

EUROPEAN PARLIAMENT

2004



2009

Session document

A6-0010/2009

23.1.2009

REPORT

on Community participation in the European Audiovisual Observatory
(2008/2179(INI))

Committee on Culture and Education

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on Community participation in the European Audiovisual Observatory (2008/2179(INI))

The European Parliament,

- having regard to Resolution (92) 70 of the Committee of Ministers of the Council of Europe of 15 December 1992 establishing a European Audiovisual Observatory and to Resolution (97) 4 of 20 March 1997 confirming the continuation of the European Audiovisual Observatory and to the Statute of the Observatory annexed to it,
 - having regard to Resolution Res (2000) 7 of the Committee of Ministers of the Council of Europe of 21 September 2000 concerning amendments to the Statute of the European Audiovisual Observatory,
 - having regard to Council Decision 1999/784/EC of 22 November 1999 concerning Community participation in the European Audiovisual Observatory¹,
 - having regard to Decision No 1718/2006/EC of the European Parliament and of the Council of 15 November 2006 concerning the implementation of a programme of support for the European audiovisual sector (MEDIA 2007)²,
 - having regard to the Commission report on the implementation of Council Decision 1999/784/EC of 22 November 1999 as amended by Decision 2239/2004/EC of the EP and the Council concerning Community participation in the European Audiovisual Observatory (COM(2006)0835),
 - having regard to Council Directive 89/552/EEC of 3 October 1989 on the coordination of certain provisions laid down by law, regulation or administrative action in Member States concerning the provision of audiovisual media services (Audiovisual Media Services Directive)³,
 - having regard to Rule 45 of its Rules of Procedure,
 - having regard to the report of the Committee on Culture and Education (A6-0000/2008),
- A. whereas the audiovisual sector makes an important contribution to the European creative and knowledge economy and plays a central role in promoting cultural diversity and pluralism in the EU,
- B. whereas the convergence of information society services and media services, networks and devices sets new challenges in terms of adapting the existing legal framework with its rights and obligations in many areas, and offers a host of new opportunities,

¹ OJ L 307, 2.12.1999, p. 61.

² OJ L 327, 24.11.2006, p. 12.

³ OJ L 332, 18.12.2007, p. 27.

- C. whereas the transparency and the availability of reliable and comparable information concerning the European audiovisual market can make operators in the sector, especially SMEs, more competitive, by improving the understanding of the industry's potential, and be to the benefit of users,
- D. whereas the European Audiovisual Observatory (the "Observatory") thus contributes to the competitiveness of the European audiovisual industry by collecting and disseminating detailed information about the audiovisual sector,
- E. whereas the Observatory provides a wide variety of products including online services, publications and databases, which have proved to be of great value for both industry and policy makers, at national and Community level,
- F. whereas Community action to support the competitiveness of the audiovisual industry will contribute to achieving the objectives set by the Lisbon strategy,
1. Recognises that the Observatory is the only pan-European public service organisation dedicated to gathering and distributing information on the European audiovisual industry and plays a vital role by providing detailed information on the sector to both public and private bodies in the field;
 2. Stresses that the convergence of information society services and media services, networks and devices has raised new challenges for research on the audiovisual sector, which should be reflected in the Observatory's activities;
 3. Reiterates that multimedia and new technologies will play an ever greater role in the audiovisual sector and that the Observatory must, in due course, strengthen its capacity to follow these new developments in order to continue to play an important role in the sector;
 4. Emphasises that the Observatory must be provided with the resources necessary to continue realising its objectives, thereby effectively keeping step with new developments in multimedia and new technologies;
 5. Calls on the Observatory in this respect to extend its activities to cover more specifically the latest challenges that are created by media convergence and new developments, giving particular attention to the analysis of the impact of digitalisation on the film and audiovisual industry in general and the analysis of online audiovisual services, mobile TV and video games;
 6. Stresses the importance of contact and co-ordination with national regulators and stakeholders in the audiovisual media sector in order to guarantee added value;
 7. Welcomes the Observatory's publication on copyright and other related rights and suggests that the Observatory cover these issues systematically and, also as far as possible in the light of the UNESCO Convention on Cultural Diversity¹, extend its coverage to include the issue of tax and labour law in the audiovisual sector in Europe;

¹ The United Nations Educational, Scientific and Cultural Organization (UNESCO) 2005 Convention on the Protection and Promotion of the Diversity of Cultural Expressions.

