preliminary accord, ISL began the process of pursuing

agreements from all NOCs for the marketing rights in their respective countries with regard to the IOC's worldwide sponsorship program to be known as The Olympic Program (TOP). However, the process proved much more complex than originally envisioned. In effect, some NOCs proved hesitant, the most obdurate of which, was the USOC. With time running out on the IOC/ISL agreement deadline, Hempel and Jürgen Lenz, ISL's Deputy Managing Director, wrote to Samaranch in late November 1983 requesting an extension in signing the final IOC/ISL agreement.<sup>96</sup> Reassuring Samaranch that the extension will allow ISL "to complete the project to everyone's satisfaction," they requested that the "signing" date be advanced by nine months, from 31 December 1983 to 30 September 1984.<sup>97</sup> The USOC's intransigence precipitated the request.

In its own opinion, the USOC had the least to gain and the most to lose by joining the prospective TOP program. Aware of the fact that for any worldwide Olympic marketing program to be successful it must include the USOC, the world's richest and most powerful NOC, Lenz wrote Don Miller, Secretary General of the USOC, requesting a "rapid decision on a presentation date and conclusion of an agreement between USOC/ISL."<sup>98</sup> Referring to the USOC as the last "major stumbling block" towards bringing about solidarity on TOP among NOCs worldwide, Lenz reemphasized ISL's position, stating that it did not want "to be burdened with the blame of the project not being realized only because the USOC is not joining in on the project."<sup>99</sup> Miller responded quickly.<sup>100</sup> Though the USOC was reluctantly disposed toward the ISL project, he stated that the Eastern European boycott situation developing around the upcoming 1984 Los Angeles Olympic Games, prevented, for the time being, a rapid USOC decision on the matter.<sup>101</sup>

As the USOC focussed its attention on boycott matters surrounding the rapidly approaching Los Angeles Olympic Games, the repercussions of the stalled ISL/USOC negotiations began to impact on Olympic 'family' members. This was particularly true with regard to the hosts for the 1988 Summer and Winter Olympic Games, Seoul and Calgary. On 22 June 1984, Roh Tae-Woo, President of the Seoul Olympic Organizing Committee (SLOOC) wrote to William E. Simon, President of the USOC, expressing his hope that the USOC would soon conclude its negotiations with ISL. "We are anxiously waiting for the conclusion of these negotiations," Roh wrote Simon, "in order that we may finalise our trademark registration program in the U.S., which is of key importance to the Seoul Olympic Organizing Committee."<sup>102</sup> Roh knew that SLOOC's access to the large and financially lucrative U.S. market was restricted by American law. The Amateur Sports Act gave exclusive rights to all Olympic-related terminology and designations marketed in America to the USOC. SLOOC needed the USOC's approval to market in the United States. Ultimately, a massive payment of dollars would be the price for such approval.

A few days later, ISL's Lenz received a telex from William H. Wardle, Senior vice-president of Marketing for the Calgary Organizing Committee (OCO'88) outlining the difficult predicament in which OCO'88 found itself, a situation caused by the failure of ISL to conclude an agreement for the USOC to join TOP.<sup>103</sup> The delay was proving costly to Calgary. In effect, the feeling in Calgary was that the USOC might never join TOP. After all, what did the USOC have to gain? Wardle stated that OCO '88 had never been able to understand "why an NOC with an effective marketing program [USOC] would participate in such a program . . . and [we] have become

increasingly concerned that our view is supported by the lack of progress that you have made . . .”<sup>104</sup> A frustrated Lenz assured Wardle that he was “convinced that the benefits for the USOC of participation in our scheme will be the decisive factor . . . [and] the disparity between local marketing programs vs. exclusive, worldwide opportunities for major sponsors will be very apparent, particularly in the U.S.. once the L.A. euphoria has subsided.”<sup>105</sup>

Sensing an impasse between ISL and the USOC, Samaranch dispatched a letter to the USOC’s President Simon, stating that the entire program was being “blocked because of delays your NOC is causing in signing an agreement.”<sup>106</sup> Samaranch appealed to Simon “to help the Olympic Movement as a whole by giving this matter [his] closest attention.”<sup>107</sup> Soon after, ISL made its first formal presentation to the USOC, outlining the benefits of ISL’s marketing program to the entire Olympic Movement. In brief, ISL attempted to sell the message: “there is in fact no valid reason for any NOC to decline to participate. ISL’s marketing program will provide a significant increase in income for all NOCs.”<sup>108</sup> Although ISL officials appreciated the fact that at long last they had been given an opportunity to present and discuss the IOC Worldwide Sponsorship Program with the USOC, they were displeased at the position taken by some of its officials. For example, Larry Huff, a USOC Executive Committee member, went so far as to suggest that the socialist countries of the Olympic ‘family’ be excluded from sharing in sponsorship funds generated on the strength of Olympic properties. This position “by its sheer partisan nature [is] incompatible with what the Olympic Movement stands for,” argued ISL.<sup>109</sup>

Disturbed by the limited progress made in the USOC case, and acknowledging that without the USOC’s enlistment, ISL stood “no chance of gaining unanimous agreement from all NOCs” for the program, Lenz sought help from Samaranch.<sup>110</sup> With no chance of concluding the negotiations for the IOC/ISL agreement before the already extended deadline of 30 September 1984, ISL once again requested a “further extension of the deadline for the conclusion of the Final Agreement,” to 31 March 1985.<sup>111</sup> Samaranch, though increasingly perturbed by lack of demonstrable progress, agreed to the request.<sup>112</sup>

## **The Cost of USOC Participation in TOP**



Almost two months after ISL’s presentation to the USOC, Don Miller recommended the approval of the IOC/ISL proposal on the condition that the USOC receive “appropriate assurances of legal indemnification as well as a minimum monetary return of at least thirty percent” to be “derived from the gross revenues received

worldwide from each sponsorship agreement approved by the USOC prior to distribution or deduction of any commisin.<sup>113</sup> As well, Miller's assertive demand set forth other provisos: {1} approval by January 1985 of an acceptable ISL agreement with the respective Olympic Games Organizing Committees (OCOGs) responsible for conducting the 1988 Summer and Winter Olympic Games, and (2) finalization of the IOC/ISL agreement by April 1985.<sup>114</sup> Negotiations to develop a blueprint for the proposed marketing agreement between the USOC and ISL, at times, were punctuated by an aura of distrust. For instance, during one meeting in Paris between officials of the IOC, ISL, SLOOC, OCO'88, and USOC, a request was made by the two OCOGs for a copy of the preliminary USOC/ISL agreement. The request, in part, was due to concerns over ISL's authority with respect to the various product categories in the contract. Protecting USOC privacy, Miller bluffed: "The USOC will give the OCOGs a copy of the USOC/ISL agreement on the condition that the USOC receive a copy of the OCOG/ISL agreements."<sup>115</sup> Sufficiently challenged, the OCOGs dropped their request. No exchange of agreements ever took place.

Mounting concerns within the IOC Executive Board over Madame Berlioux's ability to conclude the ongoing Marketing Program negotiations, combined with the delays that continued to plague the process, resulted in Samaranch instructing Richard Pound, the 'rising star' in IOC financial matters, to take over all negotiations that had previously been in the hands of Berlioux. Clearly, by the 1980s, in Samaranch's view the complexities of Olympic finance had advanced beyond her capabilities.

