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on the proposal for a decision of the European Parliament and of the Council on the implementation of a training programme for professionals in the European audiovisual programme industry (MEDIA - Training) (2001-2005) (COM(1999) 658 – C5-0059/2000 – 1999/0275(COD))

and

on the proposal for a Council Decision on the implementation of a programme to encourage the development, distribution and promotion of European audiovisual works (MEDIA Plus - Development, Distribution and Promotion) (2001-2005)

(COM(1999) 658 – C5-0119/2000 – 1999/0276(CNS))

Committee on Culture, Youth, Education, the Media and Sport

Rapporteur: Ruth Hieronymi

Draftsman of the opinion*

Mr. Michel Rocard, Committee on Employment and Social Affairs

* Hughes procedure

Symbols for procedures

- * Consultation procedure
majority of the votes cast
- **I Cooperation procedure (first reading)
majority of the votes cast
- **II Cooperation procedure (second reading)
*majority of the votes cast, to approve the common position
majority of Parliament's component Members, to reject or amend
the common position*
- *** Assent procedure
*majority of Parliament's component Members except in cases
covered by Articles 105, 107, 161 and 300 of the EC Treaty and
Article 7 of the EU Treaty*
- ***I Codecision procedure (first reading)
majority of the votes cast
- ***II Codecision procedure (second reading)
*majority of the votes cast, to approve the common position
majority of Parliament's component Members, to reject or amend
the common position*
- ***III Codecision procedure (third reading)
majority of the votes cast, to approve the joint text

(The type of procedure depends on the legal basis proposed by the Commission)

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*Hughes procedure

PROCEDURAL PAGE

By letter of 28 January 2000 the Commission submitted to Parliament, pursuant to Article 251(2) and Article 150 of the EC Treaty, the proposal for a European Parliament and Council decision on the implementation of a training programme for professionals in the European audiovisual programme industry (MEDIA - Training) (2001-2005) (COM(1999) 658 - 1999/0275 (COD)).

At the sitting of 14 February 2000 the President of Parliament announced that she had referred this proposal to the Committee on Culture, Youth, Education, the Media and Sport as the committee responsible and the Committee on Budgets, the Committee on Employment and Social Affairs, the Committee on Industry, External Trade, Research and Energy and the Committee on Legal Affairs and the Internal Market for their opinions (C5-0059/2000).

By letter of 6 March 2000 the Council consulted Parliament, pursuant to Article 157(3) of the EC Treaty, on the proposal for a Council Decision on the implementation of a programme to encourage the development, distribution and promotion of European audiovisual works (MEDIA Plus - Development, Distribution and Promotion) (2001-2005) (COM(1999) 658 – 1999/0276(CNS)).

At the sitting of 13 March 2000 the President of Parliament announced that she had referred this proposal to the Committee on Culture, Youth, Education, the Media and Sport as the committee responsible and to the Committee on Budgets, the Committee on Employment and Social Affairs, the Committee on Industry, External Trade, Research and Energy and the Committee on Legal Affairs and the Internal Market for their opinions (C5-0119/2000).

At the sitting of 18 February 2000 the President of Parliament had announced that this report was to be drawn up, in accordance with the Hughes procedure, by the Committee on Culture, Youth, Education, the Media and Sport and the Committee on Employment and Social Affairs (1999/0275(COD)).

The Committee on Culture, Youth, Education, the Media and Sport had appointed Ruth Hieronymi rapporteur at its meeting of 22 February 2000.

At its meeting of 25 May 2000 the Committee on Legal Affairs and the Internal Market adopted its opinion containing a change to the legal basis for proposal 1999/0276(CNS).

The Committee on Culture, Youth, Education, the Media and Sport considered the Commission proposal and draft report at its meetings of 24 May 5 and 21 and 22 June 2000.

I. At the last meeting it adopted the draft legislative resolution unanimously.

The following were present for the vote: Gargani, chairman; Graça Moura and Iivari, vice-chairmen; Hieronymi, rapporteur; Alavanos, Andreasen, Aparicio Sanchez, de La Perriere, Evans (for Gröner), Fiori (pursuant to Rule 153(2)), Fraisse, Gutiérrez-Cortines (for Heaton-Harris), Karas (for Perry), Manisco, Marinos (for de Veyrac), Martens, Mauro, Mennea, Okking, O'Toole, Pack, Prets, Roure, Sander-Ten Holte, Scallon (for Ridruejo), Van Brempt, Vander Taelen, Vattimo (for Zorba), Wyn, Zabell Lucas and Zissener.

II. At the last meeting it adopted the draft legislative resolution unanimously.

The following were present for the vote: Gargani, chairman; Graça Moura and Iivari, vice-chairmen; Hieronymi, rapporteur; Alavanos, Andreasen, Aparicio Sanchez, de La Perriere, Evans (for Gröner), Fiori (pursuant to Rule 153(2)), Fraisse, Gutiérrez-Cortines (for Heaton-Harris), Karas (for Perry), Manisco, Marinos (for de Veyrac), Martens, Mauro, Mennea, Okking, O'Toole, Pack, Prets, Roure, Sander-Ten Holte, Scallon (for Ridruejo), Van Brempt, Vander Taelen, Vattimo (for Zorba), Wyn, Zabell Lucas and Zissener.

The opinions of the Committee on Budgets, the Committee on Employment and Social Affairs (on proposal 1999/0275(COD)), the Committee on Industry, External Trade, Research and Energy and the Committee on Legal Affairs and the Internal Market containing a change to the legal basis for proposal 1999/0276(CNS) are attached.

The report was tabled on 23 June 2000.

The deadline for tabling amendments will be indicated in the draft agenda for the relevant part-session.

LEGISLATIVE PROPOSAL

Proposal for a for a decision of the European Parliament and of the Council on the implementation of a training programme for professionals in the European audiovisual programme industry (MEDIA - Training) (2001-2005) (COM(1999) 658 – C5-0059/2000 – 1999/0275(COD))

The proposal is amended as follows:

Text proposed by the Commission ¹

Amendments by Parliament

(Amendment 1)
Recital 4a (new)

The importance of establishing a Guarantee Fund has been acknowledged on several occasions by the European Parliament and the Commission as one of the measures required, together with other means, for the development of an independent audiovisual industry that encourages new talent and develops European cultural content.

Justification:

It is important also to stress, together with the other actions taken by the European institutions, the setting up of the Guarantee Fund which the European Parliament also supports.

(Amendment 2)
Recital 6a (new)

The digital revolution and the new media are making it possible to create innovative audio-visual works and call for a sure grasp of new technologies. Greater efforts must be made to train professionals in the audio-visual sector in these technologies

¹ Not yet published in OJ.

so that they can retain their global competitiveness.

Justification:

The new online technologies offer a range of new digital production methods and make it possible to create entirely new types of audio-visual product. 'Media-Training' must make particular reference to training in these fields.

(Amendment 3)

Recital 8

The extraordinary European Council on Employment held in Luxembourg on 20 and 21 November 1997 recognised that continuous education and vocational training can make a major contribution to the employment policies of the Member States with a view to improving suitability for employment, adaptability and the spirit of enterprise, and promoting equality of opportunities.

The extraordinary European Council on Employment held in Luxembourg on 20 and 21 November 1997 recognised that continuous education and vocational training can make a major contribution to the employment policies of the Member States with a view to improving suitability for employment, adaptability and the spirit of enterprise, and promoting equality of opportunities.

The conclusions of the Lisbon Summit of 24 March 2000 also emphasised the importance of appropriate training, particularly in the new technologies used by the information society.

Justification:

Reference should be made to the conclusions of this European Council meeting, which had important repercussions for training policy and took place after the Commission proposal was submitted.

(Amendment 4)
Recital 9a (new)

It is appropriate to facilitate the development of investment in the European cinema industry by calling on the Member States to pursue a policy of making sums reinvested for the creation of new jobs tax-deductible.

Justification:

Calling on Member States to pursue a policy of making such expenditure tax-deductible is one means of assisting the creation of new jobs

(Amendment 5)
Recital 13b (new)

Without prejudice to the possibility of reviewing the financial perspective ceiling to ensure that the Media programme will be in a position to implement its objectives, the Commission should arrange for additional funding to support European audio-visual projects, including funding to cover in-service training programmes for professionals. The sources of such funding include in particular cooperation with the European Investment Bank and the European Investment Fund, and networking with the 5th Research Framework Programme and the ‘e-Europe’ initiative, with the Commission’s relevant action plan and with the EU’s Structural and Regional Funds. Information about these possibilities aimed at professionals in the audiovisual sector should be presented in an integrated form.

Justification:

It is not only necessary to provide for extra funding possibilities for encouraging the European audiovisual sector. Information for professionals about such possibilities should also be presented in an accessible and comprehensive form.

(Amendment 6)
Recital 15a (new)

Priority should be given to the development of training programmes for professionals specialising in the management and distribution of audiovisual works on the international market, which would mean lending particular support to measures for:

- ***specialised training in intellectual property rights for audiovisual works, whatever their format and whatever the medium through which they are disseminated;***
- ***specialised training in the marketing of audiovisual products, focusing in particular on the new technologies as dissemination and marketing vehicles.***

Justification:

Whilst the programme actually covers this area already, there is a need to give priority to training for professionals specialised in the managing the distribution of audiovisual works across Europe and on the international market. Knowledge of intellectual property rights for audiovisual works or the marketing of audiovisual products, to give two obvious examples, is vital to those people who will be implementing the main aims of the Community programme.

(Amendment 7)
Recital 17

The initial training for professionals should comprise the essential economic, legal ***and*** technological content. The rapid changes in these subjects makes continuous training necessary.

Training for professionals should comprise the essential economic, legal, technological ***and business*** content. The rapid changes in these subjects makes continuous training necessary.

Justification:

An addition to the drafted text is sought here.

(Amendment 8)

Recital 18

The networking of vocational training centres should be encouraged in order to facilitate the exchange of know-how,

In accordance with the principles of subsidiarity, the networking of vocational training centres should be encouraged in order to facilitate the exchange of know-how and the best practices in an international environment.

Justification:

Networking of vocational training centres in Europe shall respect the principle of subsidiarity and avoid the overlap with national measures.

The exchange of know how of professionals who work on an international scale shall be fostered.

(Amendment 9)

Recital 19a (new)

Given the convergence in the audiovisual sector and the IT and telecommunications sector, it is important to use the measures under the MEDIA Plus programme to ensure proper compliance with new Community rules on intellectual property. This need is all the more evident insofar as it is the Internet, in its various forms, which represents one of the new leading means of disseminating audiovisual works.

Justification:

Managing content on the Internet involves making an infinite number of copies of the information circulating on it. The cache technique is an example of how a traditional copy can be altered, and also helps bring down consumption costs. That said, this results in a loss of 'control' over the distribution of content on the part of the owners of rights. Likewise, control over the number of real 'hits' registered by a given page of content is lost. The more popular the content, the more difficult it becomes to control. Passwords, cookies and other protection devices have so far failed to solve the problem, hence the call for adequate protection of these rights.

(Amendment 10)
Recital 25a (new)

In accordance with the decision of the Lisbon Council, the Council and Commission are to report by the end of 2000 on the ongoing review of the EIB and EIF financial instruments, in order to redirect the financing of business start-ups, high-tech firms and micro-enterprises as well as other risk capital initiatives proposed by the EIB. In this connection, particular attention should be paid to the audio-visual sector, including in-service training programmes.

Justification:

The Council decision at the Lisbon summit should produce concrete results as soon as possible for the European film industry and audiovisual content industries, including the training field.

(Amendment 11)
Recital 27

In accordance with Article 2 of Council Decision 1999/468/EC of 28 June 1999, laying down the procedures for the exercise of implementing powers conferred on the Commission, measures for the implementation of this Decision should be adopted by use of the **advisory** procedure provided for in Article 3 of that Decision.

In accordance with Article 2 of Council Decision 1999/468/EC of 28 June 1999, laying down the procedures for the exercise of implementing powers conferred on the Commission [30], measures for the implementation of this Decision should be adopted by use of the **management** procedure provided for in Article 4 of that Decision.

Justification:

*The Media Committee should have clearly defined **management** powers and should guarantee Parliament's right to be informed about the implementation of the programme in accordance with the comitology decision (1999/468/EC)*

(Amendment 12)
Article 1 second paragraph

The programme is intended to give professionals in the audiovisual industry the necessary skills to allow them to take

The programme is intended to give professionals in the audiovisual industry, **through continuous vocational training,**

full advantage of the European and international dimension of the market and of the use of new technologies.

the necessary skills to allow them to take full advantage of the European and international dimension of the market and of the use of new technologies.

Justification:

Clarifying on the basis of the subsidiarity principle, the measures eligible for support.

(Amendment 13)
Article 2(1)(a), opening clause

(a) To meet the industry's needs and promote competitiveness by improving the continuous vocational training of professionals in the audiovisual **industry**, with a view to giving them the know-how and skills needed to take account of the European and other markets, in particular in the field of:

(a) To meet the industry's needs and promote competitiveness by improving the continuous vocational training of professionals in the audiovisual **sector**, with a view to giving them the know-how and skills needed to take account of the European and other markets, in particular in the field of:

Justification:

'Media-Training' seeks to strengthen the audio-visual industry and its associated jobs and to enhance cultural diversity in the European Union. The term 'audiovisual industry' should thus be replaced wherever possible with 'audiovisual sector' in order to stress the equal value given to these two objectives of Media Plus.

(Amendment 14)
Article 2(1)(a), third indent

- script-writing techniques.

- script-writing techniques **and storytelling.**

Justification:

Good scripts are a prerequisite for good films. Creative potential in Europe should be strengthened by mentioning training in storytelling.

