

Ernesto Bertarelli

Press conference

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Question: Given the latest court decision in favor of Alinghi, are you thinking about a multichallenger America's Cup?

Ernesto Bertarelli: You could think about organizing an America's Cup next year with multiple challengers but even if you consider there is a very small percentage the court might rule and decide that Cup doesn't count it is not feasible. We are currently in the same situation we have been for some time now, waiting.

Question: Is there still room for diplomacy in the duel between Alinghi and BMW Oracle?

Ernesto Bertarelli: We have been using diplomacy for a year now. I think we committed an error in July 2007. We should have taken the scheduled 3-week holidays immediately after winning the America's Cup. The other big error we made was that instead of putting the documents on the table, we should have first presented our vision, the reason of existence of the new Protocol. We made a mistake and didn't do these two things.

Yet, what we did from July until November was to sit with the Challengers, always inviting BMW Oracle, and made 13 modifications to the Protocol. We also let the Challengers, without our presence, take a decision on the new boat rule. We then agreed on the regatta format. During these 3-4 meetings the Americans always refused to attend and instead decided to go ahead with their litigation to Justice Cahn.

After they won the case with Justice Cahn we once again sat with them and told them, "very well, you won, let's now work this out and find a solution to go out of the court and on the water for a multihull race". They refused a solution that would have given us the time to build a boat. We couldn't accept a regatta where they would have ready a 90ft catamaran while we only had a Version 5 ACC yacht or a 40ft catamaran. This is why we appealed because we had made a proposal and they refused.

Can we talk about diplomacy when one party doesn't want to give in, or better said when one party takes a step ahead but the other party always takes a step back? This took place from July until November. In fact they always tried to justify their actions with the idea of fairness but when they are given the opportunity to race on multihulls on an equal foot, they refuse it. I can't understand this concept!!

Question: Given the latest modifications on the Protocol, do you think it still needs further changes?

Ernesto Bertarelli: The Protocol has been modified 13 times. The Challengers approved it and I don't think there is any reason to restart a process that has matured. In fact, the Protocol wasn't a problem anymore. We are back again discussing the Protocol, it seems Oracle is playing the same record again and again. That issue was behind us already last September.

Then the argument about the boat came up, claiming that Alinghi had designed the boat before winning the America's Cup. At that point we gave the Challengers the opportunity to choose the rule and they accepted it by changing from 25 to 23 tonnes.

Then, after the protocol and the rule were settled, they came up with the issue of the regatta format, the defender's participation, semifinals, the training sessions, etc. We also discussed that with the challengers and after reaching an agreement we went back to BMW Oracle and waited for their reply. They showed they had absolutely no intention to adjust. All these things have been done.

Still today, we have been organized many times in order to reopen a conversation with the challengers on some issues but a lot has already been done. There is no reason to reopen the protocol, maybe we should reconsider the issue of the boat. We know that the AC90 has been thoroughly studied by BMW Oracle that had the means to go ahead with a double design team.

They have a design team for the monohull and another one for the multihull. We cannot afford it and obviously no other team can afford it either. As a result, keeping the AC90 would give them an advantage.

Question: Does that mean that Alinghi would accept BMW Oracle in a multi-challenger America's Cup?

Ernesto Bertarelli: Of course. As I said earlier, they have to clearly show they have the intention to participate in a common vision of the America's Cup. If they demonstrate it there is no reason not to accept them. We never wanted to refuse any entry.

Question: But the Protocol signed with CNEV gives you exactly that power, to refuse an entry...

Ernesto Bertarelli: We never refused any entry. Still, before even refusing anyone they would have to file an entry. I would like to become a member of the Yacht Club Costa Smeralda but the first thing they would ask me would be: "Have you filed an application? File it first..."

Question: Were you surprised by the favorable decision of the appellate court?

Ernesto Bertarelli: Yes, I was surprised. First of all, I was surprised by the total and complete way we won, I wasn't expecting that. I think that if you scrutinize the Spanish, then I thought it would be fair to also scrutinize the Americans. The certificate they presented, where they mention a 90ft by 90ft boat with a keel and then they show us a trimaran with no keel and whose official certificate we are still waiting to see, as written in the Deed of Gift, was an issue at least as relevant as the annual regatta.

