

Interview: Max Mosley



*FIA President
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In an exclusive interview with L'Equipe, FIA President Max Mosley speaks about the future of F1 and the new objectives for the 2008 championship.

For the first time in twenty-five years, the FIA is free to define the future framework of Formula One, following the expiry of the Concorde agreement in 2008. In the interests of ensuring the continuity of the championship, Max Mosley has made it a priority to impose cost-saving measures, whether that pleases certain major manufacturers or not.

Evidently, the direction you have defined for the future of F1 has been clear and constant for some years, but the road to achieving your goal appears frightfully tortuous. How did such complexity in the management of Formula One come about?

I agree: in theory, one should be able to take decisions in one week. F1, in fact, consists of very few people, it's not like a great national democracy, and there should be greater flexibility. It's only a few people, but even so it's many more than when we defined the Concorde agreement twenty-five years ago.

At the time, the discipline was limited to a small group of people who had much less money, and far fewer lawyers, than nowadays. When I began in 1970 (with March), we had a hundred times less money: our budget amounted to £113,000 including the drivers' pay, which must correspond today, taking inflation into account, to £1.5 million. We finished third in the World Championship, and even won a race. In 2005, a decent budget is £150 million. I know teams who spend far more and who have finished this year in worse than third place.

Of course, but the complexity of the system isn't just down to money...

I was getting there. The other difficulty is the Concorde agreement, which imposes several levels of discussion and decision. It was simple when there were only a few of us; it has now become extremely complex.

For example, a change to the technical regulations requires the agreement of eight teams out of ten, via their technical managers. Then it needs the agreement of the Formula One Commission, i.e. at least 18 votes out of 26, and again after that the agreement of the FIA World Council. That involves interminable discussions, and as many inevitable compromises.

I understand that the public ends up confused, and it's very regrettable for F1. I will admit that the meetings with the team bosses are far less efficient than those that Charlie Whiting (FIA technical delegate) may have with the technical managers!

When we have to discuss the sporting regulations with the bosses, it's a little surreal sometimes... Because they now have teams of 800, or even 1000 people, to manage, many problems everywhere, and no time to go into the details of a set of sporting regulations. Therefore, they often suggest an idea without having analysed all the consequences in depth.

And that's how we end up with the qualifying system for 2006...

For example! (Smiles) In my opinion, it is absolutely vital that we don't change that sort of thing all the time. Or else we do change it, but we first ask the experts to examine all the consequences of the envisaged change.

The 2006 qualifying system is going to be complicated...

Very complicated. But the times will be displayed and the people will at least know who is the fastest driver. Also, there will probably be a pit stop with a tyre change, and the spectators love that. But I sincerely believe that the public will be like me faced with an American football game: I can watch, it's a show, but I have no idea what's going on!

Isn't it tiresome, all the same?

It's very worrying. Single-lap qualifying, it's true, was not exciting for the fans in the grandstands, and the organisers lost sales... But on television (enthusiastically), it was really good! You knew exactly what was happening, even with the worst TV director in the world!

How, as president of the FIA and a racing man, can you not impose, amongst other things, a qualifying method which seems to you to be better than another?

All that is really a problem for me. The ideal system would be for the Federation to consult everyone and then take a decision, for which it would be entirely responsible. Unfortunately, that is not the system that we have now, and in my opinion that harms F1. The truth is that we are paralysed by the kind of decision making we have in F1.

In that case, why are you talking of extending the Concorde agreement beyond 2007, with five teams having already signed up (Ferrari, Williams, Red Bull, Toro Rosso and Midland)?

There is a will to reform, I am sure of it. At the moment, we are having discussions with the teams, in particular on how to simplify the decision-making process in the future. They recommend a majority of 70%. As for me, I would be in favour of a simple majority: 51% is enough! In fact, what these five teams have signed is an agreement in principle, an undertaking to take part in our World Championship in 2008. But all of them agree that at a certain point it will be necessary to define a new Concorde agreement. And it is for that that I want us to change all these procedures that have become too burdensome. Simply put, we first had to stabilise the 2008 Championship.

What guarantees does this agreement in principle give to the signatory teams?

The teams who have given their agreement to race in 2008 are assured of having the same rights as today until 2012.

What rights are those?

The right to take part in making decisions, for example.

And when you want to simplify the new Concorde agreement, will you have to have everybody's approval?

Yes, but I think that at certain moments, the stars are in our favour. We have with us Ferrari, Williams, Midland and the two Red Bull teams. And there is a common will

to solve the problems. The young team manager at Red Bull (Christian Horner) is very good. Jean Todt is completely rational: among the bosses, he is the only one to accept reforms in the interest of F1, even when they are not necessarily in the interest of his team. And then we have Frank Williams: since he no longer has to answer to "uncle" BMW, we can once again discuss things in a very rational manner with him. So we have those people, plus three or four whom we know very well and who are interested in F1.

We are therefore in a position to say to the others (meaning the five constructors in the GPMA: Mercedes, BMW, Renault, Honda and Toyota – see related article): "Look, this is how our championship is run; if you want to be part of it, you are welcome. If not, you have the right to create your own series." No problem. For us, it is an opportunity. For the first time since 1980, we have total freedom, along with the teams who are with us of course, to define the regulations that we want.

When you say "three or four who are interested in F1", do you mean people who would be prepared to enter a team in the Grands Prix?