(Amendment 15)
Article 2(1)(a)

1. The objectives of the programme are as follows:

(a) To meet the industry's needs and promote competitiveness by improving the continuous vocational training of

1. The objectives of the programme are as follows:

(a) To meet the industry's needs and promote competitiveness by improving the continuous vocational training of

professionals in the audiovisual industry, with a view to giving them the know-how and skills needed to take account of the European and other markets, in particular in the field of:

- application of the new technologies, and in particular digital technologies, for the production of audiovisual programmes with a high commercial and artistic added value;
- economic, financial and commercial management, including the legal framework and the techniques for the financing, production and distribution of audiovisual programmes;
- script-writing techniques.

professionals in the audiovisual industry, with a view to giving them the know-how, skills **and specialist material needed to create competitive products on** the European and other markets, in particular in the field of:

- application of the new technologies, and in particular digital technologies, for the production of audiovisual programmes with a high commercial and artistic added value;
- economic, financial and commercial management, including the legal framework and the techniques for the financing, production and distribution of audiovisual programmes;
- script-writing techniques.

As regards the use of new script-writing techniques and the formation of teams of script-writers for all types of programme, account should be taken of the problems involved in devising the resulting script where intellectual property (equity claims and moral rights alike) is concerned.

Justification:

Large audiovisual production companies and large television companies are increasingly adopting US-style practices, in that they hire a team of individuals to work together on a script for a series or film. These individuals are script-writers and as such authors, and the companies in which they work must respect the moral rights and equity claims enjoyed by the former over the work they have performed.

(Amendment 16)

Article 2(1)(a), first indent

- application of the new technologies, and in particular digital technologies, for the production of audiovisual programmes with a high commercial and artistic added value;

- application of the new technologies, and in particular digital technologies, for the production **and dissemination** of audiovisual programmes with a high commercial and artistic added value;

Justification:

It is crucial that the training programme include the newly discovered opportunities for dissemination afforded by the new technologies. Professionals in the European audiovisual and cinema industry should undergo such training in order to adapt to the new forms of dissemination and thus give maximum prominence to their works in the digital environment.

(Amendment 17)

Article 2(1)(a), third subparagraph

Certain initial training measures in which the industrial sector is directly involved, such as masters' degrees, may also be supported if no other Community support is available and in fields for which there are no support measures at national level.

As an exception certain initial training measures in which the industrial sector is directly involved, such as masters' degrees ***or other relevant specialised courses***, may also be supported ***by means of additional funding*** if no other Community support is available and in fields for which there are no support measures at national level. ***However, support for such courses should come primarily from the European Social Fund.***

Justification:

The creation of new jobs in the European audiovisual industry will require substantial investment in initial training aimed in particular at young people. Since Media-Training receives only limited funding, such courses should be funded primarily by the ESF, which has the necessary resources. For reasons of subsidiarity and because of the limited funding available, initial training measures should only exceptionally be included in the programme.

(Amendment 18)

Article 2(1)(a) new indent

(1a) fostering training, so that Europe can play a leading role in developing competitive production and post-production technologies.

Justification:

The United States dominates the production and post-production sectors at present, thanks to its greater experience and familiarity with state-of-the-art technologies. Europe must take on board the need for it to make progress in technological innovation if it is to compete with other countries as an equal.

(Amendment 19)

Article 2(1)(a), fourth indent (new)

**– format development techniques
extending beyond drama and
documentaries.**

Justification:

This provision aims to ensure that European audiovisual professionals can be trained to develop techniques for creating audiovisual formats not confined merely to drama and documentaries. The market segment concerned is one which European production has penetrated only barely, if at all, but the sector has the potential for substantial expansion, not least because new forms of transmission (new technologies such as the Internet and so forth) have now become established. This amendment should be viewed in conjunction with other amendments to the text seeking to safeguard the European cultural heritage.

(Amendment 20)
Article 2(1)(b)

(b) To encourage cooperation and the exchange of know-how through **networking** between the partners **involved in** the training, such as training establishments, the professional sector and undertakings, **as well as through developing training for the trainers.**

Particular importance will be attached to encouraging the **gradual** establishment of networks **between the activities and the existing training establishments.**

(b) To encourage cooperation and the exchange of know-how **and model procedures** between **relevant** partners **for the** training, such as training establishments, the professional sector and undertakings.

Particular importance will be attached to the establishment of networks **in the audiovisual training sector and training for the trainers.**

Justification:

The main aim of the amendment is to improve the wording of the text. Paragraph 1(b) defines the general objective (cooperation on training) and the subparagraph sets out the means of obtaining the objective (networking). The provisions concerning the practical implementation of the measures are transferred to the annex. The amendment is therefore directly related to Amendment 6.

(Amendment 21)
after Article 2(2) (new)

In selecting supported activities, the Commission shall, in addition to the priorities set out in paragraph 2, take particular account of the following criteria:

- **partnership between training establishments, the professional sector and undertakings;**
- **the innovatory nature of the measure;**
- **the multiplier effect of the measure (including utilisable results, e.g. manuals)**
- **the cost-effectiveness of the measure;**
- **availability of other national or Community support measures;**

Justification:

The Commission's proposal contains no criteria for support. In view of the limited budget, however, priorities - as defined in the amendment - must be introduced

(Amendment 22)
Article 3

In order to achieve maximum coordination, the Commission will ensure that there is collaboration between the training activities and the development projects supported under the MEDIA Plus programme. In this context, information about the support mechanisms provided by the programme shall be given to the professionals taking part in the continuous training activities.

In order to achieve maximum coordination, the Commission will ensure that there is collaboration between the training activities and the development projects supported under the MEDIA Plus programme. In this context, information about the support mechanisms provided by the programme shall be given to the professionals taking part in the continuous training activities. ***The Commission will also ensure coordination between the programme and the other Community programmes in the field of initial and continuous vocational training, and with the operations of the European Social Fund.***

Justification:

In the explanatory memorandum to its proposal, the Commission points to the need for coordination with the Socrates and Leonardo programmes, though there is no direct reference to this in the proposal itself. In addition, there is a need for coordination with the

operations of the European Social Fund, the most important Community instrument of active employment policy, since the measures contained in the proposal have obvious points of contact with the tasks of the ESF. The amendment is closely related to Amendment 5 in this respect.

(Amendment 23)

Article 4 (3)

The Commission shall ensure that, as far as possible, **at least 10%** of the funding available **each year** is reserved for new activities

The Commission shall ensure that, as far as possible, **an appropriate proportion** of the funding **annually** available, **to be determined in accordance with the procedure laid down in Article 5, is reserved** for new activities.

Justification:

The Commission and the MEDIA Committee shall each year select an appropriate number of new activities to receive support from the MEDIA Programme in order to facilitate innovation in the training measures.

(Amendment 24)

Article 4(5)

5. The financial framework for implementing this programme for the period set out in Article 1 shall be **EUR 50 million.**

5. The financial framework for implementing this programme for the period set out in Article 1 shall be **EUR 70 million.**

Justification:

Particularly in the light of the new digital challenges in the training sector as elsewhere, this increase in the funding for Media is the bare minimum. The European Parliament was already calling for ECU 58 m in 1995

(Amendment 25)

Article 5, paragraph 2 (new)

The Commission shall be responsible for implementing the programme, in accordance with the procedures referred to in Article 6(2) and with the rules contained in the Annex.

1. The Commission shall be responsible for implementing the programme, in accordance with the procedures referred to in Article 6(2) and with the rules contained in the Annex.

2. Technical assistance is ruled by the provisions taken in the context of the Financial Regulation.

Justification:

The ongoing Reform process aiming at replacing TAOs by executive bodies managed by Commission staff will be stated in the new Financial Regulation and apply to all new programmes.

(Amendment 26)
Article 6

1. The Commission shall be assisted by **an advisory** committee ("the MEDIA Committee") composed of **representatives of the Member States** and chaired by the representative of the Commission.

1. The Commission shall be **responsible for implementing the programme** and assisted by **a management** committee ("the MEDIA Committee") composed of **one representative per Member State, with proven experience and expertise in the sector**, and chaired by the representative of the Commission.

2. Where reference is made to this paragraph, the **advisory** procedure laid down in Article 3 of Decision 1999/468/EC shall apply, in compliance with Article 7(3) and Article 8 thereof.

2. Where reference is made to this paragraph, the **management** procedure laid down in Article 3 of Decision 1999/468/EC shall apply, in compliance with Article 7(3) and Article 8 thereof.

Justification:

The Media Committee should have clearly defined management powers and should ensure that Parliament is informed about the implementation of the programme, in accordance with the comitology decision (1999/468/EC).

(Amendment 27)
Article 7(5)

5. The programme shall also be open to the participation of other third countries on the basis of supplementary appropriations and the specific arrangement to be established in the agreement between the interested parties. The European third countries referred to in paragraph 3 which do not wish to participate fully in the programme may be eligible for cooperation under the conditions set out in this paragraph.

5. The programme shall also be open to the participation of other third countries on the basis of supplementary appropriations and the specific arrangement, **including cost sharing under agreed procedures**, to be established in the agreement between the interested parties. **The inclusion of third countries must be encouraged because it makes for a cultural exchange that can serve to disseminate the democratic ideas**

and the values, traditions, history, and culture which Europe embodies and symbolises. The European third countries referred to in paragraph 3 which do not wish to participate fully in the programme may be eligible for cooperation under the conditions set out in this paragraph.

Justification:

The inclusion of third countries is central to the spread of European cultural products, a vehicle for disseminating the ideas that Europe embodies. Moreover, it must serve to ensure that European products can provide a world-wide alternative to American products.

(Amendment 28)

Article 8(1)

1. The Commission shall ensure that measures taken under this Decision are subject to prior appraisal, and to subsequent monitoring and evaluation.

1. The Commission shall ensure that measures taken under this Decision are subject to prior appraisal, and to subsequent monitoring and evaluation, ***taking care to maximise the accessibility of the programme and the transparency of the criteria used in decision-making.***

Justification:

Transparency is essential for users and others.

(Amendment 29)

Article 8(4)

The Commission shall present to the European Parliament, the Council, the Economic and Social Committee, and the Committee of the Regions an evaluation report on the impact and effectiveness of the programme, on the basis of the results after two years of implementation.

The report shall be accompanied, if need be, by any proposal regarding adjustment, including budgetary adjustments.

The Commission shall present to the European Parliament, the Council, the Economic and Social Committee, and the Committee of the Regions an evaluation report on the impact and effectiveness of the programme, on the basis of the results after two years of implementation.

The report shall be accompanied, if need be, by any proposal regarding adjustment, including budgetary adjustments.

In addition, the evaluation report should include, as an assessment gauge, the number of participants in these training programmes who have succeeded in

finding jobs in the sector they have been trained to work in or the number of beneficiaries who have set up their own business, and the extent of the flow of individuals and products between European countries.

Justification:

This is a highly useful gauge in monitoring and assessing the results of the subsidised measures, and in remedying flaws in the programme.

(Amendment 30)

Article 8(5)

5. On completion of the programme, the Commission shall present to the European Parliament, the Council, the Economic and Social Committee, and the Committee of the Regions a report on the implementation and results of the programme.

5. On completion of the programme, the Commission shall present to the European Parliament, the Council, the Economic and Social Committee, and the Committee of the Regions a **detailed** report on the implementation and results of the programme. **The Commission's report shall, in particular, give an account of the value added created by the Community's financial support, its possible impact on employment, and the coordinating measures referred to in Article 3.**

Justification:

Only with the aid of a detailed report will it be possible to gauge the real impact of the programme, as reflected in the long-term value added generated by the training of professionals. A detailed assessment should also be made in order to ascertain how far training has helped to create new jobs. The amendment takes over the European Parliament's proposals in its legislative resolution on the programme's predecessor and expands on Amendment 4 by requiring the Commission to report on coordination between the programme, other Community programmes in the field of initial and continuous vocational training, and the operations of the European Social Fund.

(Amendment 31)

Annex, point 1

1. MEASURES TO BE IMPLEMENTED
In support of and in addition to the measures being undertaken by the Member States, the programme aims to permit

1. MEASURES TO BE IMPLEMENTED
In support of and in addition to the measures being undertaken by the Member States, the programme aims to permit

professionals to adapt to the dimension of the market, and in particular the European market, for audiovisual works, by promoting vocational training in economic, financial and commercial management, including the legal framework, distribution and marketing, as well as in the new technologies (including the conservation and exploitation of the European film and audiovisual heritage) **and** script-writing techniques.

professionals to adapt to the dimension of the market, and in particular the European market, for audiovisual works, by promoting vocational training in economic, financial and commercial management, including the legal framework, distribution and marketing, as well as in the new technologies (including the conservation and exploitation of the European film and audiovisual heritage), script-writing techniques, **and audiovisual format development techniques not confined to drama and documentaries.**

Justification:

Support for training to enable professionals to develop programme formats other than drama and documentaries will provide an incentive to produce such programmes on a Europe-wide scale and ensure in the medium to long term that European broadcasting organisations will have no need to buy non-European formats, as many professionals in the sector are doing at present. Formats produced in Europe would help to reduce the influence and spread of cultural models that do not belong to the tradition of our continent and would enhance the employment and economic growth potential of this segment of the audiovisual industry, not least in view of the fact that new transmission technologies are being used more and more widely.

(Amendment 32)
Article Annex 1.1

This training aims to develop the ability of professionals to use advanced creation techniques, in particular in the fields of animation, computer graphics, multimedia and interactive applications.

This training aims to develop the ability of professionals to use advanced creation techniques, in particular in the fields of animation, computer graphics, multimedia **(non-network multimedia and all likely multimedia network transmission applications)** and interactive applications.

Justification:

Non-network multimedia are the traditional multimedia (CDs etc.). Network multimedia (involving not only the Internet, but other forms of communication) form a branch which will develop very rapidly over the next few years and will be the main vehicle for the dissemination of cultural values.

(Amendment 33)
Annex 1.1

Training in the new technologies

This training aims to develop the ability of professionals to use advanced creation techniques, in particular in the fields of animation, computer graphics, multimedia and interactive applications.

Training in the new technologies

This training aims to develop the ability of professionals to use advanced creation techniques, in particular in the fields of animation, computer graphics, multimedia, **radio** and interactive applications.

Justification:

The digital revolution and the new technologies challenge the professionals in all fields of the audiovisual sector, also in radio-broadcasting.

(Amendment 34)

Annex, 1.2, subparagraph 1

This training aims to develop the ability of professionals to appreciate and use the European dimension in the development, production, marketing and distribution/dissemination of audiovisual programmes.