Samaranch instructed Pound to finalize negotiations quickly so that the IOC could enter into a contract for the TOP program. Finally, two weeks after the deadline of 31 March 1985 had passed, representatives of IOC and ISL met in Lausanne to establish the dates for the signing of the SLOOC/ISL, OCO'88/ISL, and USOC/ISL agreements. It was agreed that each would be signed in Washington, D.C. on 22 May 1985. The signing of the IOC/ISL agreement was to take place in Lausanne on 28 May 1985.<sup>116</sup> On that day in Lausanne, at the 148<sup>th</sup> meeting of the IOC Executive Board, relief and commensurate celebration ensued as the TOP-I (1985-1988) agreement was signed by Juan Antonio Samaranch representing the IOC, and Horst Dassler representing ISL.<sup>117</sup>

Reflecting on the USOC's financial return from TOP-I, after almost two years of participation in the program, George D. Miller, who had succeeded Don Miller as Secretary General of the USOC, wrote to Jürgen Lenz to express his belief that the decision of the USOC to participate in TOP-I was, at the time, the correct one.<sup>118</sup> But, as Miller reported to Samaranch four months later, the program had not added to the USOC revenues beyond what might have been achieved had they "not been involved in [the] worldwide marketing program."<sup>119</sup> In thinking ahead to the prospect of a TOP-II [1989-1992], Miller noted to Lenz that if the existing terms can be "renegotiated to the satisfaction of the USOC and the IOC," the USOC would be prepared to continue the program for the next quadrennium [TOP-II].<sup>120</sup> Three months later, Samaranch dispatched a letter to the USOC expressing his hope for their continued participation in the IOC's Worldwide Marketing Program.<sup>121</sup>

## **Premiums and Royalties: An IOC / USOC Conundrum**

With its participation in TOP-II still in question, the USOC forged ahead with its

own marketing initiatives with the help of K Promotions. Chief among such initiatives was the USOC's premium program:

Premiums are items that are provided free of charge or sold at a subsidized price for advertising or promotion in connection with the purchase of a sponsor's designated products. An Olympic premium bears the sponsor's trademark together with an official Olympic mark or marks.<sup>122</sup>

There are three tiers of licensing within the Olympic Movement: IOC, NOC, and OCOG. Traditionally companies have been licensed by NOCs and OCOGs to create souvenirs relating to the national Olympic teams or the Games. These companies pay a percentage royalty, usually between ten and fifteen percent for the right to use the National or Games emblem on their merchandise. This merchandise is usually of a festive, commemorative nature, such as T-shirts, coffee cups, key chains, lapel pins, and baseball caps. The sponsors involved in the USOC's premium program provide items free of charge to give away or to sell at a subsidized price in return for advertising their association to the USOC. Whereas giving away premium items involve no payment of royalties to the USOC by the sponsor, premium items sold, even at a subsidized/reduced price, result in royalty payments. Premium items often are used in cause-related marketing programs by both the sponsor and the USOC. Each premium item displays both the sponsor's trademark or logo and an official Olympic mark or marks. The purpose of the premium program initiative was to define and promote the relationship between those sponsors wishing to align themselves with the USOC and the Olympic Movement in the United States.



**John Krimsky Jr.**

Upon learning of the USOC's premium program initiatives, and under pressure from numerous TOP sponsors to resolve the premium royalties distribution issue within the United States, Andrew Craig, ISL's Executive vice-president, dispatched a letter to John Krimsky, Deputy Secretary General of the USOC, proposing "the possibility of K Promotions handling five ring [premium] items for all TOP sponsors."<sup>123</sup> Then, Craig unloaded a bombshell to Krimsky, suggesting that all royalties on premium items sold in the United States, previously paid entirely to the USOC, henceforth be split 50/50 between the IOC and the USOC. Craig's rationale was that the IOC, as the licensor of the five ring mark, would no longer accept anything less than an equal share of all future royalties. Krimsky responded immediately to Craig's suggestion. He reiterated the USOC's feeling that TOP-I had eroded its revenue base;

consequently, the USOC was unwilling to accept further deterioration of its remaining sponsorship revenues. "The USOC respectfully rejects this newest proposal and recommends that ISL/IOC continue its current agreement," he concluded.<sup>124</sup> In the wake of Krimsky's rejection, ISL again turned to the IOC for help, Richard Pound, bristling at Krimsky's out-of-hand rejection, contacted George Miller from his Montréal law office and negotiated a 70/30 split between the USOC and the IOC, the greater proportion remaining with the USOC.<sup>125</sup> Although Pound was successful in achieving a settlement to the dispute, he informed Miller that the IOC was dissatisfied with the current distribution of royalties and "that for [all future programs of this nature, the matter of income split is an open issue."<sup>126</sup> Pound, after thanking ISL's Craig for his "efforts to protect the interests of the IOC in [the] matter," proceeded to counsel him that "it is more important for our sponsors to be well and efficiently served than to waste time on disputes as to how premium income should be divided among us."<sup>127</sup>

### **The IOC / ISL / USOC Negotiations and the Continuation of TOP**

With the premium/royalty negotiations involving the USOC now concluded, ISL began the task of completing the remaining SLOOC and OCO'88 TOP-I agreements. On 15 September 1987, in an effort to "once and for all close this nightmare," ISL sent the IOC/ISL/SLOOC and IOC/ISL/OCO'88 draft agreements to the appropriate parties for approval.<sup>128</sup> ISL also began the process compiling a detailed outline of the various provisions that would constitute the basis of the IOC/ISL TOP-II agreement. As with TOP-I, ISL knew that the USOC would again play a central role in the successful staging of future TOP initiatives. By December 1987, the USOC had agreed in principle to continue its participation in the TOP Program.<sup>129</sup> In a letter to ISL, Baaron Pittenger, successor to George D. Miller as Secretary General of the USOC, stated that his NOC was "looking forward to its participation in TOP-II," and supported the early implementation of the program.<sup>130</sup> Pittenger added that he was delighted to witness the progress made in "recognizing the unique contributions of the American market" to the International Olympic Marketing Program.<sup>131</sup> However, the USOC's participation would not come without a price attached to its cooperation.

Although the USOC had agreed 'in principle' to participate in TOP-II, it qualified its participation. Pittenger wrote to Samaranch demanding 20% of the total gross compensation paid in cash, or provided as a benefit-in-kind, by each international TOP sponsor.<sup>132</sup> In effect, the USOC, through originally demanding 30% for TOP-I revenues, had settled for 15%. They had not been happy. The fact that the majority of the multinational corporation participants in TOP-I maintained their corporate headquarters in the United States, underscored the rationale for the USOC's new demands. Given these realities, the IOC's position in negotiating with the USOC was compromised to some extent. On the one hand, a perturbed Richard Pound, now Chairman of the Commission of New Sources of Financing, suggested that Pittenger's new demand for TOP-II was yet another indication of the USOC's "exaggerated view of its importance in the World."<sup>133</sup> On the other hand, Pound recognized that if the "USOC did not want to participate neither would the major TOP sponsors" such as Coca-Cola and 3M, "because the US market was so important to them."<sup>134</sup> Samaranch forwarded a copy of Pittenger's letter to the IOC's Director of Legal Affairs, Howard Stupp, requesting his reaction. Stupp responded quickly, observing

that "TOP "helps raise money for certain NOCs who have limited, if any, marketing programs of their own," and that the program provided the IOC with a certain level of visibility as well as control within the Olympic Movement, while at the same time effecting an alignment with internationally respected corporations.<sup>135</sup> With respect to the USOC, Stupp remarked that the availability of a "worldwide package helps increase the value of Olympic-related rights in the USA," thus increasing USOC revenues.<sup>136</sup> For these reasons, Stupp predicted that the "USOC will agree to participate in TOP-II."<sup>137</sup> Five days later, Stupp's reflections on Pittenger's letter prompted still another thought. "Pittenger's hardline tactics," Stupp wrote Samaranch, were simply an effort "to negotiate the best deal possible."<sup>138</sup>

Concerned that the USOC would once again delay the implementation of the IOC's TOP Program, ISL decided that the best way forward was to plan on the basis of the USOC receiving 20% of all revenues on TOP-II up to a gross income of \$100 million, and that income of more than \$100 million would be subject to separate and future review.<sup>139</sup> Although TOP-II contracts were substantially the same as those of TOP-I, ISL felt that the primary deterrent for USOC participating in TOP-II was in the language of the agreement.<sup>140</sup> Eager to proceed with negotiations on the USOC/IOC and USOC/ISL agreements, ISL scheduled a late June 1988 preliminary meeting with USOC and IOC officials at its offices in Lucerne. Twelve days before the scheduled meeting, ISL's Craig informed Stupp that John Krinsky and USOC Counselor Richard Kline would be unable to attend because of conflicting "Olympic business" in Barcelona.<sup>141</sup> Krinsky, however, proposed an alternative, requesting that the negotiations instead take place in Malta, a few days prior to the meeting originally scheduled for Lucerne. Without hesitation, Stupp agreed. However, the Malta meeting produced little progress on the actual language of the agreements.<sup>142</sup>

