



Study Guide

Committee: Federation Internationale De L'Automobile

Financial disparity between teams and the environmental impact of the sport.

Letter from the Chairs

Dear delegates,

It is our pleasure to welcome you to Federation Internationale De L'Automobile at the BDMUN Conference. While everyone enjoys Formula 1 races and rooting for our favorite drivers, we must also discuss and address the underlying issues and flaws of the sport. The F1 committee this year hopes to allow delegates to combine their sports interests and hobbies with the enriching experience of a model united nation debate. The head chairs hope that this committee will prove to be an informative and enriching experience for all of you. Over the course of three days, you will take on the roles of teams and debate issues related to money, delegation and parity. These issues are very pertinent and largely influence the sport. We expect this committee to not only be a place of productive debates and consensus, but also a committee where we can have fun and enjoy the process, as at the end of the day it's all about having a good time and learning something new. With fruitful debates delegates also have to work hard on paperwork and eventually come up with a mutual resolution at the end of the conference.

MUN is an opportunity that gives one a chance to communicate, and possibly discover a passion or talent in public speaking and/or debate. Preparation is the key to having a holistic experience, which is why the chairs would encourage you to research thoroughly before the conference. The study guide is only a base for the information that would be needed for the conference. It is vital to research beyond the study guides, to not only get to know more for the conference, but also to enhance and broaden one's knowledge.

To help regulate discussions during the committee sessions, all delegates are encouraged to speak freely and at ease, however delegates must strictly maintain etiquette and treat each other in a respectful manner and help us create a safe space for everyone to voice their opinions. Aside from that, fiery debate and friendly banter is encouraged.

See you soon at Federation Internationale De L'Automobile at BDMUN 2021.

Warm regards,

Shreevardhan Agarwal and Saina Seth

Chairs of Federation Internationale De L'Automobile

BDMUN 2021

Introduction to the FIA:

Federation Internationale De L'Automobile discusses the financial disparity between teams & the environmental impact of sport. The FIA is mostly known as the governing body for many auto racing events, such as the well-known Formula One. The FIA also promotes road safety around the world. Headquartered at 8, Place de la Concorde, Paris, the FIA consists of 213 national member organisations in 125 countries worldwide. Its current president is Jean Todt.

VISION: Safe, Sustainable and Accessible Motor Sport and Mobility for all

MISSIONS: Overall To support our strong, connected and global network of Members, and serve their interests.

Motor Sport: To lead the future of exciting, safe, sustainable and inclusive global motor sport and ensure its continued relevance by implementing fair regulation, fostering innovation, and developing our Members throughout the sporting pathway. Mobility To empower our Members to be relevant for the future of smart mobility through collaboration, knowledge sharing, and advocacy

[*FIA Activity Report 2020*](#)

Background info:

Formula One is a sport that requires immense funding. The engineers constructing these cars have to consider many things like the safety of the drivers, does the car follow the FIA's rules and multiple rules and regulations. Teams like Mercedes and RedBull have been unstoppable for the past few years however teams like Williams and Haas aren't even close to the podium places. The extra funding that top teams get allows them to compete to win, but this causes a large disparity between the teams. The FIA has placed a cap of \$145M for teams to spend on the cars. Is this fair? Should teams have the same budget?

Brief introduction to crisis:

- Based on the current calendar of 23 races, the 2021 cost cap is actually \$147.4m per team. This is because the \$145m is based on there being 21 races, but the Concorde Agreement that binds F1 together allows as many as 25 races in a season. Given the additional cost, the baseline figure of \$145m is adjusted up or down in increments of \$1.2m if there are more or less than 21 races.

(<https://the-race.com/formula-1/eight-ways-the-cost-cap-will-change-f1-in-2021/>)

- Liberty, the U.S. media company that is purchasing the sport's commercial rights, wants to expand the calendar from its current 21 races (itself a record number) to maximise its investment.

"There is a general line of interest if you increase the number of races to a point," Liberty chief executive Greg Maffei said recently, per Reuters' Harro Ten Wolde. "The FIA [the International Automobile Federation, which governs the sport] makes more money, the teams make more money, we make more money."

That is true; the problem is that F1's current prize money distribution scheme is heavily weighted toward the larger teams, and increasing the prize money pot would only enlarge the performance gap that exists between the teams.