This training aims to develop the ability of professionals to appreciate and use the European dimension in the development, production, marketing and distribution/dissemination of audiovisual programmes, **including in the radio and multimedia sectors**.

Justification:

Such training must also be aimed at radio professionals with a view to facilitating the changeover to digital production methods in this sector of the audiovisual industry.

(Amendment 35)

Annex 1.3, first paragraph

This training is intended for experienced script-writers with a view to improving their ability to develop techniques based on both conventional and interactive script-writing methods.

This training is intended for experienced script-writers **and directors** with a view to improving their ability to develop techniques based on both conventional and interactive script-writing **and storytelling** methods.

Justification:

Good scripts are a prerequisite for good films. Creative potential in Europe should be enhanced by mentioning training in storytelling and by the training of directors in this field.

(Amendment 36)
Annex, 1.3, first indent

- Promoting the development and updating of the training modules for identifying target audiences; publication and development of scripts for an international audience; relations between the script-writer, the script editor, the producer and the distributor;
- Promoting the development and updating of the training modules for identifying target audiences; publication and development of scripts for an international audience, **while maintaining high standards**; relations between the script-writer, the script editor, the producer and the distributor;

Justification:

The European audiovisual industry – in particular the cinema sector - has a long tradition of producing high-quality products, especially when compared with the American products which currently dominate the market. While European audiovisual products need to be adopted for distribution and sale on the international market, attention needs to be drawn to the cultural content of those products.

(Amendment 37)
Annex, point 1.4a (new)

1.4a. Audiovisual format development techniques beyond drama and documentaries

Training in this area is intended to develop and improve the ability of audiovisual professionals to create audiovisual formats not confined to drama and documentaries.

Justification:

Support for training to enable professionals to develop programme formats other than drama and documentaries will provide an incentive to produce such programmes on a Europe-wide scale and ensure in the medium to long term that European broadcasting organisations will have no need to buy non-European formats, as many professionals in the sector are doing at present. Formats produced in Europe would help to reduce the influence and spread of cultural models that do not belong to the tradition of our continent and enhance the employment and economic growth potential of this segment of the audiovisual industry, not least in view of the fact that new transmission technologies are being used more and more widely.

(Amendment 38)
Annex 2.1

2.1. Approach

2.1. Approach

In implementing the programme, the Commission will work closely with the Member States. It will also consult the partners concerned. It will ensure that the participation of professionals reflects adequately Europe's cultural diversity. It will encourage designers of training modules to cooperate with institutions, the professional sector and undertakings in their work. It will facilitate the presence of trainees, particularly from countries and regions with a low production capacity and/or a restricted linguistic and geographical area.

In implementing the programme, the Commission **and the Media Committee** will work closely with the Member States. It will also consult the partners concerned. It will ensure that the participation of professionals reflects adequately Europe's cultural diversity. It will encourage designers of training modules to cooperate with institutions, the professional sector and undertakings in their work. It will facilitate the presence of trainees, particularly from countries and regions with a low production capacity and/or a restricted linguistic and geographical area.

Justification:

The Media Committee complements the work of the Commission in implementing the programme. This amendment also strengthens Parliament's right to be informed.

(Amendment 39)

Annex 2.3.1, first paragraph

The Commission shall implement the programme. To this end, it **may** call upon consultants and technical assistance offices to be selected, after a call for proposals, on the basis of their expertise in the sector. The technical assistance will be financed by the programme's budget. In accordance with the procedure referred to in Article 6(2), the Commission may also conclude partnerships for *ad hoc* operations with specialised bodies, such as Audiovisual Eureka, in order to implement joint measures which meet the objectives of the programme in the field of training.

The Commission shall implement the programme **in accordance with the procedure laid down in Article 6**. To this end, it **shall** call upon consultants and technical assistance offices to be selected, after a call for proposals, on the basis of their expertise in the sector. The technical assistance will be financed by the programme's budget. In accordance with the procedure referred to in Article 6(2), the Commission may also conclude partnerships for *ad hoc* operations with specialised bodies, such as Audiovisual Eureka, in order to implement joint measures which meet the objectives of the programme in the field of training.

Justification:

The Commission should draw upon the expertise of the bodies involved in implementing MEDIA II.

(Amendment 40)
Annex paragraph 2.3.1, second paragraph

The Commission shall make the final selection of the beneficiaries of the programme and shall decide on the financial support to be granted, in accordance with Article 5.

The Commission shall make the final selection of the beneficiaries of the programme and shall decide on the financial support to be granted, in accordance with Article 5. ***The beneficiaries shall take steps to publicise the Community's support.***

Justification:

To make the use of Community funds more transparent to the general public, beneficiaries must refer to the Community's support in the context of the measures concerned.

(Amendment 41)
Annex 2.3.1, third paragraph

For the implementation of the programme, and in particular the assessment of the projects receiving funding under the programme, and for the networking measures, the Commission shall ensure that it makes use of the skills of recognised experts in the audiovisual sector in the fields of training, development, production, distribution and promotion.

For the implementation of the programme, and in particular the assessment of the projects receiving funding under the programme, and for the networking measures, the Commission shall ensure that it makes use of the skills of recognised experts in the audiovisual sector in the fields of training, development, production, distribution and promotion. ***In order to ensure the independence of the consultants and experts whose services it uses, the Commission shall lay down incompatibility provisions in respect of the participation of these groups of persons in the invitations to submit proposals under the programme.***

Justification:

In considering the technical assistance offices for the Leonard Programme, it was established that Commission experts and consultants were also acting as project promoters or had a close relationship with project promoters. As the consultants and experts used by the Commission have access to privileged knowledge, their participation in the programme as project promoters should be regarded as inappropriate.

(Amendment 42)
Annex 2.3.2 (new closing paragraph)

To that end, the Commission shall also provide via the Internet integrated information concerning all support arrangements available under the European Union's policies which are of relevance to the audiovisual sector.

Justification:

At present, the relevant information for professionals in the audiovisual sector is fragmented among the various Commission websites. There is no comprehensive overview, and this makes it very hard to find relevant information.

(Amendment 43)
Annex 2.3.2

2.3.2 Through appropriate measures, the Commission shall make known the opportunities offered by the programme and ensure its promotion.

In particular, the Commission and the Member States shall take the necessary measures, by continuing the activities of the network of MEDIA Desks and Antennae, and by ensuring that the skills of the latter are strengthened, in order to:

- ensure that the programme is publicised and promoted;
- encourage the greatest possible participation of professionals in the measures under the programme;
- assist professionals in presenting their projects in response to calls for proposals;
- foster transfrontier cooperation between professionals;
- act as a relay between the various support bodies in the Member States with a view to ensuring that the measures under this

2.3.2 Through appropriate measures, the Commission shall make known the opportunities offered by the programme and ensure its promotion.

In particular, the Commission and the Member States shall take the necessary measures, by continuing the activities of the network of MEDIA Desks and Antennae, and by ensuring that the skills of the latter are strengthened, in order to:

· inform professionals in the audiovisual sector of all support arrangements available under European Union policies which are relevant to their professions;

- ensure that the programme is publicised and promoted;
- encourage the greatest possible participation of professionals in the measures under the programme;
- assist professionals in presenting their projects in response to calls for proposals;
- foster transfrontier cooperation between professionals;
- act as a relay between the various support bodies in the Member States with a view to ensuring that the measures under this

programme are complementary to the national support measures.

programme are complementary to the national support measures.

Justification:

The Media Desks and antennae are the selected organisations for providing professionals with integrated information on a horizontal basis concerning the many – though not always transparent – possibilities for support which the European Union offers them, including the Fifth Framework Programme for Research, the e-Europe initiative, the Structural and Regional Funds, and cooperation with the European Investment Bank and the European Investment Fund.

DRAFT LEGISLATIVE RESOLUTION

European Parliament legislative resolution on the proposal for a decision of the European Parliament and of the Council on the implementation of a training programme for professionals in the European audiovisual programme industry (MEDIA Plus - Training) (2001-2005) (COM(1999) 658 – C5-0059/2000 – 1999/0275(COD))

(Codecision procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to the European Parliament and the Council (COM(1999) 658¹),
 - having regard to Articles 251(2) and 150 of the EC Treaty, pursuant to which the Commission submitted the proposal to Parliament (C5-0059/2000)²,
 - having regard to Rule 67 of its Rules of Procedure,
 - having regard to the report of the Committee on Culture, Youth, Education, the Media and Sport and the opinions of the Committee on Budgets, the Committee on Employment and Social Affairs, the Committee on Industry, External Trade, Research and Energy and the Committee on Legal Affairs and the Internal Market (A5-0186/2000),
1. Approves the Commission proposal as amended;
 2. Asks to be consulted again should the Commission intend to amend its proposal substantially or replace it with another text;
 3. Instructs its President to forward its position to the Council and Commission.

¹ Not yet published in OJ.

² Not yet published in OJ.

II

LEGISLATIVE PROPOSAL

Proposal for a for a decision of the Council on the implementation of a programme to encourage the development, distribution and promotion of European audiovisual works (Media Plus - Development, Distribution and Promotion) (2001-2005) (COM(1999) 658 – C5-0119/2000 – 1999/0276(COD))

The proposal is amended as follows:

Text proposed by the Commission ¹

Amendments by Parliament

(Amendment 1)
Citation 1

Having regard to the Treaty establishing the European Community, and in particular Article 157(3) thereof,

Having regard to the Treaty establishing the European Community, and in particular Article 157(3) **and Article 151(5) in conjunction with Article 151(2), fourth indent**, thereof,

Justification:

As in the European Parliament Decision of 16 June 1995 on Media II, Article 151 of the EC Treaty, on culture, should be taken as the legal basis in addition to Article 157(3) (industry). Reference to Article 151 as a legal basis also enables Parliament to be involved in codecision.

(Amendment 2)
Recital 1

(1) From 6 to 8 April 1998, the Commission, in collaboration with the United Kingdom presidency, held a European audiovisual conference on "Challenges and opportunities of the digital age", in Birmingham. This consultation process revealed the need for an enhanced programme of support for the European audiovisual **industry**,

(1) From 6 to 8 April 1998, the Commission, in collaboration with the United Kingdom presidency, held a European audiovisual conference on "Challenges and opportunities of the digital age", in Birmingham. This consultation process revealed the need for an enhanced programme of support for the European audiovisual

¹ Not yet published in OJ.

in particular in the area of the development, distribution and promotion of European audiovisual works. In the digital age, activities in the audiovisual field contribute towards the creation of new jobs, particularly in the production and dissemination of audiovisual content;

sector, in particular in the area of the development, distribution and promotion of European audiovisual works **and, moreover**, in the digital age, activities in the audiovisual field contribute towards the creation of new jobs, particularly in the production and dissemination of audiovisual content;

Justification:

By altering the wording, the rapporteur would clarify the purpose of this programme. The term 'industry' is too narrow. The term 'audiovisual sector' should therefore be used throughout the proposal instead of 'audiovisual industry'.

(Amendment 3)
Recital 4a (new)

The importance of establishing a Guarantee Fund has been acknowledged on several occasions by the European Parliament and the Commission as one of the measures required, together with other means, for the development of an independent audiovisual industry that encourages new talent and develops European cultural content.

Justification:

It is important also to stress, together with the other actions taken by the European institutions, the setting up of the Guarantee Fund which the European Parliament also supports.

(Amendment 4)
Recital 8a (new)

In its Green Paper entitled 'Strategy options to strengthen the European programme industry in the context of the audiovisual policy of the European Union' (COM(94)96), the Commission launched as far back as 1994 a debate on the establishment of a European guarantee fund, and subsequently, having received positive reactions, submitted it as a formal

Commission proposal for a Council decision establishing a European Guarantee Fund to promote cinema and television production (COM(95)546), adopted by the European Parliament on 22 October 1996 (A4-304/1996, OJ C 41, 13.2.1996, p. 8),

Justification:

As long ago as 1996 the Commission submitted a proposal on setting up a European Guarantee Fund to promote cinema and TV production, but this was blocked in the Council owing to the requirement for unanimity.

(Amendment 5)
Recital 10

Does not affect EN text

Justification:

Translator's note: *The proposed change to the DE text brings it into line with the existing EN wording of the Commission document.*

(Amendment 6)
Recital 10a (new)

In its Conclusions on the Commission's mandate for the WTO negotiations in Seattle on 26 October 1999, the Council stated that:

'During the forthcoming WTO negotiations the Union will ensure, as in the Uruguay Round, that the Community and its Members States maintain the possibility to preserve and develop their capacity to define and implement their cultural and audiovisual policies for the purpose of preserving their cultural diversity.'

Justification:

In connection with the opening of the WTO negotiations in Seattle the Council stressed the particularly important role played by the audiovisual sector in protecting the cultural diversity of Europe in the Community and in the Member States.

(Amendment 7)
Recital 10b (new)

The European Parliament, in its resolution of 18 November 1999, in recognition of the European audiovisual sector's special role in sustaining cultural pluralism, a healthy economy and freedom of expression, reaffirmed its commitment to the freedom of action in the sphere of audiovisual policy obtained at the Uruguay Round, and took the view that the GATS rules on cultural services, in particular in the audiovisual sector, should not jeopardise the cultural diversity and autonomy of the WTO contracting parties.

Justification:

The European Parliament affirmed, in its resolution on the WTO Millennium Round in Seattle in November 1999, the particular importance of the audiovisual sector for the protection of cultural diversity.

(Amendment 8)
Recital 10c (new)

In order to increase the added value of the Community measures it is necessary to guarantee complementarity between, on the one hand, the measures taken in the context of this decision and other relevant Community measures, and on the other hand national forms of support including tax measures, and thus to ensure that there remains sufficient room for these national measures.

Justification:

Although Recital 10 already goes into this subsidiarity issue, it refers only to the Media II programme. This proposed recital 10a seeks to ensure that subsidiarity and complementarity are also retained in future.