The problem is that with a document 150 years old that depends on the NY court system, especially the one we are in, in charge of Trusts, one could make up any lawsuit. This is what I told Larry last December; "You won the first set but not yet the match". I see things that could be done in order to guarantee the long-term success of the America's Cup. We wrote that open letter that mentioned the introduction of a way to avoid the civil courts and organize a sports arbitration. What other sport ends up in a civil court? Other things as well could be done. Once again, I think that Larry has been convinced about a strategy that today doesn't exist any longer.

Question: What struck you the most about the trimaran BMW Oracle has launched?

Ernesto Bertarelli: I would say it's a light version of Groupama 3. [Note: At that point, Max Procopio, Alinghi's Italian press officer comments the yacht doesn't have a keel]. Maybe they will add the keel next year. Maybe that's the reason we still haven't received the yacht's certificate. Maybe they are still looking for a way to attach the bulb.

I understand they go out and test it but I find quite unpleasant the fact they issue a press release every two days about a trimaran that has disqualified 13 teams with at least 50 people each (sailors, designers, boat builders). We are talking about a lot of families that because of that trimaran are jobless.

These are very beautiful boats. If we also build ours they will undoubtedly be exceptional. Now, if Larry wanted to build a trimaran he could have come and told me. We could have used the catamarans without stopping the whole process. In fact, I have invited him a couple of times to come on the Geneva lake and try the catamarans. The D35's are beautiful boats. It wasn't necessary to stop the America's Cup to build the catamarans.

Question: You stated that you thought Larry Ellison was convinced to follow the legal action.

Ernesto Bertarelli: I'm sure Russell Coutts' hand is behind this whole affair. The last time I saw Ellison was two weeks before their match against Luna Rossa. Since then I haven't seen him again. I have talked to him but I don't know how this strategy was built. I have talked to Larry over the phone many times, especially after the protocol modifications, he used to say "you have fixed the protocol but you have already started designing the boat". I frankly told

him that we didn't, but I also said: "Larry if you still think we did we'll set the problem." And as I already told before, we did, leaving to the challengers the choice of the displacement. I think that he's not alone in deciding the strategy. I know better Russell and he lives the way he races. He doesn't leave anything but when you are in a leadership position the issue is not to go all the way to the layline. In business and in project management at times it's better to tack a little bit before the layline to give your opponent space. Maybe he's very good in match race or even the best but in real life you always have to leave space.

Question: Did you have fun aboard Numbers in the Maxi Yacht Rolex Cup?

Ernesto Bertarelli: A lot! Numbers is a very beautiful boat but unfortunately Dan wants to sell it. I think I have enough yachts, don't forget I'm building a small carbon fiber multi hull. Numbers is a spectacular boat, fast upwind and very exciting downwind.

Question: Without getting into details about your legal bills what could have one achieved in sailing with that money?

Ernesto Bertarelli: I could have participated in all the classes and all the regattas. Just in lawyers you spend as much as a season of regattas, including the purchase of Numbers.

Question: Let's return to diplomacy. Is it true that there was a tentative mediation by Grant Dalton?

Ernesto Bertarelli: [Laughs] This is a good one. Grant Dalton has acted in a very bad way, very bad way. When he took over Team New Zealand and needed help to find money, to get bridge financing in order to pay the contracts, I lent him. When they had to train they did it with us. Michel Bonnefous helped him in an incredible way when their boat was damaged in Marseilles. Then he started playing that game, one day I'm with Alinghi, the next I'm with BMW Oracle.

His lawsuit lacks any fundamental. You can't sign an agreement for a protocol where it is clearly stated that there is an arbitration panel to resolve all disputes and then forget it and file a lawsuit claiming damages because of the same contract. In fact, our first argument, before entering into the core of the issue, is that. It is clearly stated in the contract he signed that there is an arbitration panel.

In my view Dalton's policy is similar to a sailor that sees wind shifts. Shift right, shift left, then at the end he tacks so many times that he finds himself stopped and luffing in the wind.

Question: Dalton apart, could there exist a mediator?

Ernesto Bertarelli: Mediation.. Russell Coutts and Brad Butterworth know each other since 25 years now. If we want to talk we can talk. If we want to get together, like we did in the past, we can do it. If I want to talk to Larry Ellison I can talk. Mediation is needed when there is a reason, not because we can't talk. Or, it is needed when a decision needs to be taken. Somebody external will ask, "today why do I have to mediate? what decision do we have to take?"

Question: Are you still in love with the America's Cup?

