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Class Equipment Policy

Introduction

The International Nacra 17 Class Association (hereafter: the Nacra 17 Class) presents its New Nacra 17 Class Equipment Policy inviting formal applications for new builders. Applications will be reviewed on a Fair Reasonable and Non-Discriminatory basis (FRAND). This Nacra 17 Class Equipment Policy (hereafter: the Policy) outlines the approval process including the selection process for a new builder.

The Nacra 17 Class started in 2013 as an Olympic one design class and had its first Olympic events at the 2016 Olympics held in Rio de Janeiro Brazil and the 2020 Olympics held in Tokyo Japan. Nacra Sailing has been the sole manufacturer and the question has arisen whether this position is in breach with competition laws. Although there are recognized restrictions that are permitted for a variety of sporting reasons, such as safety, providing sporting performance and ensuring that similar equipment is used by all competitors in the interests of fairness, there is still a risk of these rules to be in breach with prohibitions where they impose disproportionate or arbitrary restrictions on new builders, equipment manufacturers and suppliers.

With this Policy, the Nacra 17 Class outlines the process and the principles that are used when reviewing formal applications for new Nacra 17 builders. This policy is in line with the Olympic Equipment Policy (hereafter: OEP) which states that any interested party who meets the necessary technical qualifications, regulatory requirements, and who has completed an appropriate tender process has the rights to manufacture and sell Olympic equipment.

The new builder appointment will be conducted on a regular basis, linked to the Olympic Cycle, to ensure that new builders are only introduced during non-critical phases of the Olympic cycle. Nautical Sports Properties (hereafter: the Right Holder) and the Nacra 17 Class will ensure that there are regular opportunities for any qualified interested party to become a New Manufacturer, pursuant to article 1 paragraph 3 of the OEP.

For both the Nacra 17 Class and the Right Holder it is of utmost importance that all boats and equipment sold by the class builders and used in class racing must be made in strict compliance with the specification of the class construction manual. The Nacra 17 Class is committed to continuing this strict one-design principle and ensuring that all new builders maintain the highest uniform standards. This commitment is reflected in our appointment process, while at the same time the Nacra 17 Class is committed to ensure new builders have sufficient accessibility to apply to become a new builder.





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New Builder appointment process

The Nacra 17 Class will undertake a multi-stage process to assess the suitability of applicants to become approved as a licensed Nacra 17 Builder. As previously mentioned, the New Builder appointment will be conducted on a regular basis, linked to the Olympic Cycle, to ensure that new builders are only introduced during non-critical phases of the Olympic Cycle.

The Nacra 17 Class has no target for the number or location of new builders. The process is intended to ensure that any new builder appointed will be fully conversant with the class builder requirements and will be able to successfully function as a Class Legal Builder. The Nacra 17 Class takes no position as to the level of competition in any market and will not in any way allocate market areas or restrict the ability of any builder to sell Class Legal equipment wherever it chooses.

The Nacra 17 Class anticipates the first round to builder appointments will be complete during the year an Olympic event is held. The Nacra 17 Class will work with successful applicants to the tenders to agree appropriate timetables for mold supply, production samples etc.

An assessment panel consisting of representatives of the existing builder and Right Holder, the Nacra 17 Class, and independent experts (if the Nacra 17 class deems necessary) will be established to undertake review of the applications.

Outline of the Approval Process

Step 1 – Preliminary Applications

Invitation for preliminary applications from any party interested in becoming Nacra 17 builder. All applications will be handled on a confidential basis and Nacra 17 Class can provide a written confidentiality upon request.

Step 2 – Nacra 17 Class Preliminary Application Assessment

Review by Nacra 17 Class of preliminary applications against initial acceptance criteria. This will be done using Paired Comparison and the Decision Matrix Analysis (See Appendix B).

Step 3 – Formal License Application

Invitation to selected applicants to submit formal license applications after signing a non-disclosure agreement and being issued with detailed information on the requirements of building the Boat.

Step 4 – Nautical Sports Properties Formal License Application Assessment





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Review by the Nacra 17 Class of formal applications against detailed acceptance criteria. To ensure objectivity this also will be done using Paired Comparison and the Decision Matrix Analysis.

Step 5 – Provisional License

Granting of provisional licenses subject to pre-production approval.

Step 6 – Pre-Production Approval

Completion of the pre-production approval. Granting of Nacra 17 Class New Builder status and approval to commence production and sales after New Builder supplied Right Holder with Test Equipment and this Test Equipment meet the requirements of the Manual (Appendix C – Pre-Production Approval).

Step 7 – Ongoing Review Compliance

Ongoing production review and compliance audits in accordance with Builder Manual and the requirements of World Sailing.





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Appendix A1 – Initial Assessment

The initial acceptance criteria for selection of applicants to proceed to a formal license application will include satisfactory information being supplied on the following. Please note that any information provided will be handled on a strictly confidential basis. The Right Holder can provide a written confidentiality agreement upon request

1. The size of the applicant.
2. The location of the applicant.
3. The financial strength of the applicant.
4. The track record of the applicant (especially its manufacturing track record of relevant epoxy, carbon, prepreg and gelcoat products).
5. The availability of sufficient capital to set up and operate a viable production process.
6. Key personnel and their experience.
7. Preliminary information on the applicant's QA systems, process, and procedures.
8. The volume of production envisaged.

The adequacy of the application will be assessed as follows:

For each of the eight criterion above the assessment panel will assign a percentage score, out of 100, based on the assessed strength of the applicant in that particular area. A score range guide will be used to provide each criterion with the appropriate percentage (see below). This assessment will be based on the panel's assessment of the applicant being likely to be able to meet the detailed requirement and acceptance criteria to become a licensed builder. The panel may seek information on the applicant from the MNA and/or class regional organization appropriate to the proposed manufacturing location.