(Amendment 9)
Recital 10d (new)

It is necessary to establish coherence between the present proposal and the action of the Commission on national funding for audiovisual development and production especially in the light of the preservation of cultural diversity. Therefore the principle of additionality should be respected;

Justification:

Member States with a small audiovisual capacity and small audience need to be able to continue to fund in a substantial way their national production.

(Amendment 10)
Recital 10e (new)

The need for coherence between the EC cultural, audiovisual and competition policies to be expressed in a regulation according to Article 89 of the EC Treaty that safeguards cultural diversity by allowing national schemes to foster adequately the potential for production in Member States;

Justification:

A regulation would be needed in order to clarify the relation between, on the one hand Art. 151, in particular Paragraph 2, indent 4, and, on the other hand, Art. 87. With regard to the fundamental importance of the promotion of diversity and high standard of European audiovisual content, rules ensuring coherence between State aid and cultural policy should be adopted in the form of a regulation rather than in the form of guidelines adopted by the Commission.

(Amendment 11)
Recital 11

It is necessary to take into account the cultural aspects of the audiovisual sector, in accordance with Article 151 of the Treaty.

Deleted

Justification:

Article 151 of the EC Treaty (culture) should be referred to in citation 1 as a legal basis of this programme (cf. amendment 1). Accordingly a reference to that article at this point is no longer necessary.

(Amendment 12)
Recital 11a (new)

The governments of the Member States are still called upon, at the forthcoming IGC, to incorporate the cultural and audiovisual industries expressly in Article 151 of the EC Treaty, since they constitute a central instrument for ensuring the cultural diversity of Europe.

Justification:

The Treaty of Amsterdam did not, contrary to the original intention, include the audiovisual industry in Article 151 of the EC Treaty (culture). This omission must be remedied at the next IGC.

(Amendment 13)
Recital 12

The advent of a European audiovisual market necessitates **the development** and production of European works originating from Member States as well as works originating from European third countries participating in the MEDIA Plus programme or having a cooperation framework satisfying the conditions set out in Article 6 of 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 pursuit of television

The advent of a European audiovisual market necessitates **active support for the creation** and production of European works originating from Member States as well as works originating from European third countries participating in the MEDIA Plus programme or having a cooperation framework satisfying the conditions set out in Article 6 of 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 pursuit of

broadcasting activities¹, as amended by European Parliament and Council Directive 97/36/EC².

television broadcasting activities¹, as amended by European Parliament and Council Directive 97/36/EC².

Justification:

It is worth remembering that the MEDIA Plus programme should also be a vehicle for artistic creation in the European audiovisual sector. There would be no apparent clash in a cultural programme between the development of a competitive industry and the diversity of the works created.

(Amendment 14)
Recital 12a (new)

In the next few years the digital revolution, together with new technologies such as the Internet, pay-per-view, Cyber Cinema etc., will mean that European audiovisual works will become more easily accessible thanks to new ways of transporting audiovisual content, and will become more widely available outside their country of origin.

Justification:

The opportunities offered by new technology will facilitate the circulation of and access to European audiovisual works, thus enhancing the cultural diversity of Europe.

(Amendment 15)
Recital 12b new

Consideration must be given to the possibility of establishing more precise guidelines for the treatment of public aids to the cinema and television programme production as well as a Communication on legal aspects relating to the cinema sector, covering, inter alia, matters such as the definition of European work, as announced by the Commission in the Communication

¹ OJ L 298, 17.10.1989, p. 23

² OJ L 202, 30.7.1997, p. 60

on "Principles and Guidelines for the Community's Audiovisual Policy in the Digital Age" (COM(1999) 657 Final of 14 December 1999.

Justification:

Audiovisual products have a cultural dimension. It might become necessary to establish more precise rules for public aids to the cinema and television programme production and/or to issue a Communication on legal aspects relating to the cinema sector in Europe. These possible objectives are already mentioned by the Commission in the cited Communication.

(Amendment 16)

Recital 13

13. The competitiveness of the audiovisual programme industry depends on the use of new technologies at the programme development, production and distribution stages. It is therefore appropriate to ensure suitable and effective coordination with the measures undertaken in the field of new technologies, in particular the Fifth Framework Programme of the European Community for research, technological development and demonstration activities (1998-2002), as adopted by Decision No 182/1999/EC of the European Parliament and of the Council.

13. The competitiveness of the audiovisual programme industry depends on the use of new technologies at the programme development, production and distribution stages. It is therefore appropriate to ensure suitable and effective coordination with the measures undertaken in the field of new technologies, in particular the Fifth Framework Programme of the European Community for research, technological development and demonstration activities (1998-2002), as adopted by Decision No 182/1999/EC of the European Parliament and of the Council, ***and in particular there should be coordinated efforts to make use of new opportunities for multilingual production.***

Justification

This amendment is self-explanatory.

(Amendment 14)

Recital 13

(13) The competitiveness of the audiovisual programme industry depends on the use of new technologies at the programme development, production and distribution stages. It is therefore appropriate to ensure suitable and effective coordination with the measures undertaken in the field of new technologies, in particular the Fifth Framework Programme of the European Community for research, technological development and demonstration activities (1998-2002), as adopted by Decision No 182/1999/EC of the European Parliament and of the Council.

(13) The competitiveness of the audiovisual programme industry depends on the use of new technologies at the programme development, production and distribution stages. It is therefore appropriate to ensure suitable and effective coordination with the measures undertaken in the field of new technologies, in particular the Fifth Framework Programme of the European Community for research, technological development and demonstration activities (1998-2002), as adopted by Decision No 182/1999/EC of the European Parliament and of the Council, ***and the future Sixth Framework Programme in order to make for consistency with the measures to be undertaken under that programme, focusing in particular on the needs and potential of small and medium-sized enterprises operating on the audiovisual market.***

Justification:

According to the spirit of the Fifth Framework Programme, small and medium-sized enterprises are regarded as the chief beneficiaries of future technological development and research. To make for consistency among the different Community measures relating to new technologies, this point needs to be stressed.

(Amendment 18)

Recital 13a (new)

Without prejudice to the possibility of reviewing the financial perspective ceiling to ensure that the Media programme will be in a position to implement its objectives, the Commission should arrange for additional funding to support European audio-visual projects. The sources of such funding include in particular cooperation with the European Investment Bank and the European Investment Fund, and networking with the 5th Research Framework Programme

and the ‘e-Europe’ initiative, with the Commission’s relevant action plan and with the EU’s Structural and Regional funds.

Justification:

The need to open up additional and complementary sources of funding to support the European audiovisual sector should be included among the objectives of the Media programme.

(Amendment 19)
Recital 13b (new)

The redirection of the European financial instruments must also take into account the chronic under-capitalisation of audiovisual productions in Europe and provide for measures to improve their access to capital markets, in particular to risk capital, and increase their competitiveness.

Justification:

The European audiovisual sector is suffering from the unwillingness of the capital market to make risk capital available, in particular for competitive major productions. The European financial institutions should therefore facilitate access to capital markets for European audiovisual firms.

(Amendment 20)
Recital 13c (new)

In accordance with the decision of the Lisbon Council, the Council and Commission are to report by the end of 2000 on the ongoing review of EIB and EIF financial instruments in order to redirect the financing of business start-ups, high-tech firms and micro-enterprises, as well as other risk-capital initiatives proposed by the EIB. In this connection, particular attention should be paid to the audiovisual sector.

Justification:

The Council's decision in connection with the Lisbon summit should have concrete results for the European film industry and audiovisual content industry as soon as possible.

(Amendment 21)
Recital 13d (new)

If the European audiovisual industry wants to be competitive, the production value of European audiovisual works need to be increased; in that connection it needs to be considered once again whether the establishment of a European Guarantee Fund, as proposed by the Commission on 16 November 1996 (COM(95)546 final), would contribute to achieving this end.

Justification:

In view of the fact that the production value of European films is too often inferior owing to a lack of adequate funding, it is worth reconsidering the value of and need for a European Guarantee Fund. The existence of such a fund might make investments in the audiovisual sector a lot more attractive.

(Amendment 22)
Recital 13e (new)

Without prejudice to the possibility of reviewing the financial perspective ceiling to ensure that the Media programme will be in a position to implement its objectives, the Commission should arrange for additional funding to support European audiovisual projects, including funding to cover in-service training programmes for professionals. The sources of such funding include in particular cooperation with the European Investment Bank and the European Investment Fund, and networking with the 5th Research Framework Programme and the 'e-Europe' initiative, with the Commission's relevant action plan and with the EU's Structural and Regional Funds. Information about these possibilities aimed at professionals in

the audiovisual sector should be presented in an integrated form.

Justification:

It is not only necessary to provide for extra funding possibilities for encouraging the European audiovisual sector. Information for professionals about such possibilities should also be presented in an accessible and comprehensive form.

(Amendment 23)

Recital 16

There is a need to improve the conditions for distributing European cinematographic works on the European and international markets. Cooperation between international and national distributors, cinema owners and producers should be encouraged and support should be given to concerted action to promote common scheduling measures at European level.

There is a need to improve the conditions for distributing European cinematographic works on the European and international markets. Cooperation between international and national distributors, cinema owners and producers should be encouraged; ***close networking by independent distributors should in particular be encouraged***, and support should be given to concerted action to promote common scheduling measures at European level.

Justification:

Especially the small and medium sized enterprises in the distribution sector need to take advantage of close cooperation and networking among themselves in order to improve the circulation of European audiovisual works.

(Amendment 24)

Recital 17

(17) There is ***a*** need for improvement in the television broadcasting prospects of European works on the European and international markets. Cooperation between broadcasters, (as defined in Article 2 of Directive 89/552/EEC, international distributors and producers should be encouraged.

(17) ***Given the leading role played by broadcasters in disseminating European works across the Member States, there is an urgent*** need for improvement in the television broadcasting prospects of European works on the European and international markets. Cooperation between broadcasters, (as defined in Article 2 of Directive 89/552/EEC, international distributors and producers should be ***strongly*** encouraged, ***since recent European feature films occupy far too weak a position on European TV channels. In most EU Member States, even films***

which have been successful at the box-office are only given limited and late access to TV broadcasting schedules outside the main broadcasting times.

Justification:

According to a study by the European Audiovisual Observatory, the showing of recent European feature films on European TV is at a far from satisfactory level. Even films which have been a success at the box-office are hardly ever shown on TV outside their country of origin. Measures must be taken as a matter of urgency to remedy this state of affairs.

(Amendment 25)
Recital 17a (new)

(17a) The European audiovisual production of independent large and small private companies should not be underestimated, but on the contrary turned to account, given that such companies can do much to boost the development of the European audiovisual sector.

Justification:

If it is to meet the challenge of the global market, it is vitally important that Europe should not overlook the considerable contribution of industries operating in the audiovisual sector that have entered into international partnerships within the EU.

(Amendment 26)
Recital 17a (new)

It is appropriate to facilitate the development of investment in the European cinema industry by calling on the Member States to pursue a policy of making sums reinvested for the creation of new jobs tax-deductible.

Justification:

Calling on Member States to pursue a policy of making such expenditure tax-deductible is one means of assisting the creation of new jobs

(Amendment 27)

Recital 18

(18) There is a need to facilitate market access for independent European production and distribution companies, and to promote both European works and European companies in the audiovisual sector.

(18) There is a need to facilitate market access for independent European production and distribution companies, and to promote both European works and European companies in the audiovisual sector, ***not least by simplifying the official administrative procedures applying to the Programme.***

Justification:

Quite a substantial portion of the budget is earmarked for technical administrative expenditure.

(Amendment 28)
Recital 19a (new)

European audiovisual undertakings are encouraged to digitise their archives and make their catalogues available through the new digital media.

Justification:

The digitisation of archives and catalogues of European audiovisual works is necessary in order to disseminate them over the new media.

(Amendment 29)
Recital 19b (new)

At any rate a high priority must be given to ensuring that financial resources are available to make Europe's cinematic heritage usable for the digital future.

Justification:

Europe's films of the 20th century are a unique audiovisual resource which can meet the demand for audiovisual content and thereby make an excellent contribution to enhancing the cultural diversity of Europe in the digital age.

(Amendment 30)
Recital 19c (new)

The MEDIA Plus programme should create an environment conducive to entrepreneurial skills and investment, so as to guarantee a place for the European audiovisual sector in the global economy and the effective promotion of cultural diversity.

Justification:

In the climate of convergence, content has a leading role to play in the new 'digital' economy.

(Amendment 31)
Recital 19d (new)

Account should be taken of the new issues relating to the new content which has emerged in this sector.

Justification:

It should be borne in mind that European regulations make no provision for global broadcasting systems such as the Internet, nor do they deal with the broadcasting of similar or equivalent content through different technological platforms and the implications thereof.

(Amendment 32)
Recital 19a (new)

(19a) Publicly and privately owned European companies, be they publishing houses, distributors, or broadcasting organisations, should be encouraged to digitise their archives and network their catalogues.

Justification:

If catalogues, wherever they might be found, were exploited in digital format, new broadcasting technologies could be put to use, and the production of the various European countries brought to wider notice.

(Amendment 33)
Recital 24

(24) In accordance with Article 2 of Council Decision 1999/468/EC of 28 June

(24) In accordance with Article 2 of Council Decision 1999/468/EC of 28 June

1999, laying down the procedures for the exercise of implementing powers conferred on the Commission [48], measures for the implementation of this Decision should be adopted by use of the **advisory** procedure provided for in **Article 3** of that Decision. [48] OJ L 184, 17.7.1999, p. 23

1999, laying down the procedures for the exercise of implementing powers conferred on the Commission [48], measures for the implementation of this Decision should be adopted by use of the **management** procedure provided for in **Article 4** of that Decision. [48] OJ L 184, 17.7.1999, p. 23

Justification:

The Media Committee should have clearly defined management powers and should guarantee the right of Parliament to be informed about the implementation of the programme, in accordance with the comitology decision (1999/468/EC).

(Amendment 34)

Article 1(1)

1. A programme (hereinafter referred to as "the Programme"), is hereby established to encourage the development, distribution and promotion of European audiovisual works within and outside the Community, to run from 1 January 2001 to 31 December 2005, for the purpose of strengthening the European audiovisual **industry**.