Ongoing negotiations with the Barcelona Olympic Organizing Committee (COOB'92) had also been problematic. These problems, according to Richard Pound, were due in part to "an exaggerated idea of what COOB'92 [thought it] was entitled to gain from the program."<sup>143</sup> Further issues developed when it was learned that Spain's NOC had awarded Olympic sponsor rights to direct competitors of TOP sponsors, violating the guaranteed right of first refusal to TOP sponsors. Commenting on the situation, Pound stressed the importance of being [more specific at the time the Games were awarded to a host city as to what products would be included in the International Marketing Program, how the revenue derived would be shared, and what the exact responsibilities were of the host NOC].<sup>144</sup>

Responding to Pound's concerns associated with the growing complexity of the IOC's marketing programs currently in place, the IOC Executive Board decided in January 1989 to initiate a search for a full time Marketing Director. The search was carried out for the most part by Richard Pound. On 1 February 1989, the appointment of Michael Payne took place. Payne came to the IOC from ISL's marketing staff. His primary job responsibility was to supervise and coordinate all IOC revenue generating activities. His tenure at ISL had armed Payne with a through understanding of the IOC's marketing initiatives.

### **A Difficult Transition: Closing the Books on TOP-I**

Attempting to close the books on the TOP-I premium program royalties, Michael

Payne wrote Krimsky requesting that all outstanding accounts be paid by 13 April 1989 (the TOP-I quadrennium closed on 31 December 1988).<sup>145</sup> In response, Krimsky stated tersely that the USOC had concluded nothing with respect to a final accounting of the premium royalties from TOP-I, adding that SLOOC still owed the USOC in excess of \$150,000 in payments. Further, Krimsky related that he had received no response from SLOOC despite frequent communications. He also stated that both Coca-Cola and Kodak, two original TOP sponsors, refused to provide the USOC with any data pertinent to the U.S. premium program, arguing that the original agreements did not warrant any release of the information requested. Other TOP-I sponsors were seeking “some kind of credit” from the USOC to offset unliquidated premium items, a request consistently rebuffed by the USOC.<sup>146</sup> Krimsky refused to “place an immediate priority on settlement of premium royalties” in the face of more pressing issues.<sup>147</sup> Frustrated by Krimsky’s position with regard to TOP-I royalties, Payne reminded him that when they had met in Malta the previous June, he (Krimsky) had mentioned that the IOC entitlement (30% of all U.S. territory premium royalties) was already \$300,000. To Payne it was “only proper that those monies that can be identified, and have already been paid to the USOC, should now be paid to the IOC,” particularly now that the TOP-I agreement was over.<sup>148</sup> Krimsky responded by fax that same day, suggesting that the “combination of Maltese wine and sun” must have caused Payne “some selective hearing on the issue of TOP-I royalties.”<sup>149</sup> According to Krimsky, the \$300,000 royalty figure discussed in Malta was an estimation resulting from a combination of “TOP-I sponsor premium [royalties], U.S. territory premium/royalty designations for Coke and Kodak that never paid or reported directly, and the anticipated value of royalties through the end of the quadrennium.”<sup>150</sup> Miffed at Krimsky’s response, Payne pointed out that “the wine and sun must have got to the other members of the IOC/ISL delegations in Malta [as well],” as he was not alone in understanding that the IOC’s entitlement of TOP-I premium royalties was \$300,000.<sup>151</sup> Based on “total premiums usage around the world by TOP-[I] sponsors,” Payne concluded that he would find any figure less than the \$300,000 royalty estimate for the U.S. market “out of proportion to reported sales throughout the rest of the world.”<sup>152</sup>

As Payne and Krimsky continued to square off in the debate on TOP-I premium royalties, ISL was actively negotiating the subject of royalties with the USOC for TOP-II. “Be prepared to be smoked,” wrote Krimsky to Payne concerning the USOC’s intended TOP-II premium royalty demands.<sup>153</sup> The USOC had previously rejected a number of premium royalty distribution plans suggested by both the IOC and ISL.<sup>154</sup> It had also submitted, on numerous occasions, its own premium royalty distribution plan, only to have it rejected by ISL. On 4 May 1990, Krimsky closed the door on further negotiations by stating that “the USOC feels strongly it has provided ISL all the concessions under this agreement that are warranted.”<sup>155</sup> Finally, Krimsky stated that the agreement previously submitted by Richard Kline represented “the final USOC position” on the matter.<sup>156</sup>

The uncompromising stance adopted by Krimsky caused a further deterioration of the USOC’s already strained relationship with the IOC. Accordingly, Pound reported to his IOC Executive Committee colleagues that “the situation is such that it looks as if no solution can be found without recourse to legal means.”<sup>157</sup> However, Samaranch was less pessimistic, stating it was important “to settle this affair amicably

in view of the key position which the United States occupies on the Olympic stage.”<sup>158</sup> As a result of Samaranch’s personal intervention, negotiations were soon concluded between the USOC and ISL in favor of USOC demands.

Intent on concluding all TOP-II agreements, Andrew Craig wrote Stupp on 30 April 1990 offering ISL’s assistance in closing the remaining IOC/USOC agreement.<sup>159</sup> Stupp, weary of the entire matter, elected to proceed without Craig’s help; seven days later he scribbled a quick note on Craig’s letter and returned it to him: “I am having the agreement updated and typed on the IOC word processor.”<sup>160</sup> Having concluded all TOP-II agreements, and established an acceptable revenue distribution model, Michael Payne met with John Krimsky in late May 1989 to continue negotiations on various Olympic marketing issues. During that two-day meeting, tentative agreements were reached on a number of issues, including the USOC’s participation in TOP-III (1993 - 1996). Despite the fact that tentative agreements had been reached on TOP-III, the saga of USOC/IOC disharmony was destined to rise yet again, this time on an international stage of scandal and alleged corruption.

### **Mr. Samaranch Goes to Washington**



**Juan Antonio Samaranch**

The most contemporary act in the drama of dislocation between the IOC and the USOC burst onto the stage of public awareness in late November 1998. A Salt Lake City newspaper reporter alleged that serious improprieties had been committed by officials of the committee charged with the responsibility of securing the 2002 Winter Olympic Games for the Utah city. The original allegation focussed on the “gift” of a college scholarship for an IOC member’s daughter in exchange for his vote to help send the Games to Salt Lake.<sup>161</sup> Further allegations of improper conduct on the part of bid committee leaders, National Olympic Committee officials, and IOC members rapidly surfaced as various investigative commissions were established and began their work.