Absolutely. There are three, perhaps even four people who are very well known – I'll leave it to you to guess their names (the names David Richards or Roger Penske, in particular, are heard regularly), who want to join F1, but who are currently unable to because of the costs involved. And if we manage to reduce the costs, to 100 to 120 million dollars, for a reasonable budget, they will come. They are independent teams, who therefore have to earn their living from sponsorship. They do not want to lose money in F1.

Are these racing people, or outside investors?

They are racing people. They are from the milieu; they have money or access to money. If I count them all, in fact, there are at least six who have this project in mind, including three, as I see it, or even four, who are serious. They have two years ahead of them in which to prepare. But they must make a decision at the beginning of 2006 if they want to compete in 2008.

Your main criticism of the major constructors is the escalation of costs...

Yes, I am very sorry to keep going on about this, but it is the basic point. There are major constructors who are already spending 300 to 400 million euros and who are prepared to spend still more in order to win the World Championship, because it's very, very important for their image. I want to say to them: "If you want to carry on playing with us, you'll have to play by our rules, because the World Championship belongs to the FIA." History has shown that constructors come and go as they wish. They have a perfect right to do so, but our task is to see to it that the Championship goes on, with or without them.

Can Mr Mateschitz, the owner of the Red Bull trademark and of two teams (Red Bull and Toro Rosso), also leave when he wants, the day when, for marketing reasons, F1 is no longer of interest to him?

Absolutely. But that does not pose a problem. We don't need a Mr Mateschitz with enormous sums of money, as on a "normal" market, with all the major worldwide companies, we shall always find someone to replace him... provided that the costs are not prohibitive. At the moment, F1 is too expensive. A big private team, very well known in America, recently told Bernie (Ecclestone): "We want to join F1, but only if we can do it with a budget of 80 million dollars." Because that is the level at which that team can make a profit. Frank (Williams) is now thinking along the same lines, Ferrari too...

But Ferrari are one of those teams that are reputed to spend the most money...

In my opinion, that has changed fundamentally since Jean Todt has been running the whole of the Ferrari company, and not just the Scuderia. He is now responsible for the finances of the entire make, and he knows that he cannot count on much support from Fiat. He simply did the maths: 100 million euros, that's 25,000 euros on each road Ferrari sold. It is in the company's interest that its Formula One team works on the same basis as the independent teams, i.e. on the basis of profit... or at least of not making a loss. The interests of Jean Todt and Frank Williams are now the same.

As for Red Bull, I have talked with Mr Mateschitz, and I told him: "I am well aware that you can spend as much money as you want." He replied: "Yes, but even so I want to keep it reasonable." Mr Mateschitz is in the position of a normal sponsor, and he wants his money's worth. For him, a reasonable budget is around 100 to 120 million.

With five teams on your side, plus three or four serious candidates for F1, you are in a position of strength vis-à-vis the constructors' GPMA...

The constructors are always talking about Bernie's money. They want a better distribution of the F1 earnings. I can understand that it is annoying for them to see Bernie as a multi-billionaire, but after all wasn't he the one who built all that, and didn't they come into it fully aware of the system?

But in fact, this story of getting a fairer share is a false problem. Imagine that in the end, each of the constructors manages to get 5 million dollars more from Bernie; that's already a great deal, but it is nothing compared with what they spend in F1 and what I call wasted money. Because those who now spend 300 to 400 million dollars or maybe more, if they were to accept the conditions that we propose, namely reducing the budgets to 100 million, they would be saving 200 to 300 million!

I can tell you of one constructor, naming no names, who distributes around 400 million euros in dividends to his shareholders... and who spends far more than 200 million euros in F1. And the 200 million is just for the engine!

But how can you prevent a constructor from spending money on technological research?

It's difficult. The only way is to reduce the ratio between improved performance and financial investment beyond a certain level. To reduce the costs of an engine, the aerodynamics, the tyres, etc. via the technical and sporting regulations. If a constructor's wind tunnel is running 24 hours a day, it is necessary for another competitor, with a wind tunnel that is used at 70% but with a better driver, to be able to win despite that. At a certain moment, the constructors will thus admit that money spent that way is wasted.

Not all of them are so extravagant?

Among the five that have entered so far, two are prepared to spend anything to win the World Championship. There are two others whose bosses say: "If it's reasonable from a financial point of view, we do it; if not, we stop." The big boss of one of those two even told me: "If it's really profitable, why not have two teams, running under two different makes?" And then the fifth one is hesitating between enormous spending and the path of reason.

You don't want F1 to become a pleasure reserved exclusively for the drivers and engineers?

At the moment, it's an engineers' game. Inside certain gearboxes you have technologies that are absolutely fascinating – when you know about them. Only about a dozen people are interested in them, and not the millions of people who follow F1. However, directly or indirectly, it is the public that pays for F1. Another little example of waste, from something that I have been able to observe in England: for the aerospace industry, which also supplies parts to the teams, Formula One represents a tiny little percentage of their turnover, but a very major share of their profits – because numerous teams pay without question, as long as the quality is there.

Similarly, I learned that in 2003 a major constructor changed engine blocks three times in the course of the season! In these conditions, you have to understand that, for 2006, we have restricted the engineers' field of investigation... Honda and BMW were not happy. They wanted more freedom. But more freedom is above all the freedom to spend a lot of money...

F1 must nevertheless remain a shop window for very high technology...

It will, but we want to orient the technology in a useful direction. Today, you know, F1 fans tell us: "Personally, what I like about this sport is the technology." Let's not forget that in Formula One, 99 per cent of the technology is unknown to the public."