1. A programme (hereinafter referred to as "the Programme"), is hereby established to encourage the development, distribution and promotion of European audiovisual works within and outside the Community, to run from 1 January 2001 to 31 December 2005, for the purpose of strengthening the European audiovisual **sector**.

Justification:

Media Plus seeks to strengthen the audiovisual industry and the jobs associated with it, and to guarantee cultural diversity in the European Union. The term 'audiovisual industry' should therefore wherever possible be replaced with 'audiovisual sector' so as to stress the equal value placed on these two objectives of Media Plus.

(Amendment 35)

Article 1(2) (a)

(a) an improvement in the competitiveness of the European audiovisual **industry** on the European and international markets, by supporting the development, distribution and promotion of European audiovisual works, taking due account of the development of new technologies;

(a) **protection and promotion of European cultural diversity through** an improvement in the competitiveness of the European audiovisual **sector** on the European and international markets, by supporting the development, distribution and promotion of European audiovisual works **inter alia in the form of**

coordinated marketing strategies, taking due account of the development of new technologies;

Justification:

Media Plus seeks to strengthen the audiovisual industry and the jobs associated with it, and to guarantee cultural diversity in the European Union. The term 'audiovisual industry' should therefore wherever possible be replaced with 'audiovisual sector' so as to stress the equal value placed on these two objectives of Media Plus. In the field of promotion and distribution, it is particularly important to develop coordinated marketing strategies.

(Amendment 36)
Article 2.1.b

(b) respect *for European* linguistic and cultural diversity;

(b) respect *and development of* linguistic and cultural diversity *in Europe*

Justification:

European linguistic and cultural diversity is a value to be protected by promoting it.

(Amendment 37)
Article 1.2.e

(e) building up *a* production and distribution *sector*, especially comprising small and medium-sized enterprises.

(e) building up *the* production, *technological adaptation of products* and distribution *sectors*, especially comprising small and medium-sized enterprises.

(ea) promoting and encouraging the creation of new content which draws upon new technologies and user interaction through various alternative or additional platforms

Justification:

The technological adaptation of products has been included to reflect the fact that it is at least equally as important as the production process in creating audiovisual works.

(Amendment 38)
Article 2, subparagraph (a)

(a) to promote, by providing financial support, the development of production projects (dramas for cinema or television, creative documentaries, animated films for television or cinema, works exploiting the audiovisual and cinematographic heritage) submitted by companies and aimed at the European and international markets;

(a) to promote, by providing financial support, the development of production projects, **in particular ones which use new experimental systems** (dramas for cinema or television, creative documentaries, animated films for television or cinema, **audiovisual formats**, works exploiting the audiovisual and cinematographic heritage) submitted by **small and medium-sized** companies and aimed at the European and international markets;

Justification:

This idea, based on the subsidiarity principle, uses the MEDIA Plus programme as a means of preventing companies which have carved out a dominant position or form part of a large consortium from gaining or establishing a grip on access to funding. From the outset, the MEDIA programme has sought above all to lend support to new creators and independent producers and thus help them gain real market access.

The text of the Commission proposal needs to be altered with a view to improving the competitiveness of the European audiovisual industry.

(Amendment 39)
Article 3(a)

(a) to strengthen the European distribution sector in the field of cinema by encouraging distributors to invest in the acquisition and promotion of non-domestic European cinema films;

(a) to strengthen the European distribution sector in the field of cinema by encouraging distributors to invest in the **development, marketing**, acquisition and promotion of non-domestic European cinema films;

Justification:

This amendment seeks to create useful synergies between the various branches of the European audiovisual sector. All of the other activities besides acquisition and promotion involved in the process of distributing audiovisual works should be included here.

(Amendment 40)
Article 3(b)

to foster the wider transnational dissemination of non-domestic European films on the European and international markets through measures to stimulate their distribution and their screening in cinemas;

to foster the wider transnational dissemination of non-domestic European films on the European and international markets through measures to stimulate their distribution and their screening in cinemas, **inter alia through coordinated marketing**

strategies e.g. the same product is publicised simultaneously in all countries;

Justification:

It has been shown that it is essential, if a film is to succeed in terms of European and international distribution, for the marketing to be coordinated and the product to be publicised simultaneously.

(Amendment 41)
Article 3(d)

(d) to promote the movement, in the Community and outside it, of European television programmes intended for a European and world audience, by encouraging ***independent*** European broadcasters and ***independent*** distributors and producers to cooperate right from the production stage;

(d) to promote the movement, in the Community and outside it, of European television programmes ***produced by independent companies***, intended for a European and world audience, by encouraging European broadcasters and distributors and producers to cooperate right from the production stage;

Justification:

This amendment seeks to make clear that the aim is not the promotion of in-house productions by TV organisations but cooperation among all those involved in order to support the circulation of independently produced audiovisual works.

(Amendment 42)
Article 4

In the field of promotion and market access, the Programme aims to:

(a) facilitate and encourage the promotion and movement of European audiovisual and cinematographic works at trade fairs in Europe and around the globe, as well as at European audiovisual festivals;

(b) encourage the networking of operators at European level, particularly by supporting joint activities between national promotion organisations.

In the field of promotion and market access, the Programme aims to:

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(b) encourage the networking of operators at European ***and international*** level, particularly by supporting joint activities between national promotion organisations.

Justification:

The aim lies in promoting the audiovisual industry in Europe, but it is important that it be achieved in a pan-European context as well.

(Amendment 43)

Article 5(1)

1. Beneficiaries of Community support shall provide a significant proportion of the funding. Community funding shall not exceed 50% of the cost of operations. In the cases expressly provided for in the Annex, this percentage may nonetheless reach 60% of the cost of operations.

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Additionality with national funding has to remain possible, in order to preserve the cultural diversity.

Justification:

Member States with a small audiovisual capacity and small audience need to be able to continue to fund in a substantial way their national production.

(Amendment 44)

Article 5(2)

2. The financial reference amount for implementation of the Programme for the period referred to in Article 1(1) shall be **EUR 350 million**. The annual appropriations shall be authorised by the budgetary authority within the limits of the financial perspectives.

2. The financial reference amount for implementation of the Programme for the period referred to in Article 1(1) shall be **EUR 480 million**. The annual appropriations shall be authorised by the budgetary authority within the limits of the financial perspectives.

Justification:

The budget for 'Media Plus - Development, Distribution and Promotion' needs to be increased by at least this amount so that it can fulfil its objectives in the face of the digital challenges of the coming years, particularly in the fields of distribution and pilot projects.

(Amendment 45)

Article 6 (2) (new)

The Commission ensures that disbursement and administrative procedures are tightened to enhance effectiveness and efficiency of the

***Programme, especially to benefit the
Small and Medium-sized Enterprises***

Justification:

It is important to tighten the application procedure and to develop measures which will reduce the administrative burden and thus the costs for the applicant and the Commission. In this connection the needs of SMEs must be given particular attention, since they are often deterred from participating in the Media programme by excessively high costs. The delays before payment is forthcoming, particularly in the development sector, are too long, and the appropriations sometimes reach the applicant far too late.

(Amendment 46)

Article 7

The Commission shall be responsible for the implementation of the Programme, in accordance with the procedure referred to in Article 8(2) and with the rules laid down in the Annex.

1. The Commission shall be responsible for the implementation of the Programme, in accordance with the procedure referred to in Article 8(2) and with the rules laid down in the Annex.

2. *Technical assistance is ruled by the provisions taken in the context of the Financial Regulation.*

Justification:

The ongoing Reform process aiming at replacing TAOs by executive bodies managed by Commission staff will be stated in the new Financial Regulation and apply to all new programmes.

(Amendment 47)

Article 8(2)

2. Where reference is made to this paragraph, the **advisory** procedure laid down in Article 3 of Decision 1999/468/EC shall apply, in compliance with Article 7(3) thereof.

2. Where reference is made to this paragraph, the **management** procedure laid down in Article 4 of Decision 1999/468/EC shall apply, in compliance with Article 7(3) thereof. ***For specific measures, if needed, the advisory procedure laid down in Article 3 of Decision 1999/468/EC shall apply.***

Justification:

The Media Committee should have clearly defined management powers and should guarantee the European Parliament's right to be informed about the implementation of the programme, as provided for in the comitology decision (1999/468/EC).

However, under specific conditions it should be possible for the procedure under Article 3 of the comitology decision to apply.

(Amendment 48)
Article 9, first paragraph

To ensure that the Programme can be flexibly adapted to technological developments, pilot projects shall be implemented in the fields defined in the Annex.

To ensure that the Programme can be flexibly adapted to technological developments ***the Commission shall implement*** pilot projects, ***especially in the following areas:***

- ***Conservation and exploitation of the cinematographic heritage, by encouraging partnerships between operators in the cinematographic sector and public or private bodies;***
 - ***Digitisation of audiovisual and radio programme archives of European interest;***
 - ***Networking the owners of rights to catalogues of European audiovisual works;***
 - ***Scheduling of European audiovisual works on special-interest channels in digital format;***
 - ***Creation of a suitable environment for developing and disseminating new advanced on-line distribution services.***
- No financial support under this scheme shall be granted directly to TV channels.***

After 2 years of implementation of the programme the Commission verifies the results of the pilot projects and proposes adjustments to the programme.

Justification:

In the light of their special significance, pilot projects should appear in an article, not in an Annex. The text is taken over from Annex 1.4 (which is consequently to be deleted by Amendment 28), apart from the new second and third paragraphs.

The second paragraph is added to ensure that no direct subsidies are paid to TV organisations, since the appropriations available for pilot projects are extremely limited.

The third paragraph refers to the fact that the Commission is supposed to make adjustments to the programme based on the results of the pilot projects (see Article 11(3)).

(Amendment 49)
Article 9, second paragraph

In this task the Commission may consult Technical Consultation Groups. These shall be composed of professionals from the various *sectors* of the audiovisual *industry*, appointed by the *Member States* and chaired by a representative of the Commission. The Technical Consultation Groups shall submit their reports to the Commission, which shall take the utmost account of them.

In this task the Commission may consult Technical Consultation Groups. These shall be composed of professionals from the various *fields* of the audiovisual *sector*, appointed by the *Media Committee* and chaired by a representative of the Commission. The Technical Consultation Groups shall *work closely together with the Media Committee* and submit their reports to the Commission, which shall take the utmost account of them.

Justification:

The term 'audiovisual industry' should wherever possible be replaced by the term 'audiovisual sector', in order to make clear that the two objectives of Media Plus, to strengthen the audiovisual industry and to guarantee cultural diversity, are of equal value.

It is sensible that the Media Committee, which is to have administrative powers, should be jointly responsible with the Commission, for the implementation of pilot projects. This will make it easier for Parliament to assert its right to be informed in this new field, on the basis of the comitology agreement.

(Amendment 50)
Article 10(5)

5. The Programme shall also be open to cooperation with other third countries on the basis of supplementary appropriations and the specific arrangements to be established in agreements between the interested parties. The European third countries referred to in paragraph 3 which do not wish to benefit from full participation in the Programme may be eligible for cooperation with the Programme under the conditions set out in this paragraph.

5. The Programme shall also be open to cooperation with other third countries on the basis of supplementary appropriations and the specific arrangements, *including cost sharing under agreed procedures*, to be established in agreements between the interested parties. *The inclusion of third countries must be encouraged because it makes for a cultural exchange that can serve to disseminate the democratic ideas and the values, traditions, history, and culture which Europe embodies and symbolises.* The European third countries referred to in paragraph 3 which do not wish to benefit from full participation in the Programme may be eligible for cooperation with the Programme under the conditions set out in this paragraph.

Justification:

The inclusion of third countries is central to the spread of European cultural products, a vehicle for disseminating the ideas that Europe embodies. Moreover, it must serve to ensure that European products can provide a world-wide alternative to American products.

(Amendment 51)

Article 11(1)

1. The Commission shall ensure that measures taken under this Decision are subject to prior appraisal, and to subsequent monitoring and evaluation.

1. The Commission shall ensure that measures taken under this Decision are subject to prior appraisal, and to subsequent monitoring and evaluation, ***taking care to maximise the accessibility of the programme and the transparency of the criteria used in decision-making.***

Justification:

Transparency is essential for users and others.

(Amendment 52)

Article 11(4)

4. On completion of the Programme the Commission shall submit to the European Parliament, the Council and the Economic and Social Committee a report on the implementation and results of the Programme.

4. On completion of the Programme the Commission shall submit to the European Parliament, the Council and the Economic and Social Committee a ***detailed*** report on the implementation and results of the Programme.

Justification:

Only with the aid of a detailed report will it be possible to gauge the real impact of the Programme in terms of the value added serving to attain the Programme's proposed objectives.

(Amendment 53)

Annex 1.1, second subparagraph

Selection criteria will chiefly take account of the European and international nature of the projects, and in particular:

- the interest shown by co-producers in the project;
- the project's transnational exploitation potential (as demonstrated by the

Selection criteria will chiefly take account of the European and international nature of the projects, and in particular:

- ***their contribution towards developing European linguistic and cultural diversity;***

- expression of interest by distributors, the project's production potential, previous productions by the tendering enterprise or its constituent individuals);
- the quality **and** originality of the concept, script or narrative;
- the potential for using new technologies (special effects, computer images, interactivity, etc.).
- the interest shown by co-producers in the project;
- the project's transnational exploitation potential (as demonstrated by the expression of interest by distributors, the project's production potential, previous productions by the tendering enterprise or its constituent individuals);
- the quality, originality **and marketing potential** of the concept, script or narrative;
- the potential for using new technologies (special effects, computer images, interactivity, etc.);
- **a marketing and distribution assessment.**

Justification:

The MEDIA Plus programme should also be a vehicle for artistic creation in the European audiovisual sector. There would be no apparent clash in a cultural programme between the development of a competitive industry and the diversity of the works created. It is essential that a marketing and distribution assessment evaluating the marketing potential of the work be conducted; moreover, the assessment must be as ambitious and positive as possible. Likewise, it is also important that the work have an a proper distribution strategy targeting as large an audience and number of countries as possible.