The circle of alleged corruption widened beyond simply the Salt Lake City bid committee and certain IOC members. USOC representatives also came under fire for their roles in the widening corruption scenario, as did officials of the bid committee for Sydney’s successful quest to host the 2000 Games. A severe public outcry arose as the unfolding story captured world media attention for some three months. In alarmed crisis management, Olympic organizations implicated in the widening scan-

dal formed commissions to investigate the facts and pinpoint wrong-doing.<sup>162</sup> With the idea that a violation of Federal laws might have occurred in the scandal scenario, the United States Justice Department directed the FBI to launch an investigation. The general result of all this was much finger pointing. The USOC's investigative commission, created by its president, Bill Hybl, and chaired by United States Senator George Mitchell, was particularly vigorous in denouncing the IOC as a closed, unaccountable, and ethically culpable body perpetuating a compromising gift giving/receiving culture.<sup>163</sup> The IOC, in turn, formed its own investigative commission, headed by the ubiquitous Richard Pound. By the time its investigation had been concluded, four members had resigned from the IOC, six were expelled, ten received severe warnings, and Cameroon's René Essomba, whose name was linked to the very first disclosures of alleged corruption, had died.<sup>164</sup> And, neither did the USOC escape entirely from the IOC's findings. Wrote Pound in the report, "It is possible that many of the excesses which occurred on this occasion might have been avoided had the USOC been more active in discharging its responsibilities, including the bringing of any violations of rules to the attention of the IOC. Bidding cities are entitled to expect more guidance in these matters from their National Olympic Committees."<sup>165</sup>

A large measure of public reaction called for the immediate resignation of Samaranch. Less reactionary, but deeply disturbed by the events precipitated by the Salt Lake City disclosures, Olympic-related groups offered abundant recommendations for change, a sweeping majority of which aimed squarely at alterations in the structure of the IOC and its manner of doing business. The IOC reacted quickly in the wake of the Salt Lake City disclosures. Scores of meetings, study, and debate, written depositions from sports groups, and input from detached, independent individuals, of whom Henry Kissinger was perhaps the most noted, culminated in abundant changes to the *Olympic Charter*. Some fifty reform measures were adopted, including a new Ethics Commission, a drastic change in the IOC terms of membership and, beginning with the selection of the 2006 Winter Olympic Games host city, a ban on visits by IOC members to candidate cities bidding for the right to host the international sports festival.<sup>166</sup>

No post-scandal investigation responses were more reactionary than those recorded in America, including that reaction registered by members of the United States Congress. Whether this was a function of the fact that the first and, ultimately, most flagrant examples of bribery and corruption had involved an American city, or because of the previously established links between the USOC and Congress aimed at limiting the IOC's authority in the United States, is open to speculation. But, there is no disputing the fact that the United States was the only country in the world to demand the IOC president's appearance before a federal government investigative committee.

Throughout the spring and summer of 1999, the United States Congress tried without success to get Samaranch to appear before one of its sub-committees for questioning on issues related to the Salt Lake City scandal disclosures. The IOC president declined all such overtures. On the advice of the Executive Board, Samaranch delayed until the IOC reform package was in place. By early December this had been accomplished. The time was right to bow at last to the wishes of Congress. And, a mid-December visit, in many ways, might he lost among the public issues that dictated media attention at the time. Focus on Y2K, presidential candidates, upcoming

primaries. Hillary Clinton's possible run for a Senate seat, all contributed towards lowering media interest in a 79 year old Spanish aristocrat's visit to the American capital.

Juan Antonio Samaranch has seldom exemplified a man whose demeanor is relaxed and confident in front of the media, particularly when the medium of discourse is carried out completely in English.<sup>167</sup> Spanish and Catalan are his "first" languages, French, his "second." Appearing before an aroused Congressional subcommittee with an agenda to lower the IOC's influence in the United States, while at the same time raising that of the USOC, posed an intimidating challenge for the IOC president. Be that as it may, there was simply too much at stake in the way of future dollars for the Modern Olympic Movement worldwide, from American business enterprise, for Samaranch to continue to ignore Congress. In mid-December 1999, as most people faced the last stages of pre-Christmas shopping, the troubled IOC leader flew to Washington to 'face the music.' He was accompanied by François Carrard. On hand to meet them in Washington was Richard Pound, who flew there from Montreal.

On Wednesday, 15 December, speaking and being spoken to in Spanish through an interpreter (a condition of his appearance), Samaranch appeared before members of the House Committee of Commerce--Subcommittee on Oversight and Investigations. The gallery was packed with spectators; a formidable gaggle of media personnel exercised cameras, pencils, laptop computers, and tape recorders. Seven Congressmen formed the 'hearing panel,' chaired by Representative Fred Upton from Michigan. They sat behind a long table adorned with a battery of microphones. Facing them sat a somber Juan Antonio Samaranch, flanked on either side by a translator, one to translate questions addressed to him into Spanish, the other to translate his answers into English. To begin the proceedings, Samaranch was sworn in; then he read a prepared opening statement (9,640 words) that he delivered in English.<sup>168</sup> Subsequently, the Committee opened its questioning. Chairman Upton fired the Committee's first salvo, declaring that "we are here because the Olympic Games are too important to allow a culture of corruption to be whitewashed and perpetuated by a paper called reforms."<sup>169</sup> One after the other, the charges flew across the committee room: the IOC reforms were simply an exercise in "window-dressing . . . a white-wash;" the newly created IOC ethics panel "lacks teeth:" anti-corruption rules will not even apply "to the IOC president or his successor."<sup>170</sup> At times the dialogue got nasty, and personal, even a bit theatrical. Ridiculing Samaranch's desire to be addressed as "His Excellency," and drawing reference to the alleged luxury of his living expenses in Lausanne, Congressman Joe Barton of Texas called for his immediate resignation.<sup>171</sup> And, finally, Congressman Henry Waxman belaboured a point which, possibly more than any other raised, really underpinned the entire proceedings, a point on which the USOC and IOC had previously drawn swords: "the long term extension of Olympic television rights granted without competition to the NBC television network."<sup>172</sup>

Through it all Samaranch sat unruffled, at times even serene, resolved in his conviction that the IOC had met the challenges imposed and had reformed its house. Then, too, Pound and Carrard had prepared their boss well. Each was an experienced master in the art of dealing with aroused adversaries. In the end, after six hours of testimony (two hours by Samaranch), the Subcommittee could do little more than vow to

continue to monitor closely the IOC's pledge to change, and if they did not, "would implement legislation that would ban American companies from financially supporting the Olympics."<sup>173</sup> There! It was out! The crux of the matter, the real motivation behind Congress's desire to confront Samaranch in the nation's capital! United States government officials appeared less concerned with the Salt Lake City scandal and more interested in the opportunities that the scandal afforded them, particularly a chance to interrogate Samaranch on their turf with respect to Olympic finance issues.



**Henry Kissinger**

Major American newspaper accounts of the hearing episode judged Samaranch's performance before the committee as generally effective. If 'His Excellency' had been moderately persuasive in defusing the Committee's charges, the testimony of three important American allies paid even greater dividends. Testifying after Samaranch on behalf of the IOC were Henry Kissinger, former United States Secretary of State, Howard Baker, former United States Senator from Tennessee, and Kenneth Duberstein, former White House Chief of Staff. All were highly respected in the Halls of Congress. There would be no bullying of them. Kissinger and Baker had been members of the IOC 2000 Reform Commission. Kissinger told the committee that the IOC had "come as close to achieving [reforms] as possible, replacing corrupt members with enthusiastic athletes."<sup>174</sup> Baker pleaded for the lawmakers "to be patient . . . Samaranch is well meaning fully dedicated to reform."<sup>175</sup> Duberstein announced that "Samaranch is living reform every day."<sup>176</sup> Following the questioning and answering period, a relieved Samaranch and his colleagues retired from the proceedings, confident that IOC reforms, given a chance to work, would satisfy Congressional CSOC "protectionists." A certain amount of confidence, if not a measure of euphoria gripped the aging IOC president. "If they ask me to come again, I will come again," he said.<sup>177</sup>

## A Final Word

The difference in the European and American style of doing business is a fundamental cause for the fracture and unrest that has existed and will continue to exist between the IOC and the USOC. The USOC reflects the quintessential American approach. That is, the embodiment of an energetic, aggressive, confrontational 'in your face' style of performance. This, of course, is a trait that has been engendered in Americans since colonial times. To Europeans, on the other hand, the American style is hostile, repugnant, certainly to be eschewed. Finesse, polite discourse, tacit action, guile, and craftiness, are embedded in European tradition. For decades, such a tradition has at least been part of the IOC's manner of doing business. But, in the face of rapid developments in Olympic commercialism in the 1980s, it was not simply an afterthought on Juan Antonio Samaranch's part that prompted the former banker to appoint a hard-nosed, no-nonsense North American, the Canadian lawyer Richard W. Pound, to deal with the Americans in matters commercial in a manner that would best protect IOC interests against the hard tactics of the USOC. Clearly, Madame Monique Berlioux was not the person to guide IOC financial fortunes in their juxtaposition with American Olympic interests. When millions and millions of dollars are at stake, and those dollars have to be negotiated between parties, one can imagine the rancor that can arise even between 'family' members when one feels manipulated by the other. Given the presence of these basic philosophical and practical dichotomies, it is not surprising to witness family relations degenerating into genuine family feuding.

