

A MESSAGE TO CANADIAN SKI AND SNOWBOARD NSO STAKEHOLDERS

From: Snow sport National Sport Organizations Alpine, Nordiq, Freestyle, Snowboard, & Ski Jumping

Date: August 28, 2024

Subject: Modernization of Canada's membership in FIS to enable more funding to athletes and sport programs

Our five snow sport National Sport Organizations (NSOs) are recognized by the Government of Canada and the Canadian Olympic Committee (COC) as the governing bodies for our sports in Canada. The sports are funded by Sport Canada, the COC and Own the Podium (OTP), and they represent 98% of the snow sport registered participants and activity in Canada. Collectively we deliver over 50% of Canada's medals at the Olympic Winter Games and 70% of the medals at the Paralympic Winter Games. Together with three additional NSOs (Nordic Combined, Speed Skiing, Telemark), we are governed internationally by the Federation International de Ski et Snowboard (FIS). There are considerable differences in the size, scope, revenue, funding models, staffing, capacity, and commercial sophistication among our NSOs.

To meet the need of FIS to have a single member from each nation, Canada manages our membership in FIS through a separate organization called the Canadian Snowsport Association (CSA). The CSA's role is to coordinate our membership in FIS at the direction and guidance from the NSOs. Collectively, the 8 NSOs are the CSA.

With funding support from the COC's NSF Enhancement Initiative (aimed at modernizing the sport system), our five NSOs undertook a project to modernize the management of our membership in FIS to become more effective and efficient, and to deliver more financial benefit to athletes and sport programs. We engaged organizational performance consultant STRAAD, who consulted with 26 stakeholders including all NSO senior leadership and board chairs, CSA staff, FIS, COC, Sport Canada, and OTP. STRAAD recommended governing our membership as a collaborative program of NSOs focused solely on managing the FIS membership. Three options for the legal entity to "house" the program were considered, including:

1. creating a new organization,
2. using an existing organization, or
3. restructuring the CSA.

It was recommended to first try to restructure the existing organization, the CSA. The eight NSO CSA members will vote on the recommended restructuring on September 5, 2024. Assuming a positive outcome, implementation will begin immediately.

The restructured CSA would focus exclusively on managing Canada's membership in FIS to become more effective and efficient, and to return a greater percentage (~70%) of Canada's earned FIS revenue to Canada's member NSOs in support of athletes and sport programs.

One of the key principles of this modernization is to ensure that the restructuring helped make things better for ALL eight NSOs and the 246 athletes in our collective national team programs that will be competing for 169 Olympic and 174 Paralympic Winter Games snow sport medals available at Cortina 2026. This is especially important as we continue to operate in an environment of flat to decreasing government funding, unprecedented costs, and our sport and funding partners asking us to find ways to be more efficient with the resources available.

The “new” modernized CSA will:

- Optimize the sports’ individual and collective relationships with FIS
- Improve collaboration among the sports and with FIS
- Realize significant organizational efficiencies by streamlining decision making, eliminating duplication, and focusing solely on managing the FIS membership
- Return substantial economic benefits through both cost savings and the directing of FIS revenues to the sports in support of Canadian athletes and sport programs

The impact of the changes is outlined in the chart below:

