



FEDERATION INTERNATIONALE DE L'AUTOMOBILE

**Q AND A WITH
FIA PRESIDENT MAX MOSLEY AND
PROFESSOR BURKHARD GÖSCHEL,
SENIOR ADVISER TO THE BMW BOARD AND CHAIRMAN OF THE GPMA**

Professor Burkhard Göschel (BG) welcomed everyone to the BMW Research Centre.

Max Mosley (MM): Professor Göschel and I thought it would be good to have a meeting because it's probably not fully appreciated that after our meeting in Nice and then the meeting we held with all the F1 teams on 18 September in Paris, all the issues that did exist between the GPMA, the manufacturers and the FIA have been resolved.

We have complete agreement on all the issues. The engine freeze came forward to 2007 and we are now totally agreed on the principles on which we are going to approach the future. In particular, we need to reduce the costs, that's fundamental. And the people who suggest that the manufacturers do not want the costs reduced, Prof. Göschel will make it very clear that this is not the case.

We want to make the research work done in F1 not just cost-effective but also road relevant. That is to say, new developments in F1 should be those that are directly helpful to the car industry and in particular things which are relevant to perhaps the biggest single issue which confronts the car industry worldwide, namely the reduction of the output of CO₂. That's why in the shorter term we are looking at energy-recovery and re-use from braking. That will come in 2009. We will come out with a regulation before the end of this year. And then recovery and re-use of the excess heat or waste heat from the engines. We intend to have a regulation for that before 2010. Both those things are currently fundamental to road car research.

In the longer term we are looking at the possibility of a completely new F1 engine reflecting the industry tendency which is to have a downsized, turbo-charged engine. At the moment that is still a discussion point between us and the manufacturers. That very briefly is where we stand at the moment.

Professor Burkhard Göschel (BG): We have a common understanding that both the FIA and the GPMA are following the same route. As Max explained, Formula One should be focussed on the future areas the car industry must address. He also mentioned CO₂ emissions for example which will be the biggest challenge for the car industry in the future.

So we have to take all these ideas and work out how to bring them into Formula One racing. Our understanding as a manufacturer is that F1 is the pinnacle of technology. If F1 for us as manufacturers is to make sense we have to show into which area technology should go to solve the problems of the future but also to have the fun of Formula One racing. Without question we will have that.

Max also said we are starting with energy recovery in 2009. And as everyone already knows the engines are losing two-thirds of the energy by heat and one of the ideas is how do we bring that back. The first step is that bringing the energy back into the car is one of the most important recoveries, the second step is to do this without losing the energy of the first step. So not only the engine but also the drive train must be made very efficient. That is the outlook for the future.

What we are doing in the car industry, and you can see this at BMW, is that we are shifting over to turbo-charged engines with a high-point of efficiency. In the future we will have down-sized engines with turbo-chargers.

We have to look at all areas for reducing consumption but also keeping the dynamics of F1. It might sound like a contradiction but it is not. The targets of modern engineers is not just to say you can only recognise this area or that area but a modern engine has to cover both and if something seems to be not possible he has to find a solution to ensure that F1 is still dynamic, interesting, and emotional but it is following the modern ideas of technology.

There are also other areas of development. For instance if you look at the BMW X5, we have integrated chassis management and so we are combining active steering with electronic microsystems and anti-rollbars to a new functionality. So electronics and software technology will play a major roll in car technology in future. So that is also an area we are discussing. There might be a future in F1 racing where we are ahead of technology.

So there's a common understanding that the GPMA and the car industry have with the FIA and we are committed to take a common route into the future towards those areas because we are all interested in doing the right thing for the future.

Q: This was quite an antagonistic relationship early on, what was the breakthrough to bring you both together?

MM: The big breakthrough came with our meeting in Nice on 7 August where we went through all these issues. The key thing was to appreciate that what we needed to do was to define the objectives and then worry about the rules. Whereas previously the discussions had all been about the rules without any real attempt to define the objectives. I think once we defined the objectives of road relevance, lower cost and social relevance, after that the discussion got easier.

BG: That's true and in our opinion it was also a breakthrough. Coming to a solution but to have common ideas for the future, that is the right way to go forward. So we made the shift in Nice. It is a real breakthrough to shift the mindset between the manufacturers and the FIA because we are looking at the same areas of what to solve.