(<https://bleacherreport.com/articles/2677153-formula-1-must-address-financial-inequalities-before-expanding-race-calendar>)

- Concord agreement; It is a contract between Formula 1, governing body the FIA and the teams which wish to compete in the F1 World Championship. It is so called because the first iteration of the document, drawn up back in 1981, was initially discussed at the FIA offices, on the Place de la Concorde in France's capital Paris. The agreement, among other things, is a commercial document which defines how F1's television revenues and prize money will be distributed – and

was set to expire at the end of the year. To compete in Formula 1, every team must sign the Concorde Agreement. By changing the way the prize money is distributed, it was inevitable that some teams would be happy – as they would receive a greater share – and others less so, as they would have a smaller slice. And thus talks took a long time. At Silverstone, that led to some team bosses voicing their frustration at rivals who appeared to be holding up progress. But ultimately, as they have increasingly done in recent months, all the stakeholders found a way to come together and compromise on the document, which they agreed to in time for the early deadline – which brought a small financial incentive – of August 18.

(<https://www.formula1.com/en/latest/article.analysis-what-the-new-concorde-agreement-means-for-formula-1.1Z97Z6vRwfDTHVhGbSS510.html>)

Cost cap, legalities and finances:

- The amount of the "Cost Cap" shall be as follows, in each case adjusted (if applicable) for

Indexation:

(a) in the Full Year Reporting Period ending on 31 December 2021:

- i) in the event that 21 Competitions take place in that Full Year Reporting Period, US Dollars 145,000,000; or
- ii) in the event that fewer than 21 Competitions take place in that Full Year Reporting Period, US Dollars 145,000,000, decreased by an amount equivalent to US Dollars 1,200,000 multiplied by “X”, where “X” is equal to 21 minus the number of Competitions taking place in that Full Year Reporting Period; or 4

iii) in the event that more than 21 Competitions take place in that Full Year Reporting Period, US Dollars 145,000,000, increased by an amount equivalent to US Dollars 1,200,000 multiplied by “X”, where “X” is equal to the number of Competitions taking place in that Full Year Reporting Period minus 21;

(b) in the Full Year Reporting Period ending on 31 December 2022:

i) in the event that 21 Competitions take place in that Full Year Reporting Period, US Dollars 140,000,000; or

ii) in the event that fewer than 21 Competitions take place in that Full Year Reporting Period, US Dollars 140,000,000, decreased by an amount equivalent to US Dollars 1,200,000 multiplied by “X”, where “X” is equal to 21 minus the number of Competitions taking place in that Full Year Reporting Period; or

iii) in the event that more than 21 Competitions take place in that Full Year Reporting Period, US Dollars 140,000,000, increased by an amount equivalent to US Dollars 1,200,000 multiplied by “X”, where “X” is equal to the number of Competitions taking place in that Full Year Reporting Period minus 21;

(c) in the Full Year Reporting Period ending on 31 December 2023 and in each subsequent Full Year Reporting Period:

i) in the event that 21 Competitions take place in that Full Year Reporting Period, US Dollars 135,000,000; or

ii) in the event that fewer than 21 Competitions take place in that Full Year Reporting Period, US Dollars 135,000,000, decreased by an amount equivalent to US Dollars 1,200,000 multiplied by "X", where "X" is equal to 21 minus the number of Competitions taking place in that Full Year Reporting Period; or

iii) in the event that more than 21 Competitions take place in that Full Year Reporting Period, US Dollars 135,000,000, increased by an amount equivalent to US Dollars 1,200,000 multiplied by "X", where "X" is equal to the number of Competitions taking place in that Full Year Reporting Period minus 21;

Resource for legalities-

https://www.fia.com/sites/default/files/2021_formula_1_financial_regulations_-_iss_3_-_2020-05-27_0.pdf

The FIA and FIA's historic significance:

- Relationship to the Car World

Its relationship with Formula One began at the sports origins in 1946, setting standards for the sports rules. Eventually this led to them setting standards for the Drivers World Championship in 1950. A key point for FIA came in 1953 where it organised the World Sportscar Championship under the first point series system. Other key historical events included its organisation of the World Rally Championship in 1973, the World Touring Car Championship in 1987, as well as the National Hot Rod Association in 1993.

- Structure

The FIA follows a structure similar to a parliament. The General Assembly, which is run by presidents of the FIA's member clubs, elects a single President who acts as the head of the FIA and chairman of the General Assembly. He or she is elected for a four-year term by the Assembly and cannot serve for more than two terms. Additionally the FIA has a Senate that makes budget decisions, the World Council for

Mobility and Automobile governing all non-sporting activities, and the World Motor Sports council that governs the actual sporting events. The FIA even has a judicial system called the International Court of Appeal which acts as a tribunal for all motorsport affairs.