8. Calls on the Observatory, as an expert body, to provide suggestions and policy options which could serve as a basis for European policy, having regard to best practices in the audiovisual media field in other parts of the world with equivalent developments (such as Asia or North America);
9. Welcomes the Observatory's investigation into the significance of audiovisual works from third countries on the European market and recommends an analysis on developing models of cooperation with partners from third countries on the implementation of the UNESCO Convention on Cultural Diversity and the Audiovisual Media Services Directive¹ with respect to the "European works" under Article 1n and including the Media International pilot project;
10. Recognises the cultural differences between Member States which may result in different ways of dealing with harmful or offensive audiovisual material, especially vis-à-vis minors, while taking into account the minimum harmonisation in the field of protection of minors laid down in the Audiovisual Media Services Directive and the actions taken under the Safer Internet plus programme which aims to promote safer use of the internet and new online technologies, particularly for children, and to fight against illegal content and content unwanted by the end-user;
11. Calls on the Observatory, in this respect, to monitor the different (legal) instruments and to develop policy options;
12. Encourages the wider dissemination of the Observatory's publications through an intensified communications policy in order to promote awareness of its activities;
13. Welcomes the planned overhaul of the Observatory website which ought to reflect the latest and highest standards in multimedia and technology, and supports the planned efforts to improve its design and interactivity which will make it more informative and more user friendly;
14. Recognises that whilst some specific areas, such as media literacy, are not currently within the field of activity of the Observatory, exploration of such issues should be envisaged;
15. Encourages the Observatory to provide, in cooperation with its members, more data on the availability of specific audiovisual services such as subtitling, audio description and sign language, designed to assist disabled people;
16. Instructs its President to forward this resolution to the Council, the Commission and the governments and parliaments of the Member States as well as the Council of Europe and the European Audiovisual Observatory.

¹ Directive 89/552/EC of 3 October 1989 of the European Parliament and of the Council on the coordination of certain provisions laid down by law, regulation or administrative action in Member States concerning the provision of audiovisual media services (OJ L 298, 17.10.1989, p. 23, title as amended by Directive 2007/65/EC (OJ L 332, 18.12.2007, p. 27).

EXPLANATORY STATEMENT

The EC's participation in the European Audiovisual Observatory

What is the European Audiovisual Observatory?

The European centre for monitoring the audiovisual industry, the European Audiovisual Observatory (hereafter 'the Observatory') was set up in 1992. The Observatory is established within the framework of the Council of Europe by means of a 'partial and enlarged agreement'. It is the only centre for the purpose of gathering and disseminating information on the audiovisual industry in Europe. In 1997 the Council of Europe decided to continue the work of the Observatory for an unlimited period. The Observatory has 37 members (36 countries + the European Community). The EC is represented in the Observatory by the European Commission (DG Information Society and Media). In addition to all 27 Member States Albania, Liechtenstein, Russia, Switzerland, the FYRO Macedonia, Croatia, Turkey, Iceland and Norway are also members. There are also three observers; the French 'Ministère de la Culture et de la Communication' (CNC), the French 'Direction du développement des médias' (DDM) and the Council of Europe (Media Division).

Aims of the Observatory

Its aims are twofold. First, the Observatory gathers, processes and disseminates relevant information on the audiovisual industry in Europe. It makes this information available to all relevant operators in the industry (disseminating knowledge). Second, the Observatory thus contributes to improving understanding of audiovisual markets (creating market transparency).

To this end the Observatory provides various services. It publishes reports and online publications, offers online services, develops and manages various relevant databases and organises conferences and workshops. A charge is normally made for providing these services.

The information that the Observatory provides is diverse. It disseminates information on such things as legal judgments and case-law, financial details, qualitative and statistical details on market features and sets up 'information mapping' (who provides what information, and to whom?). It is thus mainly about market and financial issues on the one hand, and legal issues on the other.

The Observatory deals with audiovisual experts, decision-makers, journalists, legislators and researchers, lawyers, advisers and the like. These can broadly be placed in three categories: the audiovisual sector, the service industry for the audiovisual sector (support) and policy makers at various levels.

Funding the Observatory

The Observatory obtains its funds from various sources. These are laid down in the Observatory's Statute.

Apart from mandatory and voluntary contributions from members, the Observatory also receives revenue from the sale of its products and services. These amount to on average just under 10 % of its total budget. Members' contributions represent between 80 and 90 % a year. The rest of the budget consists of grants or donations and revenue obtained from the credit balance.

The European Community's participation in the Observatory

The European Community has been a member of the Observatory since 2000 but had already played an important role in setting it up. The EC's participation was formalised by Council Decision 1999/784/EC on the basis of Article 157, third paragraph of the EC Treaty. That article refers to Community activities in the industry sector. Before the EC became a member the Statute and Financial Regulation of the Observatory had to be adapted.

It decided to participate in the Observatory in 1999 for a period of five years. In 2004 it was decided to prolong that period by two years (Parliament and Council Decision 2239/2004/EC). In 2006 participation was again extended, and is now running for the full period of the support programme for the European audiovisual sector (MEDIA 2007, to 31 December 2013). The decision concerned (Parliament and Council 1718/2006/EC) integrates participation in the Observatory in a broader programme for the support of the European audiovisual sector.