For the moment at least, the IOC's huge financial interests in the United States -- remain secure.<sup>178</sup> The USOC had failed to gain what it treasured most -- indeed had tried to obtain on more than one occasion--absolute authority over the disposition of revenues generated from American business and television firms. As the dollar value of American business and television enterprise linked to Olympic endeavours spiraled to dizzying heights in the decade of the 1990s, so, too, did the troubled relations between the IOC and the USOC. When, and in what form, the next challenge to parental authority might come is anyone's guess. These are signals that IOC and USOC officials are working towards improving inter-organizational relations. But, one fact is certain. When it does arrive, Juan Antonio Samaranch will not be party to such proceedings. His successor as IOC President will be determined in 2001. The Washington episode, then, stands as his final challenge as head of an Olympic 'family' in confrontation with its most rambunctious 'offspring.'

## Endnotes

1. Avery Brundage served the IOC as its president for two decades, 1952-1972. During his tenure he was confronted by many of the IOC's most vexing problems - amateurism, gigantism, race, politics, doping, and commercialism. His consistent stance was conservative, abrupt, and rarely compromising. Despite his long and successful business background and acumen in Chicago, he was generally naive and uninformed on television matters. He never really understood the industry and its application to the Olympic Games as a giant revenue generating device. For a detailed biography of Avery Brundage, see Allen Guttmann, *The*

*Games Must Go On: Avery Brundage and the Olympic Movement* (New York: Columbia University Press, 1984).

2. The tale of this bitterly argued scenario involving Brundage, the NOCs and ISFs is detailed most comprehensively by Stephen R. Wenn, "An Olympian Squabble: The Distribution of Olympic Television Revenue, 1960-1966," *Olympika: The International Journal of Olympic Studies*, Volume III - 1994, pp. 27-48. The Rome Formula was first applied to the television revenues from the 1972 Sapporo and Munich Olympic festivals.
3. For background information, see Stephen R. Wenn, "A Turning Point for IOC Television Policy: U.S. Television Rights Negotiations and the 1980 Lake Placid and Moscow Olympic Festivals," *Journal of Sport History*, Vol. 25 (Spring, 1998), pp. 87-118; and Stephen R. Wenn, "Conflicting Agendas: Monique Berlioux, Ahmed Karabegovic and U.S. Television Rights Negotiations for the 1984 Sarajevo Olympic Winter Games," in Robert K. Barney, Kevin B. Wamsley, Scott G. Martyn, and Gordon H. MacDonald (eds.), *Global and Cultural Critique: Problematizing the Olympic Games - Proceedings of the Fourth International Symposium for Olympic Research* (London, Canada: International Centre for Olympic Studies, 1998), pp. 115-127.
4. David Miller, *Olympic Revolution: The Biography of Juan Antonio Samaranch* (London: Pavilion Books, 1992), pp. 33-35, 252.
5. Jim Spence (with Dave Diles), *Up Close and Personal: The Inside Story of Network Television Sports* (New York: Atheneum Publishers, 1988), pp. 41-42.
6. "Olympics Didn't Give Big Boost to Ratings for ABC; Audience Slips 15% from 1980," *Wall Street Journal*, 22 February 1984. p. 28, Calgary-1988 TV General 1984 File, International Olympic Committee Archives, Lausanne, Switzerland [hereafter cited as IOCA].
7. Spence (with Diles), *Up Close and Personal*, pp. 36-40.
8. An indignant Samaranch expressed his displeasure to OCO '88 Chairman Frank King concerning the press coverage received in Calgary resulting from this contract. Specifically, he was concerned about an article written by Crosbie Cotton entitled, "European TV Receives 'Bargain' Deal from IOC," which appeared in the *Calgary Herald* on 25 June 1986. Juan Antonio Samaranch to Frank King, 11 July 1986, Calgary-1988 TV General 1986 File, IOCA.
9. See for instance, *Minutes of the IOC Executive Board*, 17-19 September 1991, Berlin, p. 42, IOCA; and Personal Interview, Richard W. Pound, 26 November 1998.
10. Ashwini Kumar to Juan Antonio Samaranch, 8 April 1984; Monique Berlioux to Richard Pound, 17 April 1984; and Richard Pound to Monique Berlioux, 18 April 1984, Seoul-88 TV General 1981, 1982, 1983, 1984 Jusqu'a Mai 1984 File,

IOCA; IOC/SLOOC Meeting, 5 April 1984; Record of Discussion: CBS Presentation Meeting, 6 April 1984; Record of Discussion: ABC Presentation Meeting, 6 April 1984; and Record of Discussion: NBC Presentation Meeting, 7 April 1984, and RWP/IOC 7398-026 Seoul TV 1988 File, Personal Files of Richard W. Pound [hereafter cited as PFRWP]. The authors would like to extend their appreciation to Richard W. Pound for permitting access to his Olympic-related files.

11. CBS and NBC were wedded to this necessity. ABC seemed less concerned primarily because it was likely to be a peripheral player in the negotiations due to its financial commitment to the Calgary Olympic Winter Games. Boone Arledge to Juan Antonio Samaranch, 18 March 1985; and Alex Gilady (Vice-President, International Program Planning and Development, NBC) to Juan Antonio Samaranch, 16 August 1985, Seoul-1988 TV General 1985 I File; IOCA; and Ashwini Kumar to Juan Antonio Samaranch, 8 April 1984, Seoul-88 TV General 1981, 1982, 1983, 1984 Jusqu'a Mai 1984 File, IOCA.
12. Barry Frank to Park Sei Young (Deputy General, SLOOC), 28 February 1984, RWP/IOC 7398-026 Seoul TV 1988 File, PFRWP; and Richard W. Pound, *Five Rings Over Korea* (Boston: Little, Brown and Company, 1994), p. 127.
13. *Minutes of the Meeting of the IOC Executive Board*, 15, 18 October 1985, Lisbon, p. 53, IOCA.
14. William Taaffe, "The Big Three Aren't Sold on Seoul," *Sports Illustrated* (23 September 1985), p. 47. Brackets ours.
15. Report to the Finance Commission, Paris, 6 June 1986, p. 4, Seoul- 1988 TV General Aout-December 1986 File, IOCA; and Taaffe, "The Big Three Aren't Sold on Seoul," p. 50.
16. Taaffe, "The Big Three Aren't Sold on Seoul," p. 55.
17. Report to the Finance Commission, Paris, 6 June 1986, p. 4, Seoul- 1988 TV General Aout-December 1986 File, IOCA.
18. Richard Pound to Juan Antonio Samaranch, 26 September 1985, Seoul- 1988 TV General II File, IOCA.
19. Ibid.
20. Ibid; and Richard Pound to Juan Antonio Samaranch, 30 September 1985, Seoul-1988 TV General 1985 II File, IOCA, For a statement of the USOC position, see George D. Miller (Secretary General, USOC) to Boone Arledge, 29 October 1985, Calgary-1988 TV General 1985 File, IOCA.
21. When it became evident that most Eastern Bloc countries would boycott the Games, a scramble ensued to fill Olympic events with enough teams to provide a reasonable competition. Sports teams in several disciplines, that had not other-

