

Expensive gamble to try to be Olympic host city

By Fred Dreier, Forbes

Fans of the bobsled and biathlon should not hold their breath for the United States to host the Winter Olympics.

Officials in California and Nevada formed a committee last week to bring the 2022 Winter Olympics to the Lake Tahoe-Reno area, joining Denver, and Salt Lake City as potential American Olympic host cities. But due to the United States Olympic Committee's ongoing dispute with the International Olympic Committee over TV and sponsorship dollars, all three cities' chances are slim.



Riders check out the Olympic rings at the Women's Downhill before the Games in Whistler two years ago. Photo/LTN file

Rick Burton, a professor of sports management at Syracuse University's Falk College of Sport and Human Dynamics, cautioned the American bid committees to spend wisely.

Vancouver's successful bid for the 2010 Winter Olympics cost a reported \$34 million. Annecy, France, spent roughly \$30 million in its failed attempt to win the 2018 winter games, which will be hosted by Pyeongchang, South Korea.

"You can bang your drum from a PR standpoint, but until you know that the USOC has worked out its agreement with the IOC, I'd keep my powder dry," Burton said.

Since 2005, the USOC and IOC have sparred over the current revenue sharing agreement, which gifts 12.75 percent of U.S. broadcast revenue and between 16-20 percent of the IOC's global sponsorship revenues to the USOC. These are serious sums of cash. NBC reportedly paid \$456 million for broadcast rights for the 1996 Olympics, \$3.5 billion for 2000 through 2008, \$2 billion for 2010 and 2012 and 4.4 billion for 2016 through 2022. The revenue helps supply much of the USOC's revenues, which according to its 2010 tax filing, was \$250.6 million that year.

The USOC has publicly stated it will not submit any host bids to the IOC until the negotiations end. The two groups last met in January but failed to finalize a new plan. In September, Colorado state senator Michael Bennett wrote a public letter to USOC Chairman Larry Probst urging both sides to agree on a new deal.

"As you are aware, the work and preparation that it takes to produce a winning bid is extensive," Bennett wrote. "It would be unfortunate if the current impasse undermined these efforts."

If the IOC and USOC hammer out an agreement in the coming year, however, the American cities are still long shots for 2022, Olympics experts said. Burton, who was chief marketing officer for the USOC at the Beijing Olympics, believes the USOC would rather bid for the 2024 summer games over the 2022 winter games because the summer games generate substantially

more revenue.

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