Max pointed out those areas and I also want to point out another area we have to look at: is the education of our engineers. It is interesting to make an engine capable of 22,000 rpm but there is no interest within the car industry to have such an engine. So in the end our young engineers are operating in the wrong area. For us at BMW and at other car manufacturers F1 is an area to train our engineers to take decisions and in developing future technologies. It will keep car manufacturers in F1 if F1 is focused on future technology for the car industry. If F1 takes this route then there is a future for each manufacturer in F1.

MM: You can see from that, when we are all accused of trying to dumb-down F1 when we froze the engine, in fact it, is the exact reverse because making the engine go faster and faster is completely pointless as Professor Göschel has just said. Whereas the sort of technologies we are talking about – energy recovery, heat recovery, re-use and fuel efficiency, bio fuels and so on – all of those are directly relevant to the industry. They are also the latest high technologies as opposed to the technologies of the past.

When people talked of dumbing down, what we were really doing was moving away from the technology of the 20th century towards the technology of the 21st. It is only by doing that that we can prevent Formula One starting to be labelled as a dinosaur. Whereas what will happen, as these things develop, will be that it will be seen as the cutting edge of technology relevant to the car industry.

BG: And it keeps the interest of the manufacturers to stay in F1 and also for others to step in. If as a car manufacturer you are spending money on F1 it should be done in a way that has an effect on our normal technology of our core business. If we are shifting to this route Formula One will also become the leading edge of technology for our normal car business. That is the important shift we have to achieve. We can do it and F1 will still be an emotional event.

Q: Obviously you are speaking on behalf of the GPMA but is there 100% accord amongst the other members of the group?

BG: It is the same idea for all the manufacturers because they want F1 to be integrated into their future business. If you are talking to, say, our Japanese friends, it is the same idea.

Q: Was it just the two of you at that breakthrough meeting in Nice?

MM: Dr Reul (BMW) was there as well.

BG: After this meeting, Jürgen Reul and I thought we had made a big shift. We were so excited we went to the beach in Nice in our suits and ties and with our briefcases in hand, it was very warm and everyone was sitting in their bathing suits, so on the beach we both had a glass of red wine.

Q: You mentioned turbo-charging. Do you have any views on cubic-centimetre limits or when it might come in?

MM: The capacity would be up for discussion because we don't want to have a ridiculous level of horsepower. What we would be looking at is probably bringing in the regulation in 2011. There would then be a fuel-flow valve and you would size the engine so it still ran up in the 18,000-19,000 bracket, because that's what a racing engine is. Certainly, 15,000 plus. Then the size of the engine could be a function of the fuel you were using, probably a bio fuel, the amount of energy that teams were recovering from the brakes and then re-using, because that would increase the total power of the drivetrain, plus the energy recovered from surplus heat from the engine, also additional power for the drivetrain, and taking all those things into account we wouldn't want to have much more power than we have today. So you would work back from those parameters and that would then determine the size of the engine.

BG: I agree. We have to develop the full picture of all components and then in the end we have to decide what kind of engine it is. But it has to be a racing engine, a real racing car, the top league of a race car. That is clear.

Q: What remains to be resolved then? Issues of rule-making? Rule-applying? Rule-changing?

MM: Really now there are no issues as such. We have simply set up a structure to determine the rules to fit into the parameters which we've agreed. This will be done over the next year or two. It will be an ongoing process. We may see new revolutions, particularly in the use of electronics, chassis dynamics, the relationship between electronics and the chassis. There are enormous possibilities there. And these will then be discussed by an expert group with members from the FIA and the manufacturers.

Q. Obviously we are all delighted to see peace in our time, but the warring has caused a bit of damage with lots of news in the media, lots of public criticism of each side. Maybe that has left a sense of dissatisfaction amongst stakeholders, fans and the media. Do you have in mind any programmes, whether that be marketing or PR, to push Formula One back to a happy situation, maybe help TV figures climb again, magazine sales climb again? What do you think?

MM: Today's meeting shows the end of any suggestion that there is conflict. If there is anything wrong with F1 from the point of view of TV figures, audience and that sort of thing, it hasn't come from the discussions about regulations. It has come from other matters.