(Amendment 54)

Annex 1.1

The object of the programme measures is to provide financial assistance for enterprises in the audiovisual sector submitting:

- proposals supporting the development of -
- audiovisual works presented project by project;

proposals supporting the development of project catalogues (project packages) as part of a medium-term business strategy.

The object of the programme measures is to provide financial assistance for enterprises in the audiovisual sector submitting:

- proposals supporting the development of -
- audiovisual works presented project by project;

proposals supporting the development of project catalogues (project packages) as part of a medium-term business strategy.

In establishing this scheme, account will be taken of the diversity of production structures and of the project packages, presented in order to ensure fair access for operators.

Justification:

A flexible approach is needed to ensure fair access to small operators.

(Amendment 55)
Annex 1.2.1.b

b) a system of “automatic” support for European distributors proportional to the number of seats sold for non-domestic European films in countries participating in the programme, up to a limit per film and adjusted for each country. This type of support may be used by distributors only for investment in the following:

· the acquisition of non-domestic European films;

· editing costs (copying, dubbing and subtitling), promotion costs and publicity costs for non-domestic European films.

a system of “automatic” support for European distributors proportional to the number of seats sold for non-domestic European films in countries participating in the programme, up to a limit per film and adjusted for each country. This type of support may be used by distributors only for investment in the following

The production of the new non-domestic European films

The acquisition of ***exploitation rights for non-domestic*** European films, ***in particular by means of minimum guarantees;***

Editing costs (copying, dubbing and subtitling), promotion costs and publicity costs for non-domestic European films.

(rest unchanged)

Justification:

It is important to create strategic synergies between production and distribution in the audiovisual sector.

(Amendment 56)
Annex 1.2.1. (c)

(c) a system to assist European companies specialising in the international distribution of cinema films (sales agents) according to their performance on the market over a ***given*** period. This type of assistance may be used by international distributors only for investment in costs arising from the promotion of new European works on the European and international markets.

(c) a system to assist European companies specialising in the international distribution of cinema films (sales agents) according to their performance on the market over ***a reference period of at least one year***. This type of assistance may be used by international distributors only for investment in costs arising from the promotion of new European works on the European and international markets.

Justification:

A more precise period should be specified in the interests of clarity.

(Amendment 57)

Annex 1.2.1. (d)

(d) appropriate assistance to encourage operators to screen a significant proportion of non-domestic European films in premiere cinemas for a minimum screening period. ***The support granted to each cinema will be determined according to the number of cinema seats sold for non-domestic European films during a reference period.*** Support should, in particular, contribute to measures to educate and raise awareness amongst young cinema-goers. Support will also be granted for the creation and consolidation of networks of European operators running joint schemes to encourage such scheduling.

(d) appropriate assistance to encourage operators to screen a significant proportion of European, ***particularly non-domestic***, films in premiere cinemas for a minimum screening period. ***The support must be made conditional on showing a minimum number of European films, to be set on the basis of the number of screens in the cinema. The level of support may take account of the number of seats sold in that particular cinema*** for non-domestic European films during a reference period. Support should, in particular, contribute to measures to educate and raise awareness amongst young cinema-goers. Support will also be granted for the creation and consolidation of networks of European operators running joint schemes to encourage such scheduling.

Justification:

This support seeks to ensure that more European films are shown in première cinemas. In the initial stages, if the operators schedule mainly non-domestic European films, this will be enough to bigger support.

The support for cinema operators will be payable as soon as a minimum showing time of European, and particularly non-domestic, films (relative to the number of screens in the cinema) is reached, as an incentive to showing these films for a particular duration. This will give these films an opportunity to be seen and time to find an audience. Linking the level of the support to the number of seats sold is intended to reward the success of a film.

(Amendment 58)

Annex 1.2.2., second paragraph

Automatic support: a system of automatic support for editors and distributors of European cinematographic works on media intended for private use (e.g. videocassettes, DVD, DVD-Rom) according to market performance over a ***given*** period. The support granted may be

Automatic support: a system of automatic support for editors and distributors of European cinematographic works on media intended for private use (e.g. videocassettes, DVD, DVD-Rom) according to market performance over a ***reference period of at least one year*** The

used by distributors only for investment in the following:

support granted may be used by distributors only for investment in the following:

Justification:

A more precise period should be specified in the interests of clarity.

(Amendment 59)
Annex 1.2.3

Encourage independent producers to produce works (feature films, documentaries and animated films) involving at least three broadcasters in several Member States belonging to different language zones.

Encourage independent producers to produce works (fiction, documentaries and animated films) involving in principle at least 3 broadcasters in different participating countries, belonging to at least 2 different language zones. ***Account will be taken of the specific needs of the audiovisual sector in countries with lower audiovisual capacity and/or restricted geographic and linguistic areas.***

Justification:

It is essential to take into account the pan-European dimension of the programme as well as regional specificities.

(Amendment 60)
Annex 1.2.4.

Introduction of incentives to digitise works and create promotional and publicity material in digital form, so encouraging European companies (suppliers of on-line access, special-interest channels, etc.) to create catalogues of European works in digital format for exploitation via new media.

Introduction of incentives to digitise works and create promotional and publicity material in digital form, so encouraging European companies (suppliers of on-line access, ***radiobroadcasters***, special-interest channels, etc.) to create catalogues of European works in digital format for exploitation via new media.

Justification:

The radio sector should also be given incentives to compile catalogues of digital works for evaluation and distribution in the new media.

(Amendment 61)
Annex 1.4

1.4 Pilot projects

Delete

The Commission will implement pilot projects in the following areas:

- conservation and exploitation of the cinematographic heritage, by encouraging partnerships between operators in the cinematographic sector and public or private bodies;
- digitisation of European audiovisual programme archives;
- networking the owners of rights to catalogues of European audiovisual works;
- scheduling of European audiovisual works on special-interest channels in digital format;
- creation of a suitable environment for developing and disseminating new advanced on-line distribution services.

Where appropriate, the Commission may approach the technical consultation groups for assistance.

Justification:

This point, which is now to appear in Article 9 with the same wording plus two new paragraphs, has to be deleted here. In view of the special significance of pilot projects, all the main provisions governing them ought to be placed together in the relevant article. This is in the interests of better transparency and of taking into account the interinstitutional agreement on common guidelines for the quality of drafting of Community legislation (OJ C 98, 09.04.1999, p. 483).

(Amendment 62)

Annex 2.1

2.1. Approach

In implementing the programme, the Commission will work closely with the Member States. It will also consult the partners concerned. It will ensure that the participation of professionals reflects adequately Europe's cultural diversity.

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In implementing the programme, the Commission **and the Media Committee** will work closely with the Member States. It will also consult the partners concerned. It will ensure that the participation of professionals reflects adequately Europe's cultural diversity.

Justification:

It is sensible that the Media Committee, which is to have management powers, should be jointly responsible with the Commission for the implementation of the programme. This will make Parliament better able to assert its right to be informed in this new area, in accordance with the comitology agreement.

(Amendment 63)

Annex 2.3.1

2.3.1 The Commission shall implement the programme. It may, to this end, call upon consultants and technical assistance offices to be selected, after a call for tenders, on the basis of their expertise in the sector. The Technical assistance shall be financed by the programme's budget. The Commission may also conclude, in accordance with the procedure referred to in Article 8(2), partnerships for ad hoc operations with specialist bodies such as Audiovisual Eureka, in order to implement joint measures that meet the programme objectives in the field of promotion.

2.3.1 The Commission shall implement the programme. It may, to this end, call upon ***independent*** consultants and technical assistance offices to be selected, after a call for tenders, on the basis of their expertise in the sector. The Technical assistance shall be financed by the programme's budget. The Commission may also conclude, in accordance with the procedure referred to in Article 8(2), partnerships for ad hoc operations with specialist bodies such as Audiovisual Eureka, in order to implement joint measures that meet the programme objectives in the field of promotion.

Justification:

It is a precondition for the quality of their work that the applicants' or TAOs' consultants should be independent.

(Amendment 64)
Annex 2.3.1, second and third paragraphs

The Commission will make the final selection of the beneficiaries of the programme and decide on the financial support to be granted, in accordance with Article 7.

In order to execute this programme and, in particular, evaluate the projects benefiting from the programme funding and networking activities, the Commission shall draw on the know-how of recognised audiovisual experts in the fields of development, production, distribution and promotion.

The Commission will make the final selection of the beneficiaries of the programme and decide on the financial support to be granted, in accordance with Article 7.

In order to execute this programme and, in particular, evaluate the projects benefiting from the programme funding and networking activities, the Commission shall draw on the know-how of recognised **and independent** audiovisual experts in the fields of development, production, distribution and promotion.

Justification:

It is a precondition for the quality of their work that the applicants' or TAOs' consultants should be independent.

(Amendment 65)
Annex, 2.3.2

2.3.2 The Commission shall take the necessary steps to provide information on the opportunities offered by the Programme, and shall ensure its promotion.

The Commission and the Member States shall take the necessary steps, by continuing with the activities of the network of MEDIA Desks and Antennae and ensuring that their professional skills are enhanced, in order to:

- publicise and promote the programme;
- encourage maximum participation in the programme's activities by professionals;
- assist professionals with the presentation of projects in response to calls for proposals;
- foster transborder cooperation between professionals;
- liaise between the various support bodies in the Member States with a view to

2.3.2 The Commission shall take the necessary steps to provide information on the opportunities offered by the Programme, and shall ensure its promotion.

The Commission and the Member States shall take the necessary steps, by continuing with the activities of the network of MEDIA Desks and Antennae and ensuring that their professional skills are enhanced, in order to:

. inform professionals in the audiovisual sector of all support arrangements available under European Union policies which are relevant to their professions;

- publicise and promote the programme;
- encourage maximum participation in the programme's activities by professionals;
- assist professionals with the presentation of projects in response to calls for proposals;
- foster transborder cooperation between professionals;
- liaise between the various support bodies in the Member States with a view to

ensuring that programme activities
complement national support measures.

ensuring that programme activities
complement national support measures.

Justification:

The Media Desks and antennae are the selected organisations for providing professionals with comprehensive and horizontal information concerning the many – though not always obvious – possibilities for support which the European Union offers them, including the Fifth Framework Programme for Research, the e-Europe initiative, the Structural and Regional Funds, and cooperation with the European Investment Bank and the European Investment Fund.

(Amendment 66)
Annex 2.3.2

(new paragraph at the end of point 2.3.2)

To that end, the Commission shall also provide via the Internet integrated information concerning all support arrangements available under the European Union's policies which are of relevance to the audiovisual sector.

Justification:

At present, the relevant information for professionals in the audiovisual sector is fragmented among the various Commission websites. There is no comprehensive overview, and this makes it very hard to find relevant information.

DRAFT LEGISLATIVE RESOLUTION

European Parliament legislative resolution on the proposal for a Council Decision on the implementation of a programme to encourage the development, distribution and promotion of European audiovisual works (MEDIA Plus - Development, Distribution and Promotion) (2001-2005) (COM(1999) 658 – C5-0119/2000 – 1999/0276(CNS))

(Consultation procedure)

The European Parliament,

- having regard to the Commission proposal to the Council (COM(1999) 658¹),
 - having been consulted pursuant to Article 157(3) of the EC Treaty (C5-0119/2000),
 - having regard to Rule 67 of its Rules of Procedure,
 - having regard to the opinion of the Committee on Legal Affairs and the Internal Market on the legal basis of the Commission proposal,
 - having regard to the report of the Committee on Culture, Youth, Education, the Media and Sport and the opinions of the Committee on Budgets, the Committee on Industry, External Trade, Research and Energy and the Committee on Legal Affairs and the Internal Market (A5-0186/2000),
1. Approves the Commission proposal as amended;
 2. Calls on the Commission to alter its proposal accordingly, pursuant to Article 250(2) of the EC Treaty;
 3. Calls on the Council to notify Parliament should it intend to depart from the text approved by Parliament;
 4. Calls for the conciliation procedure to be initiated should the Council intend to depart from the text approved by Parliament;
 5. Asks to be consulted again should the Council intend to make substantial changes to the Commission proposal;
 6. Instructs its President to forward its position to the Council and Commission.

¹ Not yet published in OJ.

EXPLANATORY STATEMENT

On 14 December 1999 the Commission submitted its proposal for a programme to support the European audiovisual industry (Media Plus 2001-2005) document. This comprises the 'Media Training programme' proposal and the proposal for the development, distribution and promotion of European audiovisual works. The Media Plus programme is the continuation of the Media II programme (1996-2000). Both programmes are dealt with together in this report, since they should be regarded in substance as a single programme for the promotion of the European audiovisual sector.

Introduction

Since the adoption of the preceding programme there have been fundamental and revolutionary changes to the audiovisual landscape. The speed of digital technology in recent years has brought about a veritable explosion in the audiovisual sector. The Internet is once again opening up a completely new dimension for works in this sector and is bringing about an increasing convergence among audiovisual areas which have hitherto been separate. In view of this digital revolution there is an enormous demand for audiovisual works. The opportunities and challenges for Europe are immense and relate both to the sustainability of the jobs in the audiovisual sector and to the protection of cultural diversity.

In order to do justice to these new tasks it is therefore particularly important that the Commission is directing the Media programme towards the challenges of the digital age by constant reference to the online sector and by the introduction of pilot projects.

In principle, then, the Commission proposal should be welcomed - and has been welcomed by the industry - as an important contribution to the development of the European audiovisual sector.

1.1 A market of the future

The total value of the audiovisual sector in the European Union will rise from its present level of EUR 45 bn to EUR 120 bn in 2010. In the USA the film industry has in recent years created more jobs than the car, hotel and pharmaceutical industries put together. However, European firms producing audiovisual content are poorly prepared for this development. The cross-border dissemination of European works is still far too low at all levels (planning, production and distribution). The proportion of films shown in cinemas which are American productions averages 90%, while the market share of European films outside their main country of production is around 7%. On TV, imported American feature films and series origin make up 74% of the total volume, while 14% come from other European countries.

In order to exploit to the full the immense opportunities for creating sustainable jobs and protecting cultural diversity in Europe, the circulation of European films outside their country of origin must be promoted as the main priority.

