



**FAI President's report to the 106th General Conference
Antalya, Turkey, 19-20 October 2012**

Dear President of Honour Mr. Hans-Peter Hirtzel,
Dear Companions of Honour,
Dear Vice Presidents,
Dear Delegates and Officials,
Airsports friends,
Ladies and Gentlemen,

So, the FAI is back in Antalya where the 1994 General Conference was held. We thank the Turkish Aeronautical Association and President Osman YILDIRIM along with his staff for all excellent preparations and help.

It has been a very busy year. Many of the changes that were presented to you when this Executive Board and I were elected two years ago have been implemented. This does not mean it has been an easy job.

Let me start by thanking the Executive Board, our Secretary General, and our Head Office and elected Officers for their hard and eager work. The change we introduced has been developed by them, and I am very grateful for their work and assistance.

May I take this opportunity of thanking Mr. Jonghoon LEE in particular since he will not attend the General Conference and has withdrawn his candidature for Executive Board election. In spite of his ever increasing responsibilities in his country, he has provided interesting feedback and has promised to be available for future contacts with business ventures.

This year, you will be presented with the economic result for the calendar year 2011. This was not a good year from that point of view. When we took over office, our two major external sources of income, the contracts with Rolex and Red Bull, had been terminated or put on hold. The work to find and sign off a new major sponsor started early but could not be finalized before June 2012. 2011 was therefore a year without sponsorship which explains the figures in red to be presented later on by our Finance Director. The new contract with our Global Sponsor Breitling will therefore be in place to cover this budget deficit, and allow the FAI to envisage new long-term projects and investments.

Simultaneously to the work called FRTF, consolidating the FAI accounting and financial reporting, a new accounting software was bought. Unfortunately it is not performing as expected, mainly because our management at that time selected software developed for French law and tax rules, not suitable and – it evolved – hardly convertible to Swiss regulations.

Because of this, there have been substantial difficulties in getting quarterly reports and budgetary statements during the year. We have, with help of our accounting advisers, now found new more suitable software which we hope to introduce in 2013.

I wish to take this opportunity to reiterate, that the fears from some air sport commissions, who have accumulated significant amounts through sanction fees, that the Executive Board would use these funds for other purposes, is without ground. We have stated repeatedly, that the funds are for the specific air sport

development, and will not be used for other purposes unless in agreement with the commission concerned. The new system is here to harmonize budgets and procedures, and to bring a higher level of transparency and financial reporting to the FAI.

During the year, we have recruited Visa-Matti LEINIKKI as our new IT Manager, and I hope you agree our web page has improved significantly thanks also to the development work on the website done by Agust GUDMUNDSSON and his company Softverk, who closely worked with Faustine CAREERRA, our Communication Manager. You will hear more on IT issues in general and the Sporting License database in particular later on.

You will recall that at the last General Conference in Belgrade, which we remember with gratitude to our excellent hosts in the Aeronautical Union of Serbia, we had just recruited a new Secretary General. Although – fortunately – well informed of the structure and opportunities of the FAI, Jean-Marc BADAN had to take over a number of urgent and important issues apart from doing his regular job as our former Sports Director. I take this opportunity to thank him in particular; for his work capacity, and excellent work. We have then during the year been able to man our staff and you will hear more about this in Jean-Marc BADAN's report. I wish however, to introduce to you – have you not met – our new Senior Sport Manager Rob HUGHES, and our Members and Services Manager Ségolène ROUILLON, as well as Christine ROUSSON, our Competitions & Records Manager. You know Christine has been working at the FAI for more than 11 years now, and has been to more General Conferences than most of us.

I feel I must inform you that there has been some unprofessional behavior and pressures by some persons during the last few months towards the FAI Staff at Head Office. This kind of behavior has nothing to do in a sports federation as the FAI, especially when we know that our statutes promote values such as “mutual understanding and friendship”. The Staff cannot be held responsible for the decisions made at the political level.

I mentioned Breitling. It is an honour to be associated with such a renowned quality watch and jewelry manufacturer; in particular in respect of the many years of support for the development of aviation. The Breitling contract implications will be discussed as a separate Agenda point later during the Conference. I am confident that we all realize, that our Global sponsor Breitling has expectations on us, as we have on them. I cannot stress enough the importance that we honour this relationship; it is a pre-requisite for further similar contracts in other areas. Be sure that other companies have the FAI on their radar and follow this development closely. If we handle this well, we should be able to present another major sponsor the coming year.

I am very pleased to announce that the contract with Red Bull, which has been on hold to be terminated this year, has been prolonged and we still receive some support from them, until Red Bull makes a final decision, later this year, whether the Red Bull Air Race will start again in 2014 or not. I have now been informed this will be the case.