There are issues about how we improve the show and that obviously is something to be discussed. It is by no means self-evident what should be done. We need to do a little bit more research there. If we know what would improve the show it is relatively easy technically to do what is necessary. Again you have to define the objectives and then the technology will follow.

I wouldn't accept that the FIA and manufacturer discussions over the past five years have damaged F1. I don't think the public takes too much notice. They are much more interested in whether Alonso did or did not impede Massa and things of that kind.

Q: I heard, around the time of Suzuka, that you said Max that you weren't sure the FIA needed to be a signatory of the new Concorde Agreement. Was that accurate? And, Professor Göschel, how important is it to you that the FIA is a signatory?

BG: It is important and the most important thing is that we finish the Concorde Agreement. A new Concorde Agreement should be possible and should be done in a very short space of time in my opinion.

MM: I completely agree. Although the FIA clearly could survive without a Concorde Agreement, because for F1's first 30 years there was no Concorde Agreement, it would be much better to have one. I think now we have the basis for one because it is really a question of setting down formally that which has already been agreed.

Q: And you'd sign it?

MM: Yes.

BG: That was one of the results of the past years that we found together with FOA. An agreement about the financial side of the business. That each team has a better financial situation. It doubles the income. And it helps to make F1 more stable than in the past so that is one of the successes.

And the other success, which we both made in our Nice meeting, is to take a common route and to show the way F1 has to go with future technologies that are relevant to the car industry.

Q: Do you both now feel like partners?

BG: Yes.

MM: Yes. Absolutely.

Q: It is a bit astonishing for us because it is not so long ago that you Mr Mosley said the car manufacturers spend millions for nothing, and on the other side there were some people who didn't want to have an F1 guided by Mr Mosley and Mr Ecclestone. Now we see Mr Mosley and Mr Ecclestone in the same positions and the car manufacturers very happy. So what happened? How do we explain this?

BG: One issue which has helped was the Memorandum of Understanding in Barcelona concerning the financial side. So we made the financial basis more stable. On the other side our commitment in Nice was we have the same targets in the end. So either we can do this together or we can fight against each other. So we made a commitment to work together. Today we made an agreement to discuss those issues we talked about before such as energy recovery, electronics. We want to bring the main issues the car industry is facing into the regulation work for F1. Now we can come together with the FIA and make regulations out of it.

Q: Would it be accurate to say that both sides have had to move to get to this point? If so, why did it take 5 years to achieve this?

MM: I think it took 5 years to achieve because Professor Göschel and I never sat down together before properly. The real problem was the discussions we had, generally speaking, were with the heads of the competition departments of the companies and not with the board. There is always a slight conflict there. The man who runs the competition department wants a big department with the maximum budget and maximum employees. Those on the board want the maximum success from motor sport with the minimum cost. It is really only the man on the board that is concerned with cost. Once we had started discussions at board level it became easy to move away from regulations questions, such as should the engine be 3 litres or 2.4 litres, into what we are trying to do, which is, run motor sport economically but also in a way which can be of more benefit to the car industry.

Q: What about the teams that don't have a big car manufacturer as a partner, how do they fit into the picture?

BG: They are mostly a group with engines coming from a big car manufacturer, or drivetrains, and in future they might take other technologies such as the engine recovery items. We are selling engines for example to other teams. This will continue, especially if technology is going in different areas. As a manufacturer we want to have a field where not only manufacturers are racing against each other. We want to have the smaller teams on the grid. That is our target also.

MM: It's also true to say that there is a complete understanding from the manufacturers that we need to keep the independent teams going. For example, in 2009 anyone who wants can fit the device which recovers the energy from braking and uses it again for acceleration. But an independent team, or indeed a manufacturer, does not have to develop that technology. There will be a set price for which those who have developed the technology are obliged to sell it to another team. So manufacturer 'A' might decide not to spend the money on developing the device. But they will have to buy it from Manufacturer 'B'. That happens in the real world between manufacturers anyway. But if I've got an independent team, I can go along to whichever manufacturer has developed the most successful system and buy it ready made. The manufacturer is actually pleased to sell it because it shows his technology is the best.

So it is a win-win situation in contrast to where we were previously where there was this great race to get more and more power out of the engines, which was so hideously expensive, hundreds of millions of Euros, that manufacturers couldn't afford to sell engines very cheaply to the teams.

