REPORT

on public service broadcasting in the digital era: the future of the dual system (2010/2028(INI))

Committee on Culture and Education

Rapporteur: Ivo Belet
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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on public service broadcasting in the digital era: the future of the dual system (2010/2028(INI))

The European Parliament,

– having regard to Articles 14 and 106(2) of the Treaty on European Union,

– having regard to Protocol No 29, annexed to the TEU, on the system of public broadcasting in the Member States

1

– having regard to Article 11(2) of the Charter of Fundamental Rights of the European Union

2

– having regard to Directive 2010/13/EU of the European Parliament and of the Council of 10 March 2010 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 its resolution of 19 September 1996 on the role of public service television in a multi-media society

4

– having regard to its resolution of 25 September 2008 on concentration and pluralism in the media in the European Union

5

– having regard to its resolution of 16 December 2008 on media literacy in a digital world

6

– having regard to the Commission communication of 2 July 2009 on the application of State aid rules to public service broadcasting

7

– having regard to the Commission staff working document on media pluralism in the Member States of the European Union (SEC(2007)0032),

– having regard to Recommendation No R (96) 10 of 11 September 1996 of the Committee of Ministers of the Council of Europe to Member States on the guarantee of the independence of public service broadcasting,

– having regard to the resolution of the Council and of the representatives of the governments of the Member States, meeting within the Council of 25 January 1999

1 OJ C 83, 30.3.2010, p. 312.
6 OJ C 45E, 23.2.2010, p. 9.
concerning public service broadcasting\(^1\),

- having regard to Recommendation No CM/Rec(2007)2 of 31 January 2007 of the Committee of Ministers of the Council of Europe to member states on media pluralism and diversity of media content,

- having regard to Recommendation No CM/Rec(2007)3 of 31 January 2007 of the Committee of Ministers of the Council of Europe to member states on the remit of public service media in the information society,

- having regard to Recommendation No 1878 (2009) of 25 June 2009 of the Parliamentary Assembly of the Council of Europe on the funding of public service broadcasting,

- having regard to the declaration of 27 September 2006 of the Committee of Ministers of the Council of Europe on the guarantee of the independence of public service broadcasting in the member states,

- having regard to Rule 48 of its Rules of Procedure,

- having regard to the report of the Committee on Culture and Education (A7-0286/2010),

A. whereas, in a democratic European society, participation of citizens in public debate and access to information in the digital world depend on a vibrant and competitive audiovisual and written press sector,

B. whereas broadcast media are among the most important sources of information available to citizens in EU Member States, and as such are an important factor in shaping people’s values and opinions,

C. whereas both public service and private-sector broadcasting have a crucial role to play with regard to European audiovisual production, cultural diversity and identity, information, pluralism, social cohesion, the promotion of fundamental freedoms and the functioning of democracy,

D. whereas public service broadcasters have a pioneering role in stimulating and utilising technological developments in order to offer their content to the public via innovative media and distribution techniques,

E. whereas the EU audiovisual landscape is unique, and is characterised by what has been described as the ‘dual system’, based on a true balance between public service and commercial broadcasters,

F. whereas an effective dual system with a genuine balance between public service and private-sector broadcasters, is in the general interest,

G. whereas the coexistence of public service and commercial broadcasters has ensured a diverse range of freely accessible programming, which benefits all EU citizens and contributes to media pluralism, cultural and linguistic diversity, editorial competition (in

\(^1\) OJ C 30, 5.2.1999, p. 1.
terms of content quality and diversity) and freedom of expression,

H. whereas the EU attaches special importance to the role of the dual system in contributing to the production and dissemination of EU content,

I. whereas changes in the audiovisual landscape in recent years, with the development of digital technologies, proprietary pay platforms and new online media actors, have had an impact on the traditional dual broadcasting system and on editorial competition (in terms of content quality and diversity), making it necessary for public service and private broadcasters to diversify their operations and consider new distribution platforms,

J. whereas the spread of new technologies has changed the way European citizens gain access to the media and to information,

K. whereas traditional boundaries in the media sector can no longer be upheld in the online environment, since traditional media cannot survive without expanding into new platforms (such as SMS services, web pages and applications for smartphones), in line with the objectives of the EU’s Digital Agenda,

L. whereas newspapers and magazines are, and should continue to be, essential components in a pluralistic and diverse European media landscape,

M. whereas telecom providers, internet service providers and search engines are playing an ever-increasing role in the new media environment,

N. whereas in the digital era – which is characterised by increased consumer choice, but also by a risk of audience fragmentation, increasing media concentration, the rise of vertically integrated media companies, a shift towards pay services and encryption – public service broadcasting does and should help to maintain a public sphere, providing high quality, socially valuable programming and objective information,