1.2 The Media programme in the context of European audiovisual policy

The Media programme aims to remedy this weakness in the audiovisual sector in Europe and to encourage and complement the Member States' national support policies, which relate principally to production. It forms part of the overall context of the European Union's audiovisual policy. The revolutionary upheavals which have been noticeable in the audiovisual sector since the adoption of the Media II programme have necessitated a fundamental review of the Union's policy in this area. This adjustment has been prepared in various conferences and set out in a series of Commission papers and communications. In November 1999 the Commission published a communication on the principles and guidelines of the Community's audiovisual policy in the digital age. It pointed to the rapid growth rates in the audiovisual sector and stressed the importance of the development of content to accompany it. The Media programmes occupy a central position in the EU's policy for the development and distribution of European audiovisual works.

1.3 Assessment of Media II

Media II was based on two 1995 Council decisions and runs from 1996 to the end of 2000. In spite of having been allocated too little money (ECU 310 m) the Media II programme has achieved significant results. The Media programme's subsidies can be seen to have had a significant multiplier effect on investments in the audiovisual sector, since each euro spent by the Community brings a further EUR 5.75 in investments to the industry. In the interim assessment of Media II published in 1999, it was calculated that the EUR 139 m in subsidies paid out up to November 1998 brought in its wake total investments of EUR 801 m. The multiplication factor is highest in the distribution sector with EUR 7.2 per euro of Community aid, though the figure is a respectable EUR 4.19 in the project development sector. In the training sector it is naturally rather lower, at EUR 2.38. These figures make clear that it was correct to concentrate the limited funds on distribution. From 1996 to 2000 the Commission has so far spent an average of 54% (just under ECU/EUR 178 m) of the budget for both parts of Media II in the distribution sector. The total appropriations available were increased to some EUR 329 m thanks to returns from Media I.

The level of participation of European audiovisual professionals in Media II is also encouraging. In the interim evaluation it was noted that 34% of cinema film distributors and 40% of film and TV producers were participating in the programme. It is also very much to be welcomed that the lion's share of the funding is benefiting a targeted group of recipients. This avoids spreading subsidies too thinly, and enables the limited funds to be concentrated.

1.4 Characteristics of Media Plus

The Media Plus programme makes no fundamental changes over Media II. The Commission proposes a total overall budget of EUR 400 m (with EUR 50 m for 'Training' and EUR 350 m for Development, Distribution and Promotion).

1.4.1 'Training'

The Commission bases its proposal for the 'Training' programme on Article 150 of the EC Treaty (occupational training). The legislative procedure to be followed is accordingly codecision with qualified majority voting. The Commission proposes a budget of EUR 50 m

for this purpose. The Community is to contribute subsidies to training projects in the fields of business administration and law, new technology, and scriptwriting for a supranational audience. This is intended to permit networking to develop within the audiovisual professions.

1.4.2. 'Development'

The other part of Media Plus comprises development, distribution, promotion and pilot projects. In the development sector the Union on the one hand – in the form of repayable loans – jointly funds individual projects by European producers such as scriptwriting, the search for cooperation partners and market planning, and on the other hand encourages producers – by means of non-repayable subsidies – to develop project packages incorporating a medium-term development strategy (slate funding). The Commission has set aside EUR 64 m for these purposes (EUR 32 m for each area) .

1.4.3 'Distribution'

The Media Plus programme has accorded the highest priority in terms of funding to the distribution sector. It provides for both a selective and an automatic support machinery in the cinema film distribution sector. Selective support takes the form of repayable advances intended as an incentive to firms to encourage firms distributing European works to form networks and invest in distribution and multilingualism (e.g. dubbing, subtitling and the development of multi-lingual productions). The aid granted through the automatic support mechanism is to be re-invested in the purchase of non-domestic European films or in the publishing or promotion of such films.

Support is also granted for the production of international soundtracks and for cinema operators who screen a given number of non-domestic European films. Additional support is available for the complex comprising TV screening, offline distribution (Video, DVD) and online distribution (Internet, pay-per-view, etc.), assisted by the creation of catalogues of digital works. EUR 192 m have been earmarked for the distribution and screening sector, which represents 54% of the budget available for this part of the programme (EUR 350 m) and 48% of the total budget (EUR 400 m.). The amount available for distribution has thus been reduced in relative terms from the total budget for Media II.

1.4.4 'Promotion and pilot projects'

Promotion measures are intended to facilitate access for professionals to European and global markets, particularly through attendance at trade fairs and festivals and by improving the catalogue of European works. The Commission has earmarked EUR 30 m for this purpose. The pilot projects are intended to make Media Plus adaptable to new technological developments in the audiovisual sector which cannot even be predicted for the next 5 years. The budget for this sector is to be EUR 20 m.

2. Evaluation of the Commission proposal

While your rapporteur, and professionals in the industry, fundamentally welcome the Commission proposal, this should not conceal the fact that a number of improvements are necessary. These relate to the central issues of funding, the balance between cultural and

industrial objectives, the legal basis, the democratic participation of the Member States and of the European Parliament, and important individual matters which will be detailed below.

2.1 Improving the balance between industrial and cultural objectives

Europe's cultural diversity is the decisive source of the European film industry's strength and its innovative power. Cultural diversity in Europe is one of the most important values which European policy seeks to protect, and Media Plus is not a programme aimed at supporting any particular industry. It is much more than that, for market mechanisms alone do not guarantee the preservation of our cultural diversity. Culture is something of special value and the Community's policies have hitherto always supported this principle. The protection of European cultural diversity was included in the Council's negotiating mandate to the Commission at the opening of the new WTO round in Seattle in November 1999 and was expressly supported by the European Parliament. The preservation of cultural diversity and the promotion of the European industry are interdependent and must go hand in hand. Therefore Media Plus must be particularly concerned to strike an appropriate balance between these two objectives.

2.2. Legal basis

'Media – Training' relates to comprises the implementation of a training programme for professionals in the European audiovisual programme industry, and is a subject to codecision by Parliament pursuant to Article 150(4) of the EC Treaty (occupational training).

The Commission proposes that the 'Media Plus – Development, Distribution and Promotion' programme should be covered by the Article 157(3) of the EC Treaty (industry).

At the consultation stage on Media II in 1995 Parliament already had strongly criticised the selected legal basis. Parliament's committee responsible (the Committee on Culture) and the Committee on Budgets called for the Media programme to be adopted as a single programme with old Article 128 (now Art. 151) of the EC Treaty (culture) as the uniform legal basis for both parts of Media II. On the advice of its Legal Affairs committee, Parliament eventually decided to adopt old Article 127 (occupational training) as the legal basis for the 'Media II – Training' part. For 'Media II – Distribution and Development' it decided to adopt old Article 130(3) (industry) and old Article 128 (culture) as a joint legal basis.

The increased importance of the audiovisual sector now vindicates even more clearly the position which Parliament adopted 5 years ago. In no other field is culture so omnipresent for people in Europe as in the audiovisual media. Since the Maastricht Treaty, thanks to the introduction of old Article 128 (new Art. 151), the Union has an instrument for giving a new shape to European cultural policy. This spirit of the Treaty of Maastricht must not be lost. The democratic legitimacy conferred by the co-decision procedure is another argument in favour of adopting Article 151 as the appropriate legal basis. The important issue of the development and distribution of European audiovisual works must lie within Parliament's power of codecision under Article 151. The democratically elected European assembly should not be bypassed. During the debate on Media II the then Commissioner responsible, Mr Oreja, also expressed the wish that the culture article should be used as a legal basis, though he considered that this called for an addition to the old Article 128.

The appropriate legislative procedure for ‘Media Plus – development, distribution and promotion of European audiovisual works’ remains codecision pursuant to Article 251, on the basis of new Article 151(5), and 151(2) fourth indent (old Article 128) in conjunction with Article 157(3) of the EC Treaty. It is to be hoped that Parliament’s view will this time obtain the support of the Council and Commission.

For the next IGC the governments and Member States are called upon specifically to include the cultural and audiovisual industries in Article 151, in order to ensure that there is no dispute about these being a central instrument for the movement of cultural content and thus far guaranteeing the cultural diversity of Europe.

2.3 Funding

Digitisation is spreading to all areas and is leading to a growing convergence in the audiovisual sector which is far from having peaked yet. In view of this immense potential for sustainable jobs and the vital significance of this issue for protecting the cultural diversity of Europe, the funding of Media Plus has lagged far behind the level needed. The EUR 400 m proposed for 2001-2005 was the amount which the Commission itself had proposed in 1995 for Media II (1996-2000).

In the light of the extreme vitality of the audiovisual sector and the extent to which Europe lags behind in this area, there can be no justification for proposing this amount for 2001-2005. If Media Plus is to realise even a fraction of the value creation potential which can be achieved by the targeted mobilisation of European added value in the audiovisual sector, this programme must have an appropriate budget. A budget of EUR 550 m instead of the proposed EUR 400 m for the whole programme is a step in the right direction, though it is towards the lower end of what is needed. In the light of the special challenges described above, EUR 70 m are necessary for the ‘Media – Training’ sector.

Of the total budget, EUR 480 m should be allocated to the ‘Media Plus – Development, Distribution and Promotion’ programme. In particular the amount (EUR 20 m) earmarked for the important pilot projects is too little, and should be considerably increased. A disproportionately large top-up should take place in the distribution sector, since most of the follow-up investments in the European audiovisual sector are to be expected in this area; automatic support has had particularly positive effects, and must therefore receive extra funding.

2.4 Additional sources of funding

The amount of EUR 550 m to promote the objectives set out in the Media programme as a complement to national support programmes in the production field is too small to counteract the chronic under-capitalisation of the European programme-making industry. It is essential to open up further funding opportunities, particularly in order to support the development and distribution of European audiovisual works in such a way that the barriers of the home market can be overcome and the value creation potential genuinely exploited. The USA has long had a different entrepreneurial culture whereby risk capital is provided to the audiovisual sector as a matter of course such support is encouraged.

The Commission is called upon to carry out the review announced in its communication (COM 1999/687) of the inter-action of the available instruments and propose new cooperative forms of capital provision. The aim must be to network the Media programme more strongly with other European support programmes, such as the Fifth Framework Programme for Research, the 'e-Europe' programme or support projects from the Structural and Regional Funds. The current review of the EIB and EIF funding instrument must also be redirected to support for business start-ups, risk capital initiatives and SMEs and micro-companies in the audiovisual sector in particular, as called for by the Council and Commission.

Europe has the opportunity, through networking at European level and in the Member States, to strengthen its own audiovisual programme-making industry and thus to protect both jobs and cultural diversity.

The European Union has already made a decisive step in this direction with the opening of the telecommunications market. It is now necessary to promote the availability of risk capital on the finance markets in order to exploit the opportunities for which a new generation of film-makers, qualified in business skills and European in their outlook, is now available.

2.5 Strengthening automatic support

One main requirement for the implementation of the Media programme in the next five years consists in expanding further the relatively recent support mechanisms of automatic support and 'slate funding'.

On the one hand selective support in the distribution sector is essential in order to ensure diversity in the range of European films available. This mechanism partially removes the risk entailed for cinema film distributors in screening films which are not aimed at a mass audience. This is of particular benefit to films from countries with a low production capacity. Selective support is a key instrument in the service of cultural diversity.

On the other hand selective support entails high administrative costs. If only every third or fourth application by a firm is approved, the costs of processing the application eat into the amount of the aid. With selective support it may also take too long before the subsidy is actually paid. The advantages of automatic support are that the firms enjoy medium-term planning security and significantly lower application costs. Automatic support and 'slate funding' are thus more efficient support mechanisms both for the applicant and for the Commission. They are also an important incentive to re-investment in the sector, which should also benefit productions by independent producers.

In view of the success of the automatic support system, this system should be granted a disproportionate increase in its budget.

2.6 Transparency

The Commission is assisted in the implementation of the programme by a Media Committee made up of representatives from the Member States. In order to guarantee the transparency of the Commission's decisions, however, this committee should not, as hitherto, have purely consultative powers but should also take on administrative tasks in accordance with Art. 4 of the comitology decision (Council Decision 1999/468/EC). Parliament's right to information is strengthened by this procedure.

The transparency and quality of the text are considerably enhanced if its structure is made comprehensible to the recipients. This includes placing references to essential aspects of decision-making in the articles of the Decision and not in the Annex, which is reserved for technical matters. The recent pilot projects are a new and very important part of the Media Plus programme and should in the interests of transparency be placed not in the Annex but in the main part of the decision.

2.7 Strengthening efficient, independent structures

Particular mention should be made of the needs of countries with a small audiovisual production capacity, and those of small linguistic zones. Applicants from these countries and from geographically peripheral Member States of the Union may find it particularly difficult to attain the minimum screening figures set out in the Commission proposal (Annex, distribution, 1.2.3.) for participating TV operators. It should therefore be enough to create entitlement to support if there is participation by cooperating partners from 3 Member States or from two language zones.

Priority is given to support for independent producers, and so no direct aid should be paid from the Media programme to TV organisations.

One criticism of the practical implementation of the Media II programme relates to the administrative procedure. It is too bureaucratic for many professionals involved and the application procedures are sometimes so expensive for them that it is not worth their while applying. The Commission must therefore guarantee higher efficiency in the implementation of the Media Plus programme.

3. Summary

In principle the Commission's programme is to be welcomed. However, Media Plus must give equal weight to the cultural and economic approaches of European film promotion, and its funding must reflect the enormously increased importance of the audiovisual sector and the digital revolution. The main criticisms are therefore the inappropriate legal basis of the programme on development, distribution and promotion, and its inadequate funding.

European films and the whole European audiovisual sector are on the right path, but the central challenges remain.

24 May 2000

OPINION OF THE COMMITTEE ON BUDGETS

for the Committee on Culture, Youth, Education, the Media and Sport

on a proposal for a decision of the European Parliament and of the Council on the implementation of a training programme for professionals in the European audiovisual industry (MEDIA – Training) (2001-2005)
(COM(1999) 658 – C5-0059/2000 – 1999/0275(COD))

on a proposal for a Council decision on the implementation of a programme to encourage the development, distribution and promotion of European audiovisual works (MEDIA Plus – Development, Distribution and Promotion) (2001-2005)
(COM(1999) 658 – C5-0119/2000 – 1999/0276(CNS))

Draftsman: Terence Wynn

PROCEDURE

The Committee on Budgets appointed Terence Wynn draftsman at its meeting of 23 February 2000.