Q: Could that principle extend to other areas of the car?

MM: I'd like it to but it has to be business-like. For example, if the 2009 device is very small, very light, very efficient, it will revolutionise the way hybrid cars are made. That's very interesting for the manufacturer who develops it. But also it has to be a device that the manufacturer can put on a road car. So it can't be a multi-million dollar device, it's got to be cost efficient.

BG: This business of selling components is usual within the car industry and you will see this in F1. There will be different solutions for different manufacturers.

Q: Mr Mosley, you have always said you can't trust the manufacturers in F1, they come and go as they like...

MM: That was certainly not meant in the sense that they are not honest but rather recognising that when it suits a manufacturer to come into F1 they will come in and when it suits them to leave they will leave. This is absolutely true but the whole purpose of this agreement is not to put them in a position where it suits them to leave. That means that the value they get from F1 is not just marketing but marketing and technology. That will make it much less likely for a manufacturer to want to leave. In fact, if we do a good enough job, if there is enough technology, if it is relevant

enough, and the rate of research is quick enough, and the training of the young engineers is good enough it will be extremely difficult for a manufacturer to leave.

Q: The more F1 copes with future technologies in the car industry, the more F1 is the perfect marketing tool for the manufacturers. So this new philosophy, this new deal, is a good gift for the manufacturers...

BG: Yes. But we should not forget that we have a common interest to keep F1 alive. Going down this route is where the manufacturers want to be in the future and we are spending money to stabilise F1 in the future. The manufacturers are a major part of F1 and we want to make it much more stable in the future.

MM: There's an element here where the tide of world opinion has just turned, and you'll see this particularly with regard to global warming. There is a distinct movement of public opinion everywhere. I think with the changes we're making we've just caught that tide. But if we hadn't done it now we'd have missed the tide, F1 would have been left behind and eventually it would die because it would become less and less relevant.

By embracing these technologies and making these changes with the manufacturers I think we catch the tide and we can swim with it. It is absolutely fundamental because there is a huge change of opinion now. That's why when Burkhard says the key issue for the industry is CO2 you see this in every area. Now suddenly F1 can help make a contribution.

Q: Bearing that in mind, is the 'fuel-burning' stage of F1 qualifying something we are likely to look at in future?

MM: Absolutely. I think together with the teams – if we want to change that for 2007 we need unanimity – one of the suggestions is that we take 5 minutes off and allow an extra set of tyres. Then you are going to see non-stop action. Then whether you run with fuel or without fuel is a discussion again. But I think everyone is conscious of that.

Q: What do you both feel will be a competitive budget for a team in F1 under the new regulations?

MM: What we feel would be reasonable would be an F1 team with not more than 200 employees and able to run at the front for a budget in the order of Euros 100m. That is the objective. Now I'm not saying we have yet done the things that allow that objective to be achieved but that is the objective.

BG: I agree. Our numbers are a little bit higher but we have to reduce costs to avoid a 2005 situation and in my opinion it is possible to do that. We have to find regulations which restrict areas that are not so interesting for the future of the car industry. For every car manufacturer reducing costs in F1 is an issue. Even with the biggest car manufacturer in F1 they are discussing reducing costs. Because you can make a lot of cars with that money. It has to be of equivalent value with your marketing experience and spending you have.

Q: Tomorrow morning we will read about CO2 emissions, energy reduction, and maybe some headlines will be that F1 is going to be part of a new 'eco-system', is this the message you want to give us?

BG: It should be but you don't want to forget the emotions. You have to have a very exciting show and you also have to follow the idea of reducing fuel consumption. But the excitement should stay with F1. This excitement level in my opinion could be improved.

Q: Is it an important sign for society that you as a car manufacturer feel a certain responsibility for the environment?

BG: We as a manufacturer are very conscious about the subject and I can tell you so is the FIA. The biggest spending we have in the car industry at the moment is on reducing CO2. Combining it

in F1 is new. But we both feel that is the right way to step forward. It's the modern way of F1. There might be some traditionalists that are a little bit surprised, but changes are positive.