O. whereas in certain Member States public service broadcasting is not yet sufficiently socially embedded and does not have adequate resources at its disposal,

P. whereas public broadcasters in some Member States are confronted with major problems that jeopardise their political independence, their viability and even their financial basis, posing a direct threat to the very existence of the dual system,

Q. whereas commercial television has recently faced economic hardship as a result of the advertising recession,

R. whereas it lies within the exclusive competence of the Member States to define the public service remit and to provide for the funding of their public service broadcasters, in accordance with the principles of the Amsterdam Protocol,

S. whereas public service media need sufficient public funding, participation in relevant new technologies and platforms and a stable and foreseeable regulatory environment in order to be able to fulfil their remit in terms of offering a high standard of cultural and news content, and as such explicitly to develop media literacy for the benefit of the
public,

T. whereas public service broadcasting can be improved through exchanges of experience and best practice between the Member States,

U. whereas respect for European standards relating to freedom of expression, media pluralism and the independence, remit and funding of public service media should be a priority for all the Member States,

V. whereas the EU does not currently have the appropriate instruments at its disposal to monitor, and react to, threats to public service media and the dual system in Member States or specific regions of the EU,

1. Reaffirms its commitment to the dual broadcasting system, in which private and public service media play their respective roles, independent of political and economic pressure, and calls for access to broadcasting of the highest level to be ensured irrespective of consumers’ and users’ ability to pay;

2. Underlines, in particular, the fundamental role of a genuinely balanced European dual system in promoting democracy, social cohesion and integration and freedom of expression, with an emphasis on preserving and promoting media pluralism, media literacy, cultural and linguistic diversity and compliance with European standards relating to press freedom;

3. Notes that the coexistence of public service and private media has greatly contributed to innovation and diversification in terms of content and has had a positive impact on quality;

4. Reiterates the need to maintain strong and vibrant independent public service broadcasting, whilst adapting it to the requirements of the digital age, and calls for specific measures to be taken to attain this objective;

5. Highlights, in this context, the fact that in the digital era public service broadcasting has a specific mission to cultivate a public sphere by making high-quality media content of public interest universally accessible on all relevant platforms;

6. Calls on the Member States to ensure that there are sufficient resources to enable public service broadcasters to take advantage of the new digital technologies and to secure the benefits of modern audiovisual services for the general public;

7. Calls, in this regard, for public service broadcasters to be structured in such a way as to offer attractive, quality online content in order to reach young people who access the media almost exclusively via the internet;

8. Calls on the Member States to address the digital divide – for example between urban and rural areas – and to ensure that, with digitisation, all individuals in all regions have equal access to public service broadcasting;

9. Urges the Member States to consider the possibility of making it easier for consumers to
switch from analogue to digital television;

10. Urges the Member States to define the remits of public service broadcasters so that they can retain their distinctiveness through a commitment to original audiovisual production and high-quality programming and journalism regardless of commercial considerations or political influence, which is precisely what marks them out as distinctive; notes that these remits should be defined as precisely as possible, but with due regard for the broadcasters' programming autonomy;

11. Recalls that, according to the principle of technological neutrality, public service broadcasters, within the remit assigned to them, must have the opportunity to offer their services, including new services, on all platforms;

12. Emphasises that the lack in some Member States of legal provisions relating to public service broadcasting activities on the internet could affect the sector’s ability to expand into new platforms;

13. Recalls that terrestrial broadcasting platforms based on open, interoperable standards play a central role in the dual broadcasting system and are ideal for providing users with free, easily accessible audiovisual media services, which can better cope with the fragmentation of local markets and thereby address local cultural and social expectations;

14. Acknowledges the Commission’s broadcasting communication of July 20091, which recognises the right of public service broadcasters to be present on all relevant distribution platforms and reaffirms the competence of the Member States to define the remit, funding and organisation of public service broadcasting while acknowledging the Commission's responsibility to check for manifest errors, and calls on the Member States to maintain a balance amongst the digital media services on offer, to ensure fair competition between public service broadcasting and private media and thus to preserve a vibrant media landscape in the online environment;

15. Welcomes the recognition of the principle of technological neutrality and of the need to respect the editorial independence of public service broadcasters, taking due account of their need for stable and secure funding;

16. Points, however, to the enormous costs of (existing) ex ante tests, and stresses its support for proportionate evaluations;

17. Recalls the importance of the Council of Europe's recommendations and declarations, which have been agreed upon by all the EU Member States and lay down European standards relating to freedom of expression, press freedom, media pluralism and the independence, organisation, remit and funding of public service media, particularly in the information society, thereby safeguarding the credibility of public service broadcasting;