In order to handle sponsorship relationships and develop the commercial potential of our sports, we have managed to kick-off our own company FAME, of which our Executive Director Bob HENDERSON is the Chairman. And we have contracted a Chief Executive Officer from the Sport Marketing Company Sinergi to make sure we enter this new world as professionally as possible. I take this opportunity of introducing to you Mr. Giancarlo SERGI of Sinergi. Bob HENDERSON and Giancarlo SERGI will make presentations later on. After legal advice to ensure this is not a “shell company”, we have sold 24, 5% of the FAME shares to Sinergi, thus seeding FAME with starting capital and ensuring a stable partner in an area where the FAI lacks expertise.

The FAI has historically a reputation of being Eurocentric. As a global sport federation, it is important to have representatives around the World, and as we discussed in Belgrade, we have now recruited two FAI Regional Vice Presidents; Tengku ABDILLAH for Southeast Asia, and Flavio OLIVA for South America. You will hear a report later during the Conference. If we identify the need – through your input – we will continue this path and gradually introduce a further improved Regional Management System.

You might recall that at our last General Conference, and the months preceding that, there was an organizational overview made by your Executive Board, and a number of issues, called "hot potatoes" were brought onto the table. One was the number of FAI Vice Presidents. Another was the Role of CASI. Well, these are two areas where there finally was no change. Many of you are FAI Vice Presidents, and I am aware of the importance this can have for your NAC relations. And CASI remains a combined body of ten NACs and the Air Sport Commissions. We just had a lively CASI meeting and you will hear this annual report later on.

We also discussed the roles of our Technical commissions, and decided to keep, for the time being, the technical commissions for Medico-Physiological issues (CIMP), for Aviation and Space Education (CIEA) and for Environmental issues (EnvC). You will hear their reports later on. But the Airspace and Navigational systems commission has been converted into two expert groups, "**Airspace**" and "**Navigation**". We now also have an Expert Group for "**IT**", one for "**New Technologies**" one for "**Regulation**" and one for "**Safety**". The whole concept of Expert groups will be discussed later on, but I am already confident this is the way forward to improve speedy results and reactions in various areas. We think the introduction of Expert groups is a way to simplify work and reduce costs for you.

We are pleased to report that the work of the Anti-Doping Advisory Group (ADAG) and CIMP has resulted in the withdrawal of beta-blockers from the list of banned substances for air sports from January 1st 2013.

The contract with Flying Aces Ltd, a company with a long-term contract with us for media rights, has been terminated. We are now in a situation of freedom to find a new media policy and new partners.

The FAI Gold Air Medal 2011 was as you know awarded yesterday to Mr. John DICKENSON, who is at the origin of the modern hang glider.

The membership development is positive although, naturally, some NACs report fewer and some more air sport persons in their countries. We welcome our new Members warmly. *Who is here for the 1st time? A round of applause of welcome!*

As you have read in my Presidential letters, the relations between the Executive Board and the Head Office and the Bureau of the FAI Parachuting commission IPC have at times been tense. The IPC is one of our most dynamic sport commissions, and there have been for years very strong protective feelings about their sport and its assets. In January, I had the pleasure to visit the IPC Plenary Meeting, very well arranged by the Federacion Argentina de Paracaidismo. The IPC Plenary made a number of controversial decisions that have further strained our relations. They decided that the IPC should produce their own medals with their own design instead of the FAI Medals. They allocated Cat one championship to Grozny in Chechnya, and they decided to form an IPC commercial entity IPETA.

In response to a decision by IPC Delegates to create a commercial company to exploit the commercial opportunities of Canopy Piloting, three IPC Bureau Members formed a separate company, based in the United Kingdom. The EB has welcomed the principle, but we have not yet been able to agree on the ownership of this company; as long as IPC is a part of the FAI, this company has to be owned and audited by the FAI in one way or the other. The IPC President and I have therefore agreed to form a Working Group to find the best solution, with the help of FAI lawyers.

The Medal issue has been moved to CASI for presentation to you, and we have asked our Russian friends to reconsider the Grozny competition site; although we are aware of the strong Governmental support for this location. The only reason the EB has interfered is the fact, that for our young competitors from other countries, it is difficult to get an insurance or national support to go there.

It has been a very active competition year, also with many records. Soon we will have one of the greatest, or maybe the greatest, Event namely the combined World Championships for all disciplines within parachuting, the Mondial in Dubai. I wish them all success with this wonderful Event at the end of the competition year 2012.

The other day, Austrian citizen Felix BAUMGARTNER jumped out of a balloon from a yet unofficial altitude of some 128,000 feet, descended in free fall at supersonic speed and landed safely with his parachute. We can of course not yet commit to ratifying Records, but his performance is linking two air sports (parachuting and ballooning) with aerospace technologies, and might therefore help technologies to make new steps. We are duly impressed and also grateful for the promotion of air sports around our Globe. Our warmest congratulations.

In summary, it has been a busy and exciting year. There are areas where we introduced change with great joy. But change is not there for its own sake; we must now make sure that we use and consolidate these opportunities; the Breitling contract, the formation of FAME, the FAI Regional Vice Presidents and the Expert groups.

With these words, Ladies and Gentlemen, I conclude my report and thank you for your attention.