MM: If you think about it in a very simple way, whether you have a three litre engine, for example, that just burns the fuel and does the best it can and gives you, say, 800 horsepower or whether you have a 2 litre engine that gives you 650hp but the other 150 horsepower comes because you've found a clever way of re-using the heat from the engines and turning it into propulsive energy and if that technology is also CO2 saving and of direct relevance to the car industry then you have really achieved something. You have the best of both worlds. You've got exactly the same excitement, sound and feel of F1 but a proportion of the energy is generated with some very clever cutting edge technology.

BG: To give you an idea, if you are braking in an F1 car from 320kph to 80kph this creates around 2500 kilowatts. 3000 horsepower, in just a few seconds.

Q: OK, I'm convinced this type of car you are talking about is the type I might want to buy for my family, but is it the car I want to see racing?

MM: If you sit in the grandstand watching a 2010 F1 car, you will not be able to tell the difference between that car and today's car. But you will know if you are someone who follows the technology that it has technology which makes that car extremely efficient. When you go into the showroom to buy your BMW, you'll be amazed to hear that this car has the same or similar technology and has the same or better performance than the car of 5 years ago but only uses 60 per cent of the fuel.

Q. Isn't it a contradiction on the one hand to speak about developing cutting edge technology and on the other to talk about cost-cutting?

MM: The first cost-cutting is to eliminate the hunt for more expenditure, which was the hunt for more revs from the engine, costing millions of Euros. Collectively the car manufacturers were spending more than a billion Euros a year on that. Research on the energy recovery and regenerative braking is already happening in the car industry. So there will only be a marginal difference between that and what will be needed in F1. Plus those components are inherently less expensive than engines, which have around 2000 components. All in all you don't have to make enormous changes, there will be less expenditure and it will be industry relevant.

BG: The main point is that this kind of development is not a waste. It is in our main research budget anyway. It translates into the normal car business much easier than the technology we are using in F1 today.

Q: One of the sticky areas has been the FIA's manner of regulating the sport, the way the rules are created and applied. You've always given the impression that you don't think the teams are the right people to come up with the rules and to have any major say. Has the attitude now shifted?

MM: In a sense yes because the big change is we now have a mechanism for sitting down with the manufacturers at board level to agree on objectives. Once you have agreed on the objectives then doing the rules becomes a relatively straightforward task. Not straightforward technically because there are a lot of aspects but politically it becomes easier.

BG: That is the most important point, that discussion takes place at board level and not at team level.

Q: So just to be clear on that, the Ron Dennis's of this world would be completely bypassed and it would be people at the board level of Mercedes that would be talking about rules, is that right?

MM: I do not think this means we bypass Ron Dennis. It would be a three-stage process. One, you would get a decision at board level on what we are trying to do, for example, are we going to have a completely new engine in 2011 and if so what will that engine be? Then you have the technical

experts from the major manufacturers who will flesh that policy out. Then you would have input from the technical experts at the teams on the details of the rules. They would work out how to achieve the predefined objectives.

That's a completely different process from what we've had. The row used to be between the teams about what the objective was and it would be complicated by the fact that everyone in the room would have a vested interest in some particular technology or device. On top of which they are all enormously conservative.

Q: Are the likes of Ron Dennis and Jean Todt going to accept that?

BG: I think so. The main technology has to be defined at board level. Then it is fixed and realised at team level. If this means we bypass Ron Dennis then so be it.

Q: How will this be structured? Will you have regular meetings?

BG: We will have regular meetings because we need to be thinking about the next steps. So we decided this morning that we would have a meeting to define the next areas we should look to introduce into F1 which are relevant to the car industry. Some new areas will have something to do with software technology and also chassis development. But it has to be driven from manufacturer level alongside the FIA, not from the teams. It will be a common working group made up of GPMA and FIA members.

MM: We are completely dependent on the manufacturers because they know what will come in four, five or ten years time. So it is a case of sitting down with them and discussing which of these developments can we use in F1. Obviously there are whole areas of technology which you can't use in F1 for one reason or another. But there are areas you can. So we have to decide which technologies to bring in, when to bring them in and how. You may find, for instance, we free up a lot of areas to do with the chassis and chassis dynamics, allow more electronics. On the other hand, in the short term we will be putting a stop to massive research into F1 aerodynamics because that is something that is manifestly irrelevant to road cars. It is a complete waste. At the moment every team has at least one windtunnel, some have two, they are running 24 hour shifts and this is research into something which outside F1 is completely irrelevant. Yet hundreds of very clever people are employed doing it.