In the 2004 decision, prolonging the Community's participation, the Commission was asked to boost the Observatory's capacity for monitoring new developments in the multimedia and new technologies. There was also a call to gather and disseminate specific and systematic information and expertise on all kinds of restrictive obstacles to the free movement of audiovisual goods and services. Finally, there was a call to gather data on service provision to support the disabled (such as subtitling etc.).

In recent years the EC contribution has grown from just under 200 000 euros in 1999 to about 235 000 euros in 2006.

MEDIA 2007 provides a total budget of 755 million euros for the period 2007-2013. Each year 5 % is reserved for horizontal actions, including participation in the Observatory. In its original proposal the European Commission assumed an annual contribution of 350 000 euros. The precise allocation of resources is decided by the Media Committee (under Article 11).

Aims of the EC's participation

One of the main reasons for the EC's participation in the Observatory is the consideration that the Observatory's activities are helping to strengthen the competitiveness of the Community's audiovisual industry. For instance, the distribution of audiovisual goods is too often hampered by a lack of knowledge of differences in national legislation. The Observatory helps to surmount these obstacles by providing expertise and systematic information to the operators concerned.

The Commission also points out that awareness-raising and market transparency helps market participants with their investment decisions and provides new understanding for legislative

authorities.

Finally, the Observatory covers a large number of European countries that are not EU members. For European industry the Observatory therefore provides valuable information on those markets.

Final report

Under Article 4 of the decision on the Community's participation in the Observatory the Commission is required to report on the EC's participation in the Observatory). The final report came out – owing to the extension of the EC's participation – early in 2007.

In the 2007 report (COM(2006) 835 final) the Commission concludes that the Community's participation should be positively evaluated. Through its specific procurement of knowledge and its publications the Observatory has grown to become 'a key source for economic and legal information [...] in the various segments of the audiovisual industry', both for private and public operators. The Commission further points out that one of the Observatory's most valuable assets is its ability to establish and maintain networks of scientific partners. These networks contribute to the quality of the Observatory's economic and legal analysis.

Comments

– A key source of information

It is important to point out that the Observatory is the only pan-European non-governmental organization in the European Union that gathers and distributes independent information on the audiovisual sector.

Its market analyses and information on market developments are a key source of information for policymakers and for the audiovisual sector. It also gives Member States the opportunity to evaluate their own situation in the European context.

– Parliament's concerns in 2004 remain valid

When the EC's participation was extended Parliament made a number of comments in the decision's considerations.

It pointed out, for example, that the Observatory's capacity to follow new developments should be strengthened.

Although a decision to expand the Observatory's field of activities was taken in June 2003 by the Observatory's Executive Council at its meeting in Porvoo (Finland), this decision has not yet been implemented waiting for a financial agreement among its members. It is more than ever necessary that new developments (such as new audiovisual consumption patterns) can be monitored by the Observatory.

Developments in the online sector that need particular attention include a.o.

- media convergence;
- video games;

- public broadcasting (and its activities in the online world);
- sales of audiovisual works on the Internet;
- media literacy.

In 2004 Parliament also underlined that by providing information on the many differences in national regulations in the fields of fiscal and labour law, copyright and consumer protection law, the Observatory could offer a positive contribution.

Recently a pilot project in the area of tax law was launched. Also some copyright issues were addressed in recent work of the Observatory, such as for video on demand, user-generated content services a.o. These continue to be major challenges for the audiovisual on line sector.

The Parliament in 2004 also invited the Observatory to collect data on an annual basis on the levels of television services provided to assist disabled people, such as subtitling, audio description and sign language.

The Observatory believes this is at the fringes of its mission, still some general information on assistance to disabled people is available on the IRIS database on legal information and via the MAVIE database which identifies channels providing such services.

– Customer satisfaction

A good feedback of the industry, public authorities, the academic field is essential for evaluating the work of the Observatory. It's essential that the Observatory keeps the finger at the pulse, by input and feed-back of its Advisory Committee.

Development of digital tools to support the collection and the distribution of information in order to further increase flexibility will be continued.

The planned overhaul of the EAO internet service is an excellent opportunity to further develop the Observatory as an efficient, user-friendly, fast-reacting platform in a fast-growing **Lisbon** sector that is vital in our knowledge economy.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	20.1.2009
Result of final vote	+: 23 -: 1 0: 0
Members present for the final vote	Maria Badia i Cutchet, Ivo Belet, Guy Bono, Marie-Hélène Descamps, Věra Flasarová, Milan Gaľa, Vasco Graça Moura, Lissy Gröner, Luis Herrero-Tejedor, Ruth Hieronymi, Mikel Irujo Amezaga, Ramona Nicole Mănescu, Manolis Mavrommatis, Ljudmila Novak, Doris Pack, Zdzisław Zbigniew Podkański, Pál Schmitt, Thomas Wise, Tomáš Zatloukal
Substitute(s) present for the final vote	Gyula Hegyi, László Tőkés, Ewa Tomaszewska, Cornelis Visser
Substitute(s) under Rule 178(2) present for the final vote	Maria Berger