	Current CSA Structure	Modernized Structure
Membership	<ul style="list-style-type: none"> • 8 members 	<ul style="list-style-type: none"> • 8 members
Board of Directors	<ul style="list-style-type: none"> • 4 Directors from each of Alpine, Nordiq, Freestyle & Snowboard • 1 Director for Ski Jumping/Nordic Combined • 2 at large Directors 	<ul style="list-style-type: none"> • 1 Director for each Olympic sport (currently 6) • 1 Director for non-Olympic sports combined (currently 2) • No at large Directors
Decision-making	<ul style="list-style-type: none"> • majority of votes 	<ul style="list-style-type: none"> • majority of Olympic sport votes
Annual Revenues	<ul style="list-style-type: none"> • ~\$500K in FIS revenue earned by NSOs based on their FIS activity in the ranges as follows Alpine (34-41%), Nordiq (15-24%), Snowboard (15-20%), Freestyle (15%) and Ski Jumping (3-6%) based on the FIS funding model 	<ul style="list-style-type: none"> • ~\$500K in FIS revenue earned by NSOs based on their FIS activity in the ranges as follows Alpine (34-41%), Nordiq (15-24%), Snowboard (15-20%), Freestyle (15%) and Ski Jumping (3-6%) based on the FIS funding model
Operating Model	<ul style="list-style-type: none"> • ~\$500K/yr expenses for 3 staff, administration (rented office, IT, insurance costs), travel costs for volunteers unrelated to NSOs for FIS meetings in Europe 2-3 times/yr 	<ul style="list-style-type: none"> • ~\$150K /yr expenses with 1 staff focused on FIS relations • NSOs to look after their own insurance and travel costs to FIS meetings • Larger NSOs to support smaller ones with insurance, FIS registrations and advocacy as needed
Overhead	<ul style="list-style-type: none"> • 3 staff, rented office space, IT, phone 	<ul style="list-style-type: none"> • 1 staff
Services/Support	<ul style="list-style-type: none"> • FIS liaison, administrative support, insurance, registration, travel of non-NSO representatives to FIS meetings 	<ul style="list-style-type: none"> • FIS liaison, limited administrative support
Annual Sport Support Distribution to NSOs	<ul style="list-style-type: none"> • Sporadic, with one occurrence of \$96K split equally for \$12K/NSO (2020-21), another with \$48K to small NSOs only (2021-22) over past 5 years, minus a \$3K membership fee 	<ul style="list-style-type: none"> • ~\$350K would be distributed annually • Based on a negotiated formula, all NSOs would receive >2x any previous distributions ranging between \$25K-91K per yr
Revenues and Cost Allocation Model	<ul style="list-style-type: none"> • From 2011-2023 any revenues were split equally at 12.5% each • Prior to 2011, allocation was closer to allocation being proposed in the new structure • Extraordinary costs, when approved by board, have been covered by the reserve 	<ul style="list-style-type: none"> • Negotiated allocation more closely aligned with how revenues are earned with larger NSOs sharing with smaller NSOs vs “fair share” • Allocation is Alpine 26%, Nordiq, Snowboard, Freestyle 15% each, Ski Jumping 8%, and Telemark, Nordic Combined, Speed Ski 7% each • Extraordinary costs > annual operating budget will be shared with the same allocation % as revenue share
Operating Reserve & Distribution to NSOs	<ul style="list-style-type: none"> • A \$800K financial operating reserve remains after a special \$200K distribution, split equally among the NSOs, was made at the end of FY 2023-24 given the over \$1MM reserve that had accumulated 	<ul style="list-style-type: none"> • Maintain ~\$150K reserve (1 yr operating cost) to manage cash flow • Distribute ~\$600K to NSOs, based on negotiated and aligned formula – resulting in NSOs getting b/w \$42K-\$146K over 2 years to support athletes and sport programs
World Cup Hosting & Media Rights	<ul style="list-style-type: none"> • NSOs determine World Cup hosting plans • Media rights revenues flow to organizing NSOs 	<ul style="list-style-type: none"> • NSOs determine World Cup hosting plans • Media rights revenues flow to organizing NSOs • Should FIS media rights centralization be successful, revenues, including signing bonus flow to hosting NSOs proportional to the value of their media rights
Endorsement for Structure	<ul style="list-style-type: none"> • 1 at large Director & Board Chair • 2 NSOs with 3 active FIS masters athletes 	<ul style="list-style-type: none"> • 5 NSOs representing 98% of snow sport activity • COC & Sport Canada



ALPINE CANADA ALPIN



nordiq
CANADA



SKI JUMPING
CANADA
SAUT À SKI



CAN  SBD

If the resolution to restructure the CSA does not pass on September 5, we will move forward with an alternative approach to modernization recommended by STRAAD. This involves creating a new legal entity or using an existing one to manage our membership in FIS. While we think this would be unfortunate, as we had hoped to have all our NSO members benefit and leave no NSO behind, we are prepared to move forward with the support of our sport and funding partners to achieve the benefits of the project for our collective athletes and sport programs.

An update will be available after September 5.