That's an area that in a rational world you would slowly reduce and then shut down. Whereas things to do with chassis dynamics, a lot of that is the future, the interactions between the different systems on the car and the most efficient way of running the drivetrain, all of these are relevant to the car industry.

Q: Where do the independent teams sit in this process because they are not represented at board level by a manufacturer?

MM: Well they are very much represented by us because we have always been defenders of the independent teams and we are in full agreement with the manufacturers that we need the independent teams and we must arrange the rules so they can stay in. With this principle that the manufacturers will make these new technologies available to the independent teams very economically then their interests are taken care of. At the same time the independent teams don't have to spend fortunes on wind tunnels. So we will take them even more into account.

Q: And they will be happy to forgo their say in the rule-making process for what you are offering?

MM: They don't altogether forgo their say because we would find it very difficult to do something if all the independent teams were against it. And they will have their say in doing the detailed rules. But in the end F1 has to be in tune with the major manufacturers and in tune with society.

Q: Professor Göschel, how much do you like the idea of coming second to an independent team using your technology?

BG: If that happens we are not good enough. It might happen we are not first and in that case we would have to improve next year. That is competition and competition shows that not everyone can be first. That's sport.

Q: What would you say to a cynic who might suggest that your offer of an eco-friendly F1 to the manufacturers is just a way for you to weaken the union of the GPMA?

MM: I think the cynic would be wrong because all the disagreements on the regulations are all non-issues. They are all to do with personalities and vested interests. People wanting to keep what they've got and not want to downsize their departments. The minute we had the discussion at board level those issues went away because there is no conflict between what the FIA want and what the manufacturers want. We just want all the manufacturers in and provided the manufacturers can recognise that all manufacturers may win there is nothing that separates the FIA from the manufacturer. So once it is at board level and the board gives the instructions to the team principals the problems start to go away.

Q: Why did this not happen earlier? Is it because public opinion on CO2 emissions has forced both of you to realise the sport is under threat and it would only work if you talk at board level? Because you could have come to this conclusion years ago.

MM: I wouldn't go that far. I think the mistake we made was that we didn't sit down at board level sooner. The thing that bedevilled it all in the beginning was the discussion about money. We didn't get properly involved until that discussion was resolved. I think had the car manufacturers not been engaged in that discussion they would have spoken to us and we would have resolved the situation much sooner.

BG: That's true.

Q: Is the message to those below board level to either like it or lump it?

MM: The instructions come from the board. I think Lyndon Johnson's saying is apt about the 'hearts and minds soon following...'

Q: It's quite funny because people from the board are used to taking advice from their Formula One specialists...

MM: This is one of the problems. Picture the scene, the big boss is sitting in his office and in comes the head of competition and says 'I'm really sorry about this I need Euros 250m in order to compete with the Japanese.' In Japan, you have someone going in saying exactly the same about the Germans. The big boss is not in a position to analyse the budget to see how it could be done for less. He either pays out the 250m or quits F1. I think what has happened now more, particularly with the GPMA and particularly with Burkhard Göschel running it, is that the situation has been looked at. Do we need to spend 200m on an engine? Should we not be doing something different?

BG: You have to be a strong character to survive in F1 and not to be influenced by things that are happening there. For a manager it is not an easy task. But you need to keep a clear head. At board level you can make rational decisions away from the excitement and emotion.

Q: You've retired from BMW but are you going to keep the same role in the GPMA?

BG: My official title at BMW is now Senior Advisor to the Board of Management. My main task is F1 motor sports. And I will keep the position at the GPMA.

Q: Mr Mosley, you said we have just caught the tide. But as the organisation that is giving the rules to the sport why did you not decide to do this earlier?

MM: We have been preoccupied with other issues. We have had an awful lot of fruitless discussion. An awful lot of meetings where nothing came out, or meetings where no one came. So there was no possibility to look at the big issues until we had discussions at board level and that is a relatively recent phenomenon.

Q: Professor Göschel, CVC will obviously want to get the money back that they have spent at some point whether that would be via a flotation or a sale, do you have anything to fear from how CVC may choose to take their money out of the sport?

