

USOC returns home to scandal, LA28 future

By Ben Fischer, Staff Writer
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The U.S. Olympic Committee's sponsorship future is as unclear and open as the IOC's.

In the USOC's domestic sponsor portfolio, Dick's Sporting Goods' deal expires at the end of 2018. All of its other relationships expire after Tokyo 2020 because the committee couldn't sell beyond that while Los Angeles was bidding to host the Games. Now that L.A. '28 is finalized, the International Olympic Committee requires that L.A. and the USOC consolidate rights under a joint venture for an eight-year period, from 2021 to '28. All USOC deals expire in 2020, and current sponsors only get a right to first negotiations — not a right to match — so the joint venture has a clean slate.

It will be a totally new market.



The business behind Team USA moves into an uncertain period in the next couple years.

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USOC domestic sponsorships in prestige categories sell for \$3 million to \$5 million annually, or \$12 million to \$20 million for a four-year quadrennial. But the L.A. '28 bid currently is budgeting for \$1.76 billion in domestic sales for an eight-year period, 2021 to 2028, with deals in its top tier that would average \$97.2 million for eight years.

While the rights to the 2028 Games will be in high demand, the unusually long lead-up period of the sales package could be a problem, said longtime Olympic sponsorship executive Rob

Prazmark. Domestic sponsors might have to withstand a few years of relatively low returns as the Olympics visit Beijing and Paris before the buzz over L.A. reaches a fever pitch.

“Is there enough value coming out of the new joint venture in years 2021 to '25 to make it worth their while?” Prazmark asked. “If it is a legacy decision, the answer is yes. If it is a business decision, the answer is a crapshoot. The timing of the renewal process and the financial expectations of TOP and the joint venture and the current revolution in marketing make it a high-risk decision.”

Aside from all of the upcoming changes to the sponsorship portfolio, the USOC also is heading home as a hired law firm begins an investigation of the committee’s behavior in the Larry Nassar/USA Gymnastics sex abuse case. Many critics have accused the USOC of failing to act forcefully enough to stop Nassar after they received complaints in 2015. Some gymnasts, including McKayla Maroney and fellow gold medalist Aly Raisman, have already said they will not cooperate with the USOC investigation. Congressional investigations are also coming.

Sponsors abandoned USA Gymnastics, but so far there’s no evidence of attrition with the USOC.