<https://www.nationwidevehiclecontracts.co.uk/blog/history-federation-internationale-de-l-automobile-fia/60750/>

Impact on the environment:

- The Fédération Internationale de l'Automobile (FIA) is a global organisation that promotes Safe, Sustainable & Accessible Motorsport and Mobility for all. The FIA Environment & Sustainability Commission has been developing an Environmental Strategy for 2020-2030.
- The UNFCCC Sports for Climate Action Framework was launched during COP24 to gather sports organizations, teams, athletes, and fans in a concerted effort to raise awareness and action to meet the goals of the Paris Agreement. FIA became a signatory of the framework in December 2019. Signatories commit to adhere to a set of five principles and incorporate them into strategies, thus setting the stage for a wider dissemination of the message and long-term success.
 1. **Climate action: Accelerate net zero transformation-** By becoming signatory of the UNFCCC Sports for Climate Action, the FIA has reinforced its commitment of contributing to the path of low carbon economy that global leaders have agreed in Paris and to the clear trajectory that the global sport community is jointly developing to combat climate change. The FIA will take responsibility for its climate footprint and work with its members and championships to support their efforts in making a net zero and sustainable

future a reality for all. FIA will leverage its network and influence to advocate for Climate action and other global issues, such as air quality.

2. **Technology and innovation: Foster sustainable & innovative solutions-** The FIA believes that motorsport will be an important vehicle to raise awareness on the potential of disruptive technology and will continue showcasing sustainable and innovative solutions and enhancing cooperation towards a sustainable future
3. **Sustainable practices: Drive sustainable change-** Environmental protection and natural resource efficiency are among the top priorities in today's world, as concerns rise on biodiversity degradation, resource scarcity and environmental risks. The FIA acknowledges that its activities and events have an impact on the environment and will work with its stakeholders to minimize those impacts and inspire positive behaviors. The FIA will also support its members in building expertise in sustainability and provide them with the tools for advocacy purposes in sustainable mobility

Questions For Consideration:

- What protocols should be considered when planning events during the pandemic?
- How should budgets be allocated among teams?
- How can disparity among teams, both financial and technical, be addressed and resolved?
- **How should women be involved and given more opportunities to be involved in motor sport? Is diversity and inclusion a priority**

The FIA Girls on Track Virtual Experience is launched to provide unique insights into the exciting world of motor sport for thousands of young girls around the globe. Complementing the

successful Girls on Track events activated in a number of countries, the online and interactive version of the programme aims to unite youngsters with many successful women who share their experiences in order to inspire, entertain, and educate the next generation of women in motorsport. The movement acknowledges that the FIA is guided by the fundamental principles of its Statutes, including the fight against any form of discrimination and notably on account of skin colour, religion, ethnic or social origin. As part of its ambition, the FIA Women in Motorsport Commission and the FIA Disability and Accessibility Commission have developed several projects to advance diversity and inclusion. The FIA Girls on Track and the FIA Girls on Track – Rising Stars programmes have used motor sport as a platform to foster gender equality with the respective aims to sustainably increase the number of women in motorsport, and to detect and nurture the female racing talent of the future. The FIA is working to break down barriers that obstruct the participation of disabled drivers in motor sport and also to improve travelling conditions and opportunities for disabled road users and drivers through the Smart Parking for Disabled Drivers project and the creation of a website gathering global data on disabled driving rules and regulations.

General tips while debating and research

1. **Come Prepared:** Do not just come prepared with papers or speeches written down, but with your delegation's weaknesses, previous issues, economic weaknesses, and questionable actions about the case and prepare rebuttals for them. Anticipate attacks from other delegates, and come up with answers to refute them.
2. **The best defense is a good offense:** Start the criticism of opposing delegations with facts you have discovered weaken their stance. Demand that specific actions or statements of their country are explained.

3. **Agree, and then refute:** Start by agreeing with the other delegation, with what can be agreed with (and what won't hurt you) and then, refute it. It will make the power of your refute multiply.
4. **Find a “universal principal” everyone agrees on:** First, know your audience, then start your speech by stating a universal principle that everyone in the room will agree with. However, before you have started discussing your actual relevant points of debate, the entire audience will have for a moment, agreed with you.
5. **Capitalize on your strengths:** When in doubt, always remember your side's strengths, what good things you have, or did, or can do... And turn the focus on them.
6. **Find common ground, and keep using it:** When you find the debate is getting too overwhelming, and you need a certain delegation on your side, try to find something you both agree on, either from your foreign policy research or the other's speeches.
7. **Admit fault:** When necessary, when you are cornered, or when your side truly has made a mistake, admit the fault. Admitting fault in this little part in which you can no longer prove you were right, will actually strengthen your other arguments.

This study guide and all material in it is only for reference purposes for delegates and affiliates of BDMUN 2021.

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