BG: I don't think so. First F1 has to increase in value. So first some tasks have to be done to achieve this. The other part is how to make F1 more attractive for the fans and for TV. As GPMA (and previously GPWC) we asked the company ISE to make a proposal for a future F1 business. At some point we will discuss this with Donald McKenzie at CVC. We are open for those discussions. We have solved the financial issues and now we can look how to improve the sport. I think this can also be done in a very open and a very interesting way. We feel as manufacturers there are a number of opportunities for improvement.

MM: Also, I think it is worth saying the FIA has a 100-year agreement with Formula One Management and if we have a proper Concorde Agreement then the terms of that agreement would be such that it would not seriously affect any interest from the manufacturers if there was a change of ownership in FOM. It is all a question of getting the agreement right and I'm sure they will be having a good look at the agreement to make sure it achieves those objectives.

Q: One of the clauses in the current Concorde Agreement is that there should always be free-to-air coverage of F1 in its principal countries. Is that still as important to you as it was before?

BG: Free TV is still as important an issue as it was before.

Q: So it will be in the new Concorde Agreement?

BG: Yes.

MM: Yes. Unless there was some new technology that would give the sport a bigger audience than free-to-air TV. What they are talking about is an audience. It may well be that in the more distant future the internet will play a bigger role. The Formula One images should be freely available to the public. That is fundamental to the manufacturers and to us.

Q. How important are F1 races in Europe?

MM: They're important but there are still a disproportionate number of races in Europe.

Q: But we are running out of races in Europe year on year...

MM: Well this is the trend. If you look at the Olympic Games, for instance, over the last 100 years around 50% of them have been in Europe and that is a little bit out of balance and we are even worse. But we will get to the right balance between European and non-European races as markets development. Places like India, China, Russia, South America, Central America, they are all very important markets.

BG: There are some questions to solve. For European car manufacturers, for example, Europe and the US are the biggest markets. There might be very fast growth in China, but more or less these are mass production cars. But in India the growth is a lot slower than China.

The US is still the most important market in the world. It is an area where F1 still has some weaknesses. There might be an interest from the car manufacturers to improve the situation in the US.

Q: But the European promoters are ready to pay the money that Bernie is asking whereas in Bahrain and Malaysia, for instance, we have just 30,000 spectators and the government is paying for it. So is the future of F1 just to ask if there is a government that pays the money?

MM: There are two points here. In the existing arrangements with FOM we have a clause that FOM cannot propose a calendar which involves the cancellation of a traditional event without the consent of the FIA. So we have a safety net there. But I don't doubt that when the manufacturers come to do their agreement they will ensure that part of their commercial interests in terms of the location of the races are taken into account. That will get resolved and as Burkhard said, America and Europe are the two biggest markets for them. So we would like to see another race in North America and probably not lose that many in Europe. The ultimate sacrifice may have to be made by the teams having 20 races. That is to be discussed.

Q: Given what Max has said do you feel it is important to have a race in Germany? In France? UK?

BG: Yes. In Germany, France, UK, Italy and a new market which is very strong is Spain. But we have to discuss it because there are a limited number of races. But Europe is still a very important issue for the car manufacturers. As is the US.

MM: It's a huge area of discussion. But it is not something that is going to lead to any difficulties between us and the manufacturers that's for sure.

Q: Do you see a natural ceiling as to how many races there could be?

MM: I'd really like to ask the public what they want. But I think we have to be careful not to have too many. I think the number should be in the 16-20 bracket.

BG: I agree.

MM: In the 2008 regulations the limit is 20 but I think Bernie has to pay the teams more for that. But 2009 will be another discussion.

Q: A few years ago you signalled your intention to resign as FIA President and then changed your mind. This agreement may be seen as a personal achievement of yours. At what stage do you see your work as being done?

MM: The main reason for the 'retirement' in 2004 was that I was completely bored and fed up with meetings of the F1 Commission that were a complete waste of time and got nowhere.

To answer your question I don't see myself going on with this beyond 2009. By which time everything will be set.

Q: Which is the next Presidential election?

MM: Correct. But suddenly for me all this has become very interesting. It has become as fascinating as a few years ago I found the whole crash-testing programme with NCAP. I think that Euro NCAP made a huge contribution to improving safety. I think what we have found here is going to accelerate the whole technology that reduces CO2 emissions, improves fuel economy, and above all helps make the public more conscious of the importance of those technologies. It is a huge change in F1 and one that it would be a privilege to be involved in. Whereas the mind-numbingly tedious discussions we used to have were not.