18. Reminds the Member States of their commitment to these European standards, and recommends that they provide appropriate, proportionate and stable funding for public service media so as to enable them to fulfil their remit, guarantee political and economic

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independence and contribute to an inclusive information and knowledge society with representative, high quality media available to all;

19. Calls on the Commission to encourage the Member States to exchange best practice at different levels (national media authorities, stakeholders, management of public service broadcasters, independent regulators and representatives of viewers and consumers);

20. Calls on the Member States to intensify the cooperation between national media regulators within the European Platform of Regulatory Authorities (EPRA) and step up the exchange of experience and best practice in relation to their respective national broadcasting systems;

21. Reminds the Member States that members of public service broadcasters’ boards should be appointed on the basis of their competence and acquaintance with the media sector;

22. Calls on the Commission and the Member States to give the European Audiovisual Observatory a mandate, coupled with the necessary resources, to gather data and carry out research on the way in which the Member States have applied these standards, in order to examine whether the standards have achieved the desired effect, and urges that Member States be held accountable for failing to fulfil these commitments;

23. Calls on the Commission to give higher priority to the dual system as a part of the EU acquis in the context of accession negotiations, and urges that the progress made by candidate countries in this respect be monitored;

24. Calls further on Member States adequately to address the issue of underfunding of public service broadcasters; bearing in mind particularly the specific remit of the public media to be accessible to the greatest possible number of viewers and listeners on all the new media platforms;

25. Notes that transparent ownership of private broadcasters has to be guaranteed in all Member States, and calls on the Commission to monitor and support progress to this end;

26. Calls on the Member States to end political interference regarding the content of services offered by public service broadcasters;

27. Welcomes the conclusions of the independent study, conducted at the Commission’s request, on defining indicators to measure the pluralism of EU media;

28. Encourages the implementation of the Media Pluralism Monitor, which is an effective tool for diagnosing threats to media pluralism;

29. Recalls the financial instruments offered by the EIB, and encourages public service broadcasters facing financial difficulties to apply for a soft loan from the EIB for the renewal of their infrastructure, particularly in connection with digitisation and innovation;

30. Encourages the various stakeholders to intensify their cooperation with a view to safeguarding the dual system and, in particular, encourages public service and private broadcasters to cooperate with one another and with publishers in relation to content-
sharing and innovative projects and to find ways of working together;

31. Calls on the Commission to launch an initiative bringing together different media actors in order to help identify possible areas of cooperation, facilitate exchanges of best practice and address relevant issues;

32. Points out, in this context, that community broadcasters, especially in smaller communities, have problems with long-term financing (e.g. from advertising) and that there is potential here for using the new options made available by digitisation in order to set up regional-level community broadcasting covering a wide area;

33. Encourages the Commission to adapt copyright to the new digital era, allowing broadcasters to continue to provide a wide range of qualitative European content, and to consider specific ways of facilitating the re-use of archive content and putting in place extended collective licensing systems and easy, one-stop-shop systems for the clearance of rights;

34. Looks forward to the implementation report on the provisions of the AVMS directive regarding the broadcasting time allocated to European programmes, given that certain Member States have failed to take any action in this respect;

35. Urges the Commission to ensure that content aggregators comply with the existing legal framework, and calls on it to consider ways in which search engines and internet service providers could contribute to the financing of content creation;

36. Emphasises the importance of media education for the responsible use of services provided by content aggregators;

37. Instructs its President to forward this resolution to the Council and Commission, and the governments and parliaments of the Member States.
EXPLANATORY STATEMENT

Broadcasting is a unique sector. It influences people’s values and opinions and is still the main source of information for most citizens in the EU. Therefore it has special significance for the protection and promotion of fundamental freedoms and democracy, including social cohesion.

1. Dual system part of EU acquis

As underlined by the Audiovisual Media Services Directive\(^1\), the EU audiovisual landscape is characterised by what has been described as ‘the dual system’. The co-existence of public and commercial broadcasters has ensured a diverse range of programming. It contributes to media pluralism, cultural and linguistic diversity, editorial competition (in terms of content quality and diversity) as well as freedom of expression.

A strong, viable and well-funded public service broadcasting system is part of this. In a well functioning dual system, the public service broadcasters (PSB) can raise the standards in the market.

2. EU-commitment to the role of public service broadcasters (PSBs)

In the Protocol 29 of the TUE\(^2\), the EU has committed itself to the system of public broadcasting in the Member States, ‘considering that it is directly related to the democratic, social and cultural needs of each society and to the need to preserve media pluralism.’