Ernesto Bertarelli: I'm still in love with Alinghi, the team, the designers, in fact Numbers is a part of team Alinghi. Dan is a friend of Brad's, supporting us in New Zealand each time we won, a fan of our team. The team, these things are beautiful, when you see the results, the achievements of the team.

Question: Regardless of its final outcome, your victory in the appellate division gave you more time. How are you going to use it?

Ernesto Bertarelli: We will maintain both programs, not as far as development is concerned because I've told my people we can't have the twin-team strategy. We worked on the AC90 till the end of last year and since the beginning of this year on the multihull. The multihull hasn't been finished yet, we are in fact in the midst of its development as a result we aren't in a position to begin the development of a monohull today.

We will wait for the meetings with the challengers in order to have an idea of what we want to

do. Probably, by year's end we will have the human resources to start again. If we now have more time than we did before, we will have more space to organize ourselves.

Question: Some challengers complained that the profit split from the last Cup was too slow and tedious.

Ernesto Bertarelli: Before they complain they should remember that for the first time in America's Cup history there was a profit to split. That was the result of 4 years of work, or better said 7, because we first had to win it, then take it to Valencia, then react to all criticism against Valencia, then manage it and make a profit. From 2003 onwards, twice a year, we presented results audited by Ernst & Young. At the end we made a profit and the way it was split was in the Protocol, signed by the Challengers.

Then the challengers agreed on how they would split it among them and things couldn't get done in a clearer and more transparent way. What I don't like is that without any doubt, I'm sure about that, the profit we achieved in 2007 will not be repeated. We launched ourselves but got stopped. Relaunching everything will be very difficult.

Question: You have a vision about the future of the America's Cup. Have you thought about taking care of the organization without participating?

Ernesto Bertarelli: For the moment no, but maybe some day. It's not my ambition to repeat NYYC's results. As I often said, I wanted to win the first time. Then I hoped to win a second time and that time my ambition was to leave it better than what it was when first won it. This is still my aim.

Question: Do you like the idea of becoming sailing's Bernie Ecclestone?

Ernesto Bertarelli: I don't think that the F1 model is the correct one for the America's Cup. Formula 1 is controlled by a single person, a single company. I think it would be more appropriate a model of a federation of yacht clubs. Not all yacht clubs of the world, like an athletic federation, but the yacht clubs that have participated in or maybe that have won the America's Cup.

Question: The accusation you most often receive is your desire to be judge, organization and participant at the same time.

Ernesto Bertarelli: I mentioned the reasons earlier. Our targets were the following. First, reduce the America's Cup cycle to two years instead of four. It was not a question of euphoria but of urgency to relaunch, to remain on the successful wave, immediately sign the host city agreement and keep the public interested by giving a date. The second issue was to introduce a new boat. All you have to do is walk around Porto Cervo and listen to people talking about Numbers. The AC90 is very different from Numbers but a boat that is faster downwind, bigger, more spectacular would have been the best option. The third issue was that although we showed it was possible to make a profit, by creating sponsor and TV interest, costs were still too high.

For these reasons we wanted to carry out a 2-year project, with the teams having only one boat, including the defender. But when the Defender has only one boat, it can't train when the rest of the teams are racing, unless it participates in the Selection Series. This fact, our participation in the selection series, was used against us in order to say the Protocol was unfair. It was easy because clearly some people had that idea of the Defender being left out of the selection, training alone with two boats. They didn't understand that the fundamental reason was cost reduction and if one stops training 4 months before the Cup they will obviously lose it. Yet, we never even proposed that we should have 2 boats.

Those were the three main targets: Two years, a new boat and cost reduction.

Question: Do you still defend the choice of Club Náutico Español de Vela (CNEV) as Challenger of Record?

Ernesto Bertarelli: One kicks the CNEV, then another one gives it another kick and when it falls down, everybody starts kicking. Desafío did better than BMW Oracle. It wasn't a team of

losers. They did better, much better than Vincenzo Onorato. The fact the Spanish remained honorable and didn't react to what they received doesn't mean they are losers.

Question: Shouldn't have been better to name as Challenger of Record a yacht club that has a certain tradition, like the English syndicate?

Ernesto Bertarelli: The English back in July 2007 and still now are an unknown entity. We all talk now about the English but have you seen an English team? In the iShares Cup they just have a 5-strong team. Can you tell me what they have more than the Spanish? These are personal opinions regarding the relation between a yacht club and the team that represents it and I will not enter into such a discussion.