

Enforcing its billion dollar media deals

International Olympic Committee threatens to "close down" Internet sites

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According to a recent survey commissioned by the International Olympic Committee (IOC), television broadcasts of the Sydney Games this month will reach 3.7 billion viewers, or over half the world's total population, making it the biggest televised sporting event in history and a testimony to the tremendous advances in broadcasting technology.

But like every other aspect of the Olympic Games—from the vote-buying of Olympic officials in the city selection process, to sponsorship, construction and tourist deals and ticketing rorts—reportage of the event by the most powerful media corporations means just one thing: the opportunity for windfall profits.

For the IOC, which first sold television rights to the British Broadcasting Commission in 1948 for a little more than \$A5,000, the sale of Olympic broadcasting licenses is now a hotly contested and jealously guarded multi-billion dollar enterprise. Indeed, it has become the largest single income earner for the IOC, far surpassing direct sponsorship, ticketing and other sources of revenue.

Some 12 major media corporations have been granted the right to transmit the Sydney Games within strictly defined regions. So far, this has earned the IOC \$2.24 billion, including \$1.2 billion from NBC for exclusive US rights and \$100 million from Australia's Seven Network. Since the mid-1990s NBC has paid the IOC \$3.57 billion for Olympic broadcasting rights up until 2008. The Seven Network has handed over more than \$388 million for exclusive Australian rights during the same period.

Naturally, the licensed media corporations vigorously protect their turf. As they regularly make clear to the IOC, any weakening of their monopolies will reduce

advertising revenue, undermine the market price of broadcast rights and sponsorship deals, and thus lower the IOC's income. The IOC, which is acutely sensitive to any pressure from the major corporations, has responded by aggressively policing all its broadcasting deals in the lead up to the Sydney Olympics.

As IOC vice-president Dick Pound candidly admitted last month: "We've given out a general comfort statement to broadcasters saying, you're the ones who brought us to the dance, so we'll do everything we can to protect those rights."

But unprecedented restrictions on other media companies has led to conflicts—and particularly with the scores of Internet sporting news sites that want to provide coverage of the event.

According to the Australian Olympic Coordinating Authority (AOCA), the body principally responsible for organising the 2000 Games, only NBC and Channel Seven have the right to enter the main athletic and swimming stadiums at Olympic Park in Sydney. Another 150 media outlets, including some of the world's largest news networks, will not be allowed to cover events or even interview patrons outside the stadiums, unless they are lucky enough to be selected in the daily draw for the eight media passes allocated by the AOCA.

Reports of the ban produced a series of angry letters from the companies affected, including Reuters, the European-based news agency. Reuters protested that not only was it being excluded from one of the biggest news events of the year, but, under ACOA rulings, it could be banned from reporting other non-sporting issues that may arise in the course of the Games.

Reuters' complaints were followed by a threat from

the European Union's Trade Commissioner, Pascal Lamy, to take Australia to the World Trade Organisation over the restrictions. Lamy warned that Australia was breaching its obligations under the General Agreement on Trade in Services. Unless it eased media controls it would be subjected to legal action, including possible sanctions through the WTO. According to the trade agreement, Australia was “committed to open its news agency market for foreign suppliers without restriction and on the basis of a treatment not less favourable than offered to Australian service suppliers,” he declared.

After months of stalling, the ACOA finally agreed in August to allow Associated Press, Reuters Television and Agence France Presse access to the sites. But dozens of other news agencies will still be excluded from directly reporting events in the main stadiums and their immediate surrounds.

Perhaps the most revealing example of how the IOC guards its media agreements is indicated by its uncompromising attitude towards Internet sports sites.

The IOC has refused to provide any media credentials whatsoever, even within the restrictive daily ballot system, to sports websites. Moreover, it has banned all live audio or video broadcasting from Olympic events on the Internet until 2008, when current broadcasting rights expire.

Last year the organisation issued directives to international news services about Internet coverage of the Games. IOC vice-president Kevin Gosper wrote to editors informing them that they would have to delay posting any Olympic results on their web sites for at least an hour, and that no results could be supplied to Internet sites that contained third-party advertising or sponsorship without written agreement from the IOC.

But exponential growth in Internet usage—from 40 million users in 1996, when the last Olympic Games were held, to 275 million today—and the easily accessible character of the medium, threaten to undermine regional broadcasting deals, particularly in Europe and the US. Extensive time differences between Sydney and the United States (the US east coast is 15 hours behind), and between Sydney and Europe (up to 11 hours behind), combined with NBC's decision to delay its broadcasts to prime time viewing, has increased the Internet's attraction for those sports fans looking for on-the-spot coverage.

This has produced alarm on the part of the franchised media outlets, including NBC. Kevin Sullivan, vice president of communications at NBC Sports, recently told the media: “I think when we paid \$US705 million for the rights to the Games you have a duty to protect it and to steer the biggest possible audience toward the coverage.” To prevent Olympic news clips being rebroadcast by rivals, NBC has decided to limit any transmissions to the US, including the reporting of results, to the barest minimum outside prime time.

Predictably, the IOC has responded promptly to NBC's concerns, assuring all the official broadcasters it will clamp down on Internet sites. Last week Pound issued a press statement warning that Olympic organisers had a “sophisticated monitoring system” and would prosecute any company broadcasting Games footage over the Internet. “If someone has the capacity for major distribution, it's a copyright violation and we will find some way to close it down,” he said.



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