The importance of public service broadcasting has been reaffirmed in the Council Resolution concerning public service broadcasting\(^3\) and its role in promoting cultural diversity has been recognised by the 2005 UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions.

The Member States have also agreed within the forum of the Council of Europe to a corpus of recommendations\(^4\).

3. The dual system in the digital era: a system under pressure

\(^2\) Protocol on the system of public broadcasting in the Member States (OJ C 83, 30.3.2010, p. 312) formally known as the Protocol of Amsterdam.
Unfortunately the broadcasting landscape in Europe is far from the ideal situation of a balanced, dual broadcasting system supported by two equally strong pillars.

**Public service media and the dual system on a point of no return**

In the transformational digital media context, public broadcasters in some Member States are confronted with fundamental and life-threatening problems, both financially and politically. ‘*In most monitored countries, public service broadcasters suffer mounting politicisation and pressure, flawed funding models, and disintegrating reputations [...]***

Parallel to this evolution, several private broadcasters arouse discussion about their sincerity because of their close link with powerful economic conglomerates, or because the source of their funding stems from uncertain origins.

According to Protocol 29 of the TUE, the funding of PSBs is a matter for the national authorities. However, we have come to a critical juncture. Public media and by consequence the dual system in some Member States are at the brink of existence. EU audiovisual policy cannot be restricted to intervening in cases of overcompensation. If we are serious about our commitment to the dual system, we have to consider both the lack of financing and of editorial and managerial independence of PSBs.

**From dual system to multi-player environment**

Media policy in 2010 cannot be restricted to maintaining the balance between commercial and PSB. In the current media context, new big players such as telecom and Internet service providers as well as search engines play an increasingly important role. Citizen-journalism and user-generated content also challenge the traditional media players. The dual broadcasting system has evolved into a multi-player media environment.

**Towards a new media ecology**

In the new digital environment the free public offer of the PSB is a thorn in the flesh of many commercial media players. The result is growing hostility from publishers towards the online services offered by public media service providers. Hence, a balanced model of coexistence on the Internet is one of the main priorities of national and European media policy in the near future.

The European Commission in the revised Broadcasting Communication\(^2\) considers ‘that PSB should be able to use the opportunities offered by digitisation and the diversification of distribution platforms on a technology neutral basis, to the benefit of society’.

The Communication aims to contribute to the coexistence of the different media players. To this end, it demands that when significant new audiovisual services are considered by the PSBs, their remit should be modified accordingly or an ex ante evaluation has to be undertaken (balancing their public service value against their impact on the market).

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\(^2\) Communication from the Commission on the application of State aid rules to public service broadcasting (OJ C 257, 27.10.2009, p. 1.)
4. Suggestions for the future

It’s very difficult to formulate general, EU wide recommendations, because of the different legal and organisational context in the Member States. A ‘one-size-fits-all’ approach is definitely out of the question.

Debate at all levels

Intense national debates on how to create a healthy media ecology are to be encouraged. The revised Communication should be seen as an incentive to this. A reflection could be undertaken on defining minimal thresholds necessary to put the agreed principles into practice (sufficient funding, independent governance, editorial independence). The EU should encourage debate between Member States at different levels.

Respect of European standards

In the meantime, Member States have to live up to the engagements they agreed on within the Council and within the Council of Europe, and that they adhered to when accessing to the EU. A monitoring procedure in this respect is feasible and desirable.

In membership negotiations, the Commission should give higher priority to the dual system as part of EU acquis.

Financing

Financial support could be given to PSB through loans from the EIB in order to install or renew their infrastructure for digitisation.

Encouraging cooperation: Establishing a ‘win-win’ situation for all

The various stakeholders should be encouraged to cooperate. Sharing audiovisual content, exchanging formats and cross-references between platforms could benefit stakeholders. Cooperation based on the voluntary involvement of different partners, demands a mind shift, but could result in a win-win situation. Authorities should facilitate solutions to possible competition or copyrights issues in the interest of the society.

Contribution to content

Search engines should be encouraged to contribute to content creation, for example through creating a legal framework for content aggregators.

EC efforts in reflection on media industry

The EC must bring together the different media actors and stakeholders, in the search for a healthy and viable industry. The media are the fourth pillar of democracy. Important parts of it are going through really tough times. Respect for subsidiarity can go hand in hand with EU support for long term solutions. ‘The dual system has never been a static end product, but
always a work in progress\textsuperscript{1}.

\textsuperscript{1} Doris Pack, key note speech, Warsaw Conference, Future or Funeral, 23.01.2010.
RESULT OF FINAL VOTE IN COMMITTEE

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<td>Substitute(s) present for the final vote</td>
<td>Ivo Belet</td>
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