- wise qualified for the Games (the Canadian water polo team, for instance), were invited to take part. Their presence, though enlarging the competition tournaments, swelled the cost of the NOCs involved.
22. Howard Stupp to Juan Antonio Samaranch, 2 October 1985, Seoul-1988 TV General 1985 II File, IOCA.
  23. *Minutes of the Meeting of the IOC Executive Board*, 25-28 February 1985, Calgary, pp. 53-56, IOCA.
  24. Howard Stupp to Juan Antonio Samaranch, 2 October 1985, Seoul-1988 TV General 1985 II File, IOCA.
  25. Juan Antonio Samaranch to Richard Pound, 1 October 1985, Seoul-1988 TV General 1985 II File, IOCA.
  26. Rooney Arledge to Richard Pound, 23 September 1985; Neal Pilson to Richard Pound, 23 September 1985; and Arthur Watson to Richard Pound, 20 September 1985, Seoul-1988 TV General 1985 II File, IOCA.
  27. Spence (with Diles), *Up Close and Personal*, pp. 46-49.
  28. Report to the IOC Executive Board - Re: Television Rights, 4 April 1986, pp. 4-5, Seoul-1988 TV General Janvier-Juillet 1986 File, IOCA.
  29. *Minutes of the Meeting of the IOC Executive Board*, 11-12 February 1986, Lausanne, p.5, IOCA.
  30. *Ibid.*, p.7; and *Minutes of the Meeting of the IOC Executive Board*, 22-24 April 1986, Seoul, p.4, IOCA.
  31. *Congressional Record - Extension of Remarks*, 101<sup>st</sup> Congress, 2<sup>nd</sup> Session ( 136 Cong Rec E 3452), Volume 136, No. 148, Thursday, October 25, 1990.
  32. *Minutes of the IOC Executive Board*, 27-29 August 1989, Puerto Rico, p. 31. IOCA; and *Minutes of the IOC Executive Board*, 24-26 April 1990, Belgrade, p. 49, IOCA.
  33. Notes of Meeting with Congressman Tom McMillen, Washington, D.C., 17 January 1991, IOC-USOC File, Personal Computer Files of Richard W. Pound, Montreal, Quebec, Canada [hereafter cited as PCFRWP].
  34. *Ibid.*
  35. *Ibid.*
  36. *Ibid.*
  37. *Ibid.*

38. *Minutes of the IOC Executive Board*, 17-19 September 1991, Berlin, pp. 41-42, IOCA.
39. *Ibid.*, p. 42. Brackets ours.
40. *Minutes of the IOC Finance Commission*, 25 November 1991, Lausanne, p. 12; and *Minutes of the IOC Executive Board*, 4-6 December 1991, Lausanne, p. 43, IOCA.
41. Marketing Report to the IOC Executive Board, 14-16 April 1991, Barcelona, *Minutes of the IOC Executive Board*, 14-16 April 1991, Barcelona, p. 127, IOCA.
42. Richard Pound to Harvey Schiller (draft), 11 November 1992, IOC-USOC File, PCFRWP.
43. The Olympic Program (TOP) is treated in depth later in the essay. TOP was conceived as a program that focused on the generation of revenue from multinational corporations intent on linking their goods and services with the activities of the Modern Olympic Movement.
44. Richard Pound to Harvey Schiller (draft), 3 December 1992, IOC-USOC File, PCFRWP. Brackets ours.
45. Richard Pound to Harvey Schiller, 12 April 1993, IOC-USOC File, PCFRWP. Pound's authority, of course, rose from his position as Chairman of the IOC's Television Rights Negotiations Committee.
46. *Ibid.*
47. *Ibid.*
48. Marketing Report to the IOC Executive Board, Monaco, 2-4 April 1995, *Minutes of the IOC Executive Board*, 2-4 April 1995, Monaco, Annex #6, p. 71, IOCA.
49. Richard Pound to Dick Ebersol, 2 October 1995, IOC Sunset File, PCFRWP.
50. *Minutes of the IOC Executive Board*, 24-26 September 1995, Lausanne, pp. 3-4, IOCA.
51. Since that time, December 1995, the 2004 Summer Olympic Games and the 2006 Olympic Winter Games have been awarded to Athens, Greece and Turin, Italy, respectively.
52. Notes for Remarks by Richard W. Pound: Olympic Television Announcement re 2004, 2006, 2008; New York, December 12, 1995, IOC Sunset File, PCFRWP.
53. In January 1996 the IOC reached a long term agreement (2002-2008) with Australia's Channel 7 for \$140,825,000. When the Executive Board convened in

March, members reviewed the results of negotiations with EBU. The EBU deal covered the Sydney (\$350 million), 2004 (\$394 million), 2008 (\$443 million), Salt Lake City (\$120 million) and 2006 (\$135 million) festivals for a combined sum of \$1.442 billion. Un Yong Kim closed a long term deal for Japan before the end of the year which covered the Sydney (\$135 million), 2004 (\$155 million), 2008 (\$180 million), Salt Lake City (\$37 million) and 2006 (\$38.5 million) festivals. See Draft Press Release: Australian Television Rights, 17 January 1996, Lausanne, IOC Sunset File, PCFRWP; Marketing Report to the IOC Executive Board, Lausanne, 4-6 March 1996, *Minutes of the IOC Executive Board*, 4-6 March 1996, Lausanne, Annex #6, p. 93; and *Minutes of the IOC Executive Board*, 14-16 November 1996, Cancun, p. 5, IOCA.

54. Briefing Memorandum: IOC-USOC Meeting October 8, 1996, IOC-USOC File, PCFRWP.
55. *Minutes of the IOC Executive Board*, 4-6 March 1996, Lausanne, p. 33; and Marketing Report to the IOC Executive Board, Atlanta, July 11 - 13 1996, *Minutes of the IOC Executive Board*, 11-13 July 1996, Atlanta, Annex #9, p. 106, IOCA.
56. *Minutes of the IOC Executive Board*, 4-6 March 1996, Lausanne, p. 33, IOCA.
57. Briefing Memorandum: IOC-USOC Meeting October 8 1996, IOC-USOC File, PCFRWP.
58. Ibid,
59. Personal communication, Richard Pound to the authors, 12 May 1999. It is assumed by the authors that Schultz had the USOC-sponsored amendments dropped by dint of instructions to its Washington congressional contacts.
60. Briefing Memorandum: IOC-USOC Meeting October 8, 1996, IOC-USOC File, PCFRWP.
61. *Minutes of the IOC Executive Board*, 8-10 October 1996, Lausanne, p. 16, IOCA.
62. Personal communication, Richard Pound to the authors, 12 May 1999.
63. *Minutes of the IOC Executive Board*, 8-10 October 1996, Lausanne, p. 16. IOCA.
64. Personal communication, Richard Pound to the authors, 12 May 1999.
65. *Minutes of the IOC Executive Board*, 8-10 October 1996, Lausanne, p. 16, IOCA. The financial impact on the IOC was softened by the fact that the Olympic 'family' would receive 51% of the Olympic television revenue beginning in 2004. It will be remembered that the previous split between the OCOGs and IOC was 60% vs. 40% in favor of the former.
66. Ibid. Part of the rationale for this change in revenue sharing of television rights between the IOC and the OCOGs emanated from the fact that corporate sponsor-

ship plans produced by OCOGs (a domestic form of TOP) had added immeasurably to the coffers of host city organizing committees.