Q: One of the comments you get constantly from the teams in F1 is the feeling that Ferrari may have an undue degree of influence over the FIA and the way the sport unfolds. What is your feeling as to what degree that might change?

BG: There are always a lot of rumours but if you talk to Jean Todt about those issues he says there is nothing in them. I don't want to discuss about those issues. I want to look to the future because I don't have any reason to complain. We have found a collaboration which is based on trust and it is a big change in my opinion compared to the past situation we had. I believe in this new situation and I feel the business is getting easier because we are sorting problems of the future in a very new way and I don't think about what happened before.

Q: Is this one of the more major image shifts in Formula One?

MM: Unquestionably. It is a fundamental change. It means we've completely changed the way we go about managing the rules. That is the first change and the first effect that has come out of that is the change in the attitude to the cutting-edge modern technology. It is such a big change it is almost quite difficult to grasp it.

BG: There are some very conservative people in F1. Each change they cannot believe its true. There will be a lot of people who won't believe that the GPMA and the FIA have found this commonality, this trust, but it's true. It will take time, but everyone will believe it.

Q: So will the manufacturers and Professor Göschel himself now get a seat on the World Motor Sport Council?

MM: We haven't even discussed it. The way it works is that the World Council is a safety net. Representatives make proposals for rallying, for cross country, etc. but they are very seldom changed in the World Council. At the moment it is my task to present proposals for F1. It is a very important branch but only one branch of motor sport. So the reality is whether someone sits on the World Council or doesn't, doesn't change this process. It is purely psychological. There may be an argument about Ferrari's seat from a psychological point of view, but not from a practical point of view.

Q: A lot of decisions once again this season have been very controversial, do the manufacturers expect some improvement within the FIA in order to become a better referee?

BG: We believe the FIA is playing its role as everyone is playing their role.

MM: You can't have stewards that don't do things you disagree with. In fact I wrote a piece the other day in a magazine and, for example, I personally wouldn't have given the penalty to Alonso in Monza, but the stewards were constrained by precedent. They felt it would be wrong to be inconsistent, particularly as they have been accused of being inconsistent in the past. On the other side, if I had been the steward in Hungary I would have sent Alonso home for brake testing. And I would not have given Schumacher a penalty because it was a red flag incident so no-one was competing for position and it was not dangerous. But the stewards say yellow flag is bad and red flag is worse. But it's my opinion. The good thing about my position is that it doesn't matter what I think in this situation. I can't call the stewards up and tell them to change their minds. If I could have I'd have changed them in Monza because it was quite obvious to me on Saturday night that there would be some journalists attacking me for this on Sunday morning. Now I have to defend my stewards even though I didn't agree. There's no way I could pick the phone up and say have another meeting in the morning and change your decision. And it would be wrong if I could.

It's an important separation of powers. You have a judiciary, an executive and a legislature. And the minute you start muddling these up you get problems.

The teams all wanted one person at every race for consistency. So we did that and he was consistent at Monza and they were all furious. You either want consistency or you don't.

Sometimes, like a football referee, the steward might be wrong in someone's opinion. But it's the best we can do.

Q: What would you have done to Schumacher in Monte Carlo?

MM: I would have moved him back 10 places on the grid because technically you couldn't take away the times from the previous two sessions because they were null and void. It was a choice between moving back ten places or excluding him from the event. I might have been tempted to do this but wouldn't have done so because it would have been disappointing for the public. Moving him back 10 places was anyway a harsh enough penalty in Monaco.

Q: You said in Hungary it was very dangerous what Alonso did because it is forbidden to do it on the road. Now sometimes these guys are caught on the public roads in, say France or Italy, at 200kph. Then when they arrive in a press conference they treat it as a big laugh, which I don't think it is... They have a responsibility, an image...

MM: When I used to race you turned up at a race and you had to give your competition licence and your driving licence. If you didn't have your driving licence you didn't race. There is a strong argument for saying if you don't have a road licence you can't race.

But I think most drivers are very conscious of that.

Q: How long is the Concorde Agreement?

MM: Usually five years. The last one was 10 years but we're flexible. But at least five years.

BG: Yes, at least five years.

Paris, 16 November 2006

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www.fia.com