The applicant will be assessed on the eight criteria and assigned a percentage score for each criterion by the panel. In order to progress to the next stage of the process the applicant must score a mark of at least 70% for each of the eight criterion, and an average score of at least 80%. If the applicant does not meet these requirements the application will be rejected

If the application is rejected the applicant may, at the discretion of the assessment panel, be invited to submit additional specific supporting information on any issues with a view to having their application reconsidered.





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Nacra 17 Class Preliminary Assessment Percentage Range Guide		
Rating	Definition	Score Range
<i>Excellent</i> Significantly exceeds the requirements	Significantly exceeds the basic criterion requirements. Exceptional demonstration by the applicant of the relevant ability, understanding, experience, skills, resource or quality measures required to meet the criterion. Proposal identifies factors that will offer potential added value.	90%+
<i>Good</i> Exceeds the requirements in some respects	Applicant satisfies the basic criterion requirements with some additional benefits. Above average demonstration by the applicant of the relevant ability, understanding, experience, skills, resource or quality measures required to meet the criterion.	80%+
<i>Acceptable</i> Meets the criterion in full	Satisfies the basic criterion requirements. Demonstration by the applicant of the relevant ability, understanding, experience, skills, resource or quality measures required to meet the criterion.	70%+
<i>Minor reservations</i> Marginally deficient	Generally satisfies the basic criterion requirements but with minor deficiencies identified. Minor deficiencies which should be readily addressable of the applicant's relevant ability, understanding, experience, skills, resource or quality measures required to meet the criterion.	50% to 70%
<i>Serious reservations</i> Significant issues that need to be addressed	Major reservations about the applicant's ability to satisfy the criterion requirements. Significant reservations of aspects of the applicant's relevant ability, understanding, experience, skills, resource or quality measures required to meet the criterion, or serious lack of supporting evidence.	<50%
<i>Unacceptable</i> Significant issues not capable of being resolved	Does not meet the criterion and appears unable to do so. Does not comply and/or insufficient information provided to demonstrate that the applicant has the ability, understanding, experience, skills, resource or quality measures required to meet the criterion.	<30%





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Appendix A2 – Formal License Application

If the applicant is successful with their preliminary application, they will be invited to sign a non-disclosure agreement, following receipt of which the right holder will provide package of the following:

- The proposed Nacra 17 Class approved Builder Licensing Agreement
- The relevant sections of the Builder Manual
- The FRAND procedure for licensing equipment suppliers
- Nacra 17 class and WS fee schedules and processes
- Approximate costs of the required supplied molds and building equipment

Applicants will then be invited to submit a detailed application including the following information:

1. The extent of relevant composite manufacturing experience of the applicant, in particular epoxy, carbon, and gelcoat manufacturing experience.
2. Applicants' key personnel: their qualifications, training, experience, and ability to undertake their proposed roles.
3. Corporate structure.
4. The applicant's financial structure and strength. Applicants are to submit a business plan demonstrating their financial ability to execute their proposed parts construction strategy.
5. Experience in one-design multihull construction, distribution, promotion, and sales (including any existing dealer networks).
6. The applicant's quality assurance systems and QA track record and ability to comply in all respects with the quality requirements of the Builder Manual.
7. Location and suitability of the proposed production facility.
8. Proposed production rate and staffing levels.
9. Proposed distribution systems.
10. Applicant's compliance processes with World Sailing sustainability policy.
11. Demonstration that applicant is capable of building boats in compliance with the Construction Manual.
12. Fluency in (technical) English.
13. Staff training programs.
14. Proposed equipment guarantees.
15. Commitment to the Nacra 17 classes and right holder's shared philosophy in expansion, development, and long-term success of the class.
16. Confirmation that the proposed licensee agrees to sign the World Sailing Olympic contract, make the appropriate Class payments and World Sailing Olympic agreement fee payments.
17. Other factors identified as important by the reviewers.

The panel will review the application and request any additional information they consider





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necessary and relevant to comprehensively assess the application.

The class is committed to recruiting strong, stable, reliable and supportive long-term builders.

To ensure objectivity the adequacy of the formal license application will be assessed via a paired comparison and a decision matrix analysis.

All applicants will be required to pay a fee of EUR €10.000 to Nacra Sailing Properties at the time of lodging their formal application to cover the costs of the application review process.

Appendix B – Pre-Production Approval

If the applicant has been successful with their formal application, they will be invited to proceed to the Pre-Production approval process and be issued with full details of the Builder Manual.

This will require purchase by the applicant of the necessary molds and equipment produced from the master plugs, preliminary training of staff by the existing builder nominated representatives on the Builder Manual requirements and techniques and then construction of X pre-production boats to prove to the Nacra 17 Class, right holder and World Sailing technical staff that the builder can meet all the requirements of the Builder Manual.

The cost of all supplied molds and equipment and the costs of the existing builders and Nacra 17 Class technical personnel required for training and assessment during the Pre-Production Approval process a retainer fee for these costs will be required.

The details of this process are set out in the Builder Manual, which will be provided to applicants at stage 2 of the process as outlined in the policy upon entering into a non-disclosure agreement.

Upon completion of this process the Nacra 17 Class Technical Officer will submit a report to the assessment panel and if the applicant has satisfactorily met the Builder Manual requirements, they will be invited to become an Nacra 17 Class Builder and will be able to commence production as soon as all required contracts are completed.