67. In April 1998, Pound, Payne, and Carrard met with Schultz and Krinsky because of the IOC's suspicion that the USOC was renewing its efforts to amend the Amateur Sports Act with respect to television negotiations. See *Minutes of the Executive Board*, 27-29 April 1998, Sydney, pp. 7-8, IOCA.
68. Klaus Jürgen Hempel to Juan Antonio Samaranch, November 1982, ISL Marketing File, IOCA. Klaus Jürgen Hempel was the Managing Director and Director of the Board for ISL.
69. Juan Antonio Samaranch to Klaus Hempel, 17 December 1982, ISL Marketing File, IOCA.
70. Klaus Jürgen Hempel to Juan Antonio Samaranch, November 1982, ISL Marketing File, IOCA.
71. ISL, *A Presentation to the International Olympic Committee* (New Delhi, 1983), p. 1, IOCA.
72. Ibid.
73. In an open letter from Lausanne, Switzerland, 7 December 1979, Monique Berlioux certified that Intelicense Corporation of Switzerland had been appointed by the IOC to act as exclusive world licensing agent for the copyrighted official IOC Summer Olympic pictograms. She further stated that Intelicense was authorised to grant licensing rights on behalf of the IOC, and to receive royalty revenue for the support of the IOC.
74. It might be noted that the USOC also brought suit against Intelicense for infringement on its territory in the United States. The resulting court action produced a judgement in favor of the USOC.
75. See *Minutes of the Meeting of the Commission of New Sources of Financing*, 9 October 1986, Lausanne, p. 5, IOCA. Samaranch had been concerned about this IOC budgetary fact for quite some time, in fact, as early as 1982, when it became apparent that approximately 95% of IOC revenue was derived from the sale of television rights.
76. See *Minutes of the Meeting of the Commission of New Sources of Financing*, 10 September 1988, Seoul, p. 10, IOCA. Of particular concern to the IOC was the enormous dependency on revenues generated through the sale of television rights to U.S. broadcasters, which, by 1982, accounted for approximately 95% of total sales for television rights.
77. At the fourth meeting of the Commission of New Sources of Financing convened in Berlin on 1 June 1985, Louis Guirandou-N'Diaye, Chairman, provided members with a brief overview of the Commission's history, including an account of

- the "IOC's activities in the field of commercialism" which focussed on the impact of the worldwide sponsorship program approved by the Commission in New Delhi in late March 1983. See *Minutes of the Meeting of the Commission of New Sources of Financing*, Berlin, 1 June 1985, p. 1, IOCA.
78. Muriel Cohen to Monique Berlioux, 25 March 1983, ISL Marketing File, IOCA.
  79. Monique Berlioux to Muriel Cohen, 19 April 1983, ISL Marketing File, IOCA.
  80. Walther Tröger to Monique Berlioux, 9 May 1983, ISL Marketing File, IOCA.
  81. Ibid.
  82. Ibid.
  83. Monique Berlioux to Walther Tröger, 19 May 1983, ISL Marketing File, IOCA.
  84. Ibid.
  85. Monique Berlioux to Members of the International Olympic Committee, 18 May 1983, ISL Marketing File, IOCA.
  86. Ibid. In November 1983, Berlioux dispatched a letter addressed to all National Olympic Committees containing additional information on the IOC/ISL agreement. In the letter she stated that the agreement was "based on commercialising the Olympic emblem under the overall control of the IOC." See Monique Berlioux to all NOCs, 30 November 1983, ISL Marketing File, IOCA.
  87. See *Minutes of the Meeting of the Commission of New Sources of Financing*, 9 October 1986, Lausanne, p. 5, IOC.
  88. IOC Commercialisation - Report No. 10, Zurich: IOC, 1983.
  89. Lord Luke [Vice-Chairman, IOC Finance Commission] to Juan Antonio Samaranch, 22 February 1984, ISL Marketing File, IOCA. Lord Luke was an IOC member from Great Britain.
  90. See "Resume de la Reunion de Contact avec I.S.L. Tenue." *C.I.O. Commercialisation - Report*, no. 10, 1 May 1983, ISL Marketing File, IOCA. In attendance were representatives of ISL, Dentso, McCann, USOC, BOA, and the IOC.
  91. François Carrard to Monique Berlioux, Daniel Russell, International Olympic Committee Members, 20 May 1983, ISL Marketing File, IOCA.
  92. Monique Berlioux to Horst Dassler, ISL, and Francis Craighill [counsel to ISL], 25 May 1983, ISL Marketing file, IOCA.
  93. Preliminary Agreement Between: The International Olympic Committee (IOC) and ISL Licensing AG (ISL), 2 June 1983, Lausanne, p. 1, IOCA.

94. Ems Magnus to Monique Berlioux, 3 June 1983, ISL. Marketing File, IOCA. Brackets ours.
95. Ibid.
96. Klaus Jürgen Hempel and Jürgen Lenz to Juan Antonio Samaranch, 24 November 1983, ISL Marketing File, IOCA.
97. Ibid.
98. Jürgen Lenz to Don Miller, 23 February 1984, ISL Marketing File, IOCA. Despite numerous attempt to contact Miller by telephone, Lenz was forced to send a follow up letter echoing his request for a rapid decision on presentation date and conclusion of an agreement between USOC/ISL. See Jürgen Lenz to Don Miller, 4, June 1984, ISL Marketing File, IOCA.
99. Ibid.
100. See Don Miller to Jürgen Lenz, 14 June 1984, ISL Marketing File, IOCA. Miller wasted little time responding to Lenz's letter received earlier that same day. Although the USOC was taking a favorable attitude towards the ISL project, Miller noted that due to the boycott situation no immediate decision could be expected. For a copy of Jürgen Lenz's letter, see Jürgen Lenz to Don Miller, 14 June 1984, ISL Marketing File, IOCA.
101. Ibid.
102. Tae-Woo Roh to William E. Simon, 22 June 1984, ISL Marketing File, IOCA.
103. Bill Wardle to Jürgen Lenz, 3 July 1984, ISL Marketing File, IOCA.
104. Ibid. Brackets ours.
105. Jürgen Lenz to Bill Wardle, 5 July 1984, ISL Marketing File, IOCA. Brackets ours.
106. Juan Antonio Samaranch to William L. Simon, 14 June 1984, ISL Marketing File, IOCA. Brackets ours.
107. Ibid.
108. ISL, "SPONSORSHIP: A proposal to the National Olympic Committee" (Lucerne: ISL Marketing File, 1984), IOCA. The Executive Board of the USOC was presented with the proposal on 9 July 1984.
109. Jürgen Lenz to Don Miller, 5 August 1984, ISL/TOP I General File, IOCA. Brackets ours.
110. Jürgen Lenz to Juan Antonio Samaranch, 5 August 1984, ISL/TOP I General File, IOCA.

111. Walter Meier to Juan Antonio Samaranch, 12 September 1984, ISL/TOP I General File, IOCA.
112. Juan Antonio Samaranch to Walter Meier, 20 September 1984, ISL Marketing File, IOCA.
113. Don Miller to Jürgen Lenz, 7 September 1984, ISL Marketing File, IOCA. Later, the USOC settled for 15%.
114. Ibid.
115. Resume of IOC'ISL/SLOOC/OCO'88 Meeting Relating to Draft of OCOG/ISL Agreement, 20-21 January 1985, Paris, IOCA.
116. IOC/ISL Meeting, 14 May 1985, Lausanne, IOCA.
117. *Minutes of the Meeting of the Executive Board*, 28 May 1985, Lausanne, pp. 177-178, IOCA.
118. George D. Miller to Jürgen Lenz, 17 September 1986, ISL/TOP I General File, IOCA.
119. George Miller to Juan Antonio Samaranch, 21 January 1987, ISL/TOP I General File, IOCA. Brackets ours.
120. George Miller to Jürgen Lenz, 17 September 1986, ISL/TOP I General File, IOCA, Brackets ours.
121. Juan Antonio Samaranch to George Miller, 22 December 1986, ISL/TOP I General File, IOCA.
122. ISL, *Sponsor Handbook: The Olympic Programme - Action* (Lucerne, n.d.), p. 2.1.
123. Andrew Craig to John Krinsky, 5 February 1987, ISL/TOP I General File, IOCA.
124. John Krinsky to Andrew Craig, 10 February 1987, ISL/TOP I General File, IOCA.
125. Richard Pound to Andrew Craig, 16 March 1987, ISL/TOP I General File, IOCA. In his communication, Pound notes that he spoke with George Miller by telephone from his Montréal Law Office.
126. Ibid.
127. Ibid. Brackets ours. Pound's counsel on this point aimed at reminding Craig not to become immersed in affairs in which a relatively negligible amount of dollars were generated. In the greater scheme of things, royalty payments were minuscule when compared to sponsorship payments received from a business

being associated with TOP.

