

United States Senate

WASHINGTON, DC 20510

May 21, 2024

The Honorable Jonathan Kanter
Assistant Attorney General, Antitrust Division
United States Department of Justice
950 Pennsylvania Avenue, NW
Washington, DC 20530

The Honorable Lina M. Khan
Chair
Federal Trade Commission
600 Pennsylvania Avenue, NW
Washington, DC 20580

Dear Assistant Attorney General Kanter and Chair Khan,

We write because we are concerned that Formula One is acting at the behest of its independent teams and other “key stakeholders,” including foreign automakers, to exclude the team formed by Andretti Formula Racing, LLC’s partnership with General Motors (“Team Andretti-Cadillac”) from entering the Formula One Championship series. It is possible that such a refusal to deal—especially if orchestrated through a group boycott—could violate U.S. antitrust laws.

The Formula One Championship series (“F1”) currently has 10 teams; however, none of the teams drive an American-made car with American-made components driven by an American. Eleven teams competed in F1 as recently as 2016 and 12 teams competed in 2012. In February of 2023, a comprehensive application process was opened by the *Fédération Internationale de l’Automobile* (“FIA”), the governing body for F1 and other motorsports, to allow prospective teams to fill the vacant spots on the F1 grid. Among applicants, only Team Andretti-Cadillac was deemed to have met the stringent criteria set by FIA.

Upon approval, the commercial terms of Team Andretti-Cadillac’s participation in F1 were to be negotiated with Formula One Management (“FOM”).¹ Instead of negotiating commercial terms, FOM unilaterally rejected Team Andretti-Cadillac’s application. FOM posited that Team Andretti-Cadillac would not benefit F1 financially and would not be competitive, “in particular for podiums and race wins.” This is in stark contrast with the technical approval granted prior to commercial negotiations. Moreover, the vast majority of F1 teams fail to win races in a given season. In 2023, a single team won all but one race, and half the teams in F1 have failed to win a race in the past 4 seasons *combined*. This competitive balance has not been the hallmark of F1 racing and adding a team backed by a major U.S. car manufacturer is likely to enhance competitiveness, not reduce it.

¹ Notably, the bifurcation of the regulatory and commercial functions of F1 stems from a previous investigation and settlement with the European Commission, which alleged that the governing body “may have been abusing a dominant position” in a separate context.

FOM also expressed concern about Team Andretti-Cadillac’s need to secure a “power unit” (the engine), despite stating that “GM ha[s] the resource[s] and credibility to be more than capable of attempting this challenge [of developing a power unit].” Notably, there are only four manufacturers that make power units and the addition of GM would bring increased competition to that highly specialized market.

Most striking, however, was FOM’s determination that bringing Team Andretti-Cadillac into F1 would not “add value to the Championship.” While F1 currently does not have an American-based team,² F1 has been determined to increase its presence in the U.S. market. Over the past few years, more than 1 million Americans have tuned into each F1 race, more than doubling over the past few seasons. Last year, F1 hosted three races in America, in Miami, Las Vegas, and Austin, while no other country hosted more than a single race. Even individual teams, such as Red Bull, are courting U.S. fans by hosting events in U.S. cities to “get up close and personal with the marvel of Formula One engineering, bringing together F1 fans.” Clearly there is a financial incentive to adding an American team to F1’s roster, and there is no reason Team Andretti-Cadillac should be blocked unless FOM is trying to insulate its current partners from competition.

Given these facts, we have serious concerns that the rejection of Team Andretti-Cadillac was based on a desire to exclude a rival from the racetrack, marketing opportunities, and prestige that competing in F1 can lend to a car manufacturer competing to sell cars across the globe. While the FOM claims that it did not consult with current teams before rejecting Team Andretti-Cadillac, it notably references consultations with “key stakeholders,” which likely include team sponsors, including car manufacturers that directly compete against General Motors and Cadillac. That F1 stakeholders may have engaged in concerted action to exclude Team Andretti-Cadillac—especially after it met all technical requirements to join F1—that merits investigation.

We appreciate your attention to this important issue.

Sincerely,



Amy Klobuchar
United States Senator

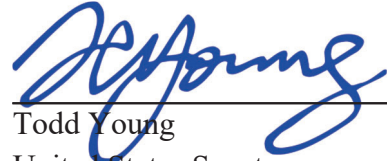


Mike Lee
United States Senator

² While Haas is owned by an American citizen and has some operations in the U.S., its cars are primarily manufactured by Ferrari.



Gary C. Peters
United States Senator



Todd Young
United States Senator



Debbie Stabenow
United States Senator



Alex Padilla
United States Senator



Mike Braun
United States Senator