128. Michael Payne [ISL] to B. I. Kim [Director Business Dept. II. SLOOC] and Bill Wardle, 15 September 1987, ISL/TOP I General File, IOCA.
129. Baaron Pittenger to Richard Pound, 7 December 1987, ISL/TOP II General File, IOCA.
130. Baaron Pittenger to Klaus Hempel, 13 February 1988, ISL/TOP II General File, IOCA.
131. Ibid.
132. Baaron Pittenger to Juan Antonio Samaranch, 5 March 1988, ISL/TOP II General File, IOCA.
133. See *Minutes of the Meeting of the Commission of New Sources of Financing*, 10 September 1988, Seoul, p. 2, IOCA.
134. Ibid.
135. Howard Stupp to Juan Antonio Samaranch, 9 March 1988, ISL/TOP II General File, IOCA.
136. Ibid.
137. Ibid.
138. Howard Stupp to Juan Antonio Samaranch, 14 March 1988, ISL/TOP II General File, IOCA.
139. Andrew Craig to Baaron Pittenger, 25 May 1988, ISL/TOP II General File, IOCA.
140. Andrew Craig to John Krinsky, 7 June 1988, ISL/TOP II General File, IOCA.
141. Andrew Craig to Howard Stupp, 13 June 1988, ISL/TOP II General File, IOCA.
142. Guy P. Radius [ISL Counsel] to Richard Kline [USOC Counsel], 29 June 1988, ISL/TOP II General File, IOCA.
143. See *Minutes of the Meeting of the Commission of New Sources of Financing*, 10 September 1988, Seoul, p. 2, IOCA. Brackets ours.
144. Ibid. Pound noted that the problem arose because of internal political problems, but warned that the OCOG's problems were likely to become those of the IOC should it be unable to resolve the situation.
145. Michael Payne to John Krinsky, 13 April 1989, ISL/TOP I General File, IOCA.

146. John Krimsky to Michael Payne, 14 April 1989, ISL/TOP I General File, IOCA.
147. Ibid.
148. Michael Payne to John Krimsky, 18 April 1989, ISL/TOP I General File, IOCA.
149. John Krimsky to Michael Payne, 18 April 1989, ISL/TOP I General File, IOCA.
150. Ibid. Brackets ours.
151. Michael Payne to John Krimsky, 21 April 1989, ISL/TOP I General File, IOCA. Brackets ours.
152. Ibid. Brackets ours.
153. John Krimsky to Michael Payne, 18 April 1989, ISL/TOP I General File, IOCA. In his letter to Payne, Krimsky's phrase, "the learned Pound," refers to Richard W. Pound.
154. John Krimsky to Michael Payne, 14 April 1989, ISL/TOP I General File, IOCA.
155. John Krimsky to Guy Radius, 4 May 1989, ISL/TOP I General File, IOCA.
156. Ibid.
157. See Minutes of the Meeting of the Executive Board, 27-29 August 1989, Puerto Rico, p.31, IOCA.
158. Ibid.
159. Andrew Craig to Howard Stupp, 30 April 1990, ISL/TOP II General File, IOCA.
160. Howard Stupp to Andrew Craig, 7 May 1990, ISL/TOP II General File, IOCA.
161. The specific allegations were that living expenses and college tuition payments at a university in Washington, D.C. had been authorized by Salt Lake City bid committee officials on behalf of the daughter of the late René Essomba, IOC member in Cameroon.
162. Investigative commissions were formulated by the OCOGs of the Sydney (Australia) and Salt Lake City Games, as well as the USOC, IOC, and the U.S. Department of Justice. For Sydney, see *Examiner for SOCOG Report*, T. A. Sheridan, Independent Examiner, 12 March 1999, Archives of the International Centre for Olympic Studies. The University of Western Ontario, London, Ontario, Canada [hereafter cited as ICOSA). For USOC, see *Report of the Special Bid Oversight Commission*, 1 March 1999, ICOSA. For the IOC, see *Report of the IOC ad hoc Commission to Investigate the Conduct of Certain IOC Members and to Consider Possible Changes to the Procedures for the Allocation of the Games of the Olympiad and Olympic Winter Games*, 24 January 1999; and *Second Report of the IOC ad hoc Commission to Investigate the Conduct of Cer-*

- tain IOC Members and to Consider Possible Changes to the Procedures for the Allocation of the Games of the Olympiad and Olympic Winter Games*, 11 March 1999, ICOSA. For Salt Lake City, see *Report to the Board of Trustees*, 8 February 1999, ICOSA.
163. See *Report of the Special Bid Oversight Commission*, 1 March 1999, ICOSA.
164. See *Second Report of the IOC ad hoc Commission to Investigate the Conduct of Certain IOC Members and to Consider Possible Changes in the Procedures for the Allocation of the Games of the Olympiad and Olympic Winter Games*, March 11, 1999, ICOSA.
165. Ibid.
166. For a complete treatment of the IOC reforms within this context, see *IOC 2000 Reforms* (Supplement of the *Olympic Review*; December 1999 /January 2000).
167. Readers may recall Samaranch's disastrous interview with the CBS investigative news program *60 Minutes* that aired during the 1998 Nagano Olympic Winter Games. Simon's aggressive questioning concerning Samaranch's past affiliation with Spain's Franco regime, as well as funding issues pertinent to the Nagano festival, left a startled Samaranch fumbling for responses and in an acute state of discomfort.
168. Samaranch read a lengthy, prepared statement in English to open the proceedings, then reverted to translated Castillian Spanish during question and answer discourse with Congressional committee members. For a complete text of Samaranch's prepared opening statement, see "Capitol Hill Hearing Testimony," in Federal Document Clearing House, Inc. [data base online], 15 December 1999- [cited 1 March 2000]; available from Lexus-Nexus [hereafter cited as Lex-Nex], INTERNET.
169. For Upton's remarks, see "In the Hot Seat: Samaranch Defends Olympic Reforms in House Grilling," *The Salt Lake Tribune* [data base online], 16 December 1999 [cited 1 March 2000], Lex-Nex, INTERNET.
170. See "Samaranch unruffled by charges in Congress," *The Globe and Mail* (Toronto), 16 December 1999.
171. For but one of several newspaper accounts of Congressman Barton's remarks, see "Samaranch Also Speaks Stengelese," *The New York Times* [data base online], 16 December 1999- [cited 1 March 2000], Lex-Nex, INTERNET.
172. For Waxman's remarks, see "Lawmaker Suggests NBC Donation was Bribe for Contract," *The Salt Lake Tribune*, 16 December 1999. The reference to an "NBC Donation" refers to an original, spontaneous \$500,000 donation to the construction of the Olympic Museum made by Dick Ebersol of NBC on the occasion of a speech delivered on the evening of the long term "Sunset" television contract signing. The \$500,000 donation by NBC was later increased to \$1,000,000. It

- might be noted that the U.S. Headquarters of the FOX Television Network, a competitor of NBC, located in Waxman's Congressional District.
- 173.This remark was made by Congressman Waxman. See "IOC's Samaranch Weathers Storm on Capitol Hill," *Japan Economic Newswire* [data base online], 16 December 1999- [cited 1 March 2000], Lex-Nex, INTERNET.
- 174.See "In the Hot Seat: Samaranch Defends Olympic Reforms in House Grilling." *The Salt Lake Tribune* [data base online], 16 December 1999- [cited 1 March 2000], Lex-Nex, INTERNET.
- 175.See "Samaranch Sparkles in Washington," *Los Angeles Times* [data base online], 16 December 1999- [cited 1 March 2000], Lex-Nex, INTERNET.
- 176.Ibid.
- 177.See "IOC Head Testifies on Hill: Samaranch Is Asked About Reform Effort," *The Washington Post* [data base online], 16 December 1999- [cited 1 March 2000], Lex-Nex, INTERNET.
- 178.The sale of American television rights for a summer and winter Olympic Games in one quadrennium amounts to approximately 60% of the total world sales of rights. Of the 11 TOP-IV corporate sponsors, 9 are companies whose home offices are in the United States.