It considered the draft opinion at its meetings of 22/23 May 2000.

At the last meeting it adopted the amendments below unanimously.

The following were present for the vote: Terence Wynn, chairman and draftsman; Bárbara Dührkop Dührkop, vice-chairwoman; Kathalijne Maria Buitenweg, Joan Colom i Naval, Den Dover, Catherine Guy-Quint, Jutta D. Haug, Ulpu Iivari (for Ralf Walter), John Joseph McCartin, Juan Andrés Naranjo Escobar, Per Stenmarck, Kyösti Tapio Virrankoski, .

SHORT JUSTIFICATION

General presentation

1. The *Media II* programme will terminate at the end of 2000. The current proposals aim at providing a legal basis to two new programmes for the forthcoming period 2001-2005: *Media Training* and *Media Plus*. They are ruled by different procedures as they concern two different fields of action:
 - education and vocational training: article 150 of the Treaty on which EP decides with Council under the codecision procedure ;

- industry: article 157 of the Treaty of the Treaty on which EP is only consulted (Council needs unanimity) .
2. The communication concerning a proposal for a programme in support of the audiovisual industry presents and justifies the necessity for European intervention relying on major factors such as:
 - a strong potential for growth and a source of highly qualified jobs;
 - a changing economy based on the development of digital dissemination techniques;
 - a European content industry ill-prepared;
 - a challenge consisting of exploiting works at international level.
 3. The specific objectives of *Media Training* consist in strengthening occupational training beyond the school-education and academic spheres and bolstering the provision of continuous training throughout professional life in relation with the rapid growth of digital technologies.
 4. The aim of *Media Plus* is to remedy the shortcomings of the European audiovisual and multimedia content industries, in particular the inadequate movement of non domestic European works and the chronic shortage of investment both upstream (continuous vocational training) and downstream (distribution and promotion) in relation to the volume and competition from the US.

Budgetary aspects

<i>Media I</i> (1991-1995)	<i>Media II</i> (1996-2000)	Increase	<i>Media Plus</i> (2001-2005)	Increase
€ 280 million	€ 310 million	+ 24 %	€ 400 million, of which: - Media Plus: € 350 - Media Training: € 50	+ 29 %

5. The draftsman underlines that the envelope represents an increase of € 90 million for the new period of the Financial Perspective. The ceiling of this category allows the financing of such an increase under the condition that few other new actions are initiated.
6. The envelope of both programmes *Media Plus* and *Media Training* totals € 400 million to be financed under cat. 3 of the Financial Perspective (heading B3-2010). Multiannual programmes: Programme *Culture 2000* (€ 167 million for the period 2000-2004) and the *Media Programme* (€ 400 million for 2001-2005) represent 95 % of title B3-2 *Audiovisual and Culture*. The Commission should clarify whether the preparatory action financed under B3-2016 *Preparatory measures in the audiovisual sector* (€ 2 million in B'2000) will be included in the new programme. If so, only € 1.8 million (B' 2000) of heading B3-2017 "*Other actions in the audiovisual sector*" and a pilot project on sport (€ 5.0 million in B' 2000) will be left as annual actions.
7. Concerning the amounts foreseen in the legislative proposals: € 50 million for *Media Training* (article 4) and € 350 million for *Media Plus* (article 5), the draftsman recalls that

they should be considered as reference amounts from *which the budgetary authority undertakes not to depart*, according to the joint Declaration of 6 March 1995 on the incorporation of financial provisions into legislative acts.

Within this reference framework, the annual amounts are decided annually within the budgetary procedure.

8. The draftsman notices that the Council found it necessary to introduce a financial reference in a legislative text not subject to the codecision procedure (*Media Plus*) which, according to the above mentioned declaration, *does not affect the powers of the budgetary authority as defined in the Treaty*. Furthermore, he considers that it is Council's responsibility to introduce in legislative texts financial amounts with no guarantee of long term funding under the current ceilings.
9. Given that Council Presidency clearly shares EP's views in improving "*the compatibility of planned programmes with the financial perspective and that the budget experts in the various institutions should cooperate more closely in the co-decision procedures*"¹, the draftsman suggests taking the opportunity of these substantial programmes to propose that the early warning system agreed in the trilogue of 12 April 2000 should be initiated. In the present case, the draftsman considers the global amount is compatible with the Financial Perspective.
10. Concerning the technical assistance which is foreseen in the annex for both programmes, the draftsman stresses that by the time the decisions will enter into force, the substitution of TAOs by the new bodies called for by EP in the 2000 budget and agreed by vice-president Kinnock as part of the administrative reform, will be a reality. However, he reminds the Commission that for the time being, any legal request for technical assistance should be mentioned in the legislative text itself (not in annex) and is submitted up to a ceiling decided annually by the budgetary authority. For these reasons, he considers that the mention in annex and the amount foreseen in the financial statement for technical assistance included in part B (€ 25 million in total) are merely a reference.

AMENDMENTS

The Committee on Budgets calls on the Committee on Culture, Youth, Education, the Media and Sport, as the committee responsible, to incorporate the following amendments in its report:

Proposal for a decision of the European Parliament and of the Council on the implementation of a training programme for professionals in the European audiovisual industry (MEDIA – Training) (2001-2005) (COM(1999) 658 – C5-0059/2000 – 1999/0275(COD))

¹ Trilogue of 12 April 2000 (note of the budgetary committee)

(Amendment 1)

Article 4, paragraphs 5, 5.a) (new) and 6

5. The financial **framework** for implementing this programme for the period set out in Article 1 shall be EUR 50 million.

6. The annual appropriations shall be authorised by the budgetary authority within the limits of the financial perspectives.

5. The financial **principal point of reference** for implementing this programme for the period set out in Article 1 shall be EUR 50 million.

5.a) The impact of this financial reference on the ceilings of the Financial Perspective is assessed by the budgetary authority.

6. The annual appropriations shall be authorised by the budgetary authority within the **existing** limits of **cat. 3** of the financial perspectives **and if necessary, through a revision of the ceilings.**

Justification:

The amount stated in the legislative text is an indicative amount from which the budgetary authority undertakes not to depart. The global envelope foreseen represents an increase for this programme (approx. € 90 million). Although it will be marginal for category 3, a revision of the ceilings could become necessary given the limits fixed by the current FP, if new initiatives are launched.

In order to ensure compatibility between the legislative programming and the financial framework, an early warning system should be set in place by the budgetary authority which endorses the responsibility to evaluate the compatibility between the two.

¹ OJ C .

(Amendment 2)
Article 5, paragraph 2 (new)

The Commission shall be responsible for implementing the programme, in accordance with the procedures referred to in Article 6(2) and with the rules contained in the Annex.

1. The Commission shall be responsible for implementing the programme, in accordance with the procedures referred to in Article 6(2) and with the rules contained in the Annex.

2. *Technical assistance is ruled by the provisions taken in the context of the Financial Regulation.*

Justification:

The ongoing Reform process aiming at replacing TAOs by executive bodies managed by Commission staff will be stated in the new Financial Regulation and apply to all new programmes.

(Amendment 3)
Article 6, point 1

1. The Commission shall be assisted by an advisory committee ("the MEDIA Committee") composed of **representatives of the Member States** and chaired by the representative of the Commission.

1. The Commission shall be assisted by an advisory committee ("the MEDIA Committee") composed of **one representative per Member State** and chaired by the representative of the Commission.

2. Where reference is made to this paragraph, the advisory procedure laid down in Article 3 of Decision 1999/468/EC shall apply, in compliance with Article 7(3) and Article 8 thereof.

2. Where reference is made to this paragraph, the advisory procedure laid down in Article 3 of Decision 1999/468/EC shall apply, in compliance with Article 7(3) and Article 8 thereof.

Justification:

The advisory committee foreseen in this proposal for a decision is to be in accordance with the Council Decision n° 1999/468/EC of 28 June 1999 agreed by the Commission, Parliament and Council. The draftsman considers that one representative per Member State keeps a better balance in the decision making process.

(Amendment 4)
Article 8, paragraph 4

4. The Commission shall present to the European Parliament, the Council, the Economic and Social Committee, and the Committee of the Regions an evaluation report on the impact and effectiveness of the programme, on the basis of the results after two years of implementation.

This report shall be accompanied, if need be, by any proposal regarding adjustment, including budgetary adjustments.

4. The Commission shall present to the European Parliament, the Council, the Economic and Social Committee, and the Committee of the Regions an evaluation report on the impact and effectiveness of the programme, on the basis of the results after two years of implementation.

This report shall be accompanied, if need be, by any proposal regarding adjustment, including budgetary adjustments, ***in respect of the provisions stated in article 4, paragraphs 5.a) and 6.***

Justification:

Any proposal with a budgetary implication (either increase or reduction) should be evaluated by the budgetary authority in a multiannual context.

Proposal for a Council decision on the implementation of a programme to encourage the development, distribution and promotion of European audiovisual works (MEDIA Plus – Development, Distribution and Promotion) (2001-2005) (COM(1999) 658 – C5-0119/2000 – 1999/0276(CNS))

Text proposed by the Commission¹

Amendments by Parliament

(Amendment 1)
Article 5, paragraph 2

2. The financial reference amount for implementation of the Programme for the period referred to in Article 1(1) shall be EUR 350 million. The annual appropriations shall be authorised by the budgetary authority within the limits of the financial perspectives.

2. The financial reference amount for implementation of the Programme for the period referred to in Article 1(1) shall be EUR 350 million. The annual appropriations shall be authorised by the budgetary authority within the **existing** limits of **cat. 3 of** the financial perspectives **and if necessary, through a revision of the ceilings..**

2.a) The impact of this financial reference on the ceilings of the Financial Perspective is assessed by the budgetary authority.

2.b) The annual appropriations shall be authorised by the budgetary authority within the existing limits of cat. 3 of the financial perspective and if necessary, through a revision of the ceilings.

Justification:

The amount stated in the legislative text is an indicative amount from which the budgetary authority undertakes not to depart. The global envelope foreseen represents an increase for this programme (approx. € 70 million). Although it will be marginal for category 3, a revision of the ceilings could become necessary given the limits fixed by the current FP, if new initiatives are launched.

In order to ensure compatibility between the legislative programming and the financial framework, an early warning system should be set in place by the budgetary authority which endorses the responsibility to evaluate the compatibility between the two.

¹ OJ C .

(Amendment 2)

Article 7

The Commission shall be responsible for the implementation of the Programme, in accordance with the procedure referred to in Article 8(2) and with the rules laid down in the Annex.

1. The Commission shall be responsible for the implementation of the Programme, in accordance with the procedure referred to in Article 8(2) and with the rules laid down in the Annex.

2. *Technical assistance is ruled by the provisions taken in the context of the Financial Regulation.*

Justification:

The ongoing Reform process aiming at replacing TAOs by executive bodies managed by Commission staff will be stated in the new Financial Regulation and apply to all new programmes.

(Amendment 3)

Article 11, paragraph 3

3. After two years of implementation of the Programme, the Commission shall present to the European Parliament, the Council and the Economic and Social Committee an evaluation report on the impact and effectiveness of the Programme based on the results obtained. This report shall be accompanied, if need be, by any adjustment to the Programme, including budgetary adjustments.

3. After two years of implementation of the Programme, the Commission shall present to the European Parliament, the Council and the Economic and Social Committee an evaluation report on the impact and effectiveness of the Programme based on the results obtained. This report shall be accompanied, if need be, by any adjustment to the Programme, including budgetary adjustments, ***in respect of the provisions stated in article 5, paragraphs 2.a) and 2.b).***

Justification:

Any proposal with a budgetary implication (either increase or reduction) should be evaluated by the budgetary authority in a multiannual context.

10 May 2000

OPINION OF THE COMMITTEE ON EMPLOYMENT AND SOCIAL AFFAIRS

for the Committee on Culture, Youth, Education, the Media and Sport

on the proposal for a decision of the European Parliament and of the Council on the implementation of a training programme for professionals in the European audiovisual programme industry (MEDIA - Training) (2001-2005)
(COM(1999) 658 – C5-0059/00 – 1999/0275(COD))

Draftsman: Michel Rocard

PROCEDURE

The Committee on Employment and Social Affairs appointed Michel Rocard draftsman at its meeting of 24 February 2000.

It considered the draft opinion at its meeting of 8 May 2000.

At that meeting it adopted the amendments below by 7 votes to 0, with 6 abstentions.

The following were present for the vote: Michel Rocard, chairman and draftsman; Jillian Evans, Carlo Fatuzzo, Ilda Figueiredo, H  l  ne Flautre, Stephen Hughes, Dieter-Lebrech Koch (for Mann), Jean Lambert, Mario Mantovani, Claude Moraes, Herman Schmid, Miet Smet and Helle Thorning-Schmidt.

SHORT JUSTIFICATION

I. Background

The audiovisual sector is without a doubt one of the bright hopes for employment and economic growth worldwide. The boom in this sector of the economy is also reflected at European level. Between 1990 and 1998, for example, the number of television channels that can be received in Europe has multiplied six-fold. Following a crisis brought about by the introduction of private-sector television, the film industry has also been having record turnovers recently. The emergence of interactive online services and video-on-demand over the Internet will boost the demand for audiovisual productions still further.

There is hardly any lack of creative potential in the European audiovisual industry but Europe is lagging a long way behind the USA in international competition in the production and marketing of audiovisual products. The fragmentation of the European market is one of the main reasons why the Europeans do so badly. Linguistics barriers and national mechanisms in aid of their own industry result in a partitioning of national markets, reduce the profitability of projects and ultimately lead to chronic undercapitalisation of the industry.

By strengthening the European components of the industry, the MEDIA programme is designed to break this vicious circle. The aim is to network the national markets so as to achieve a critical mass for the production and marketing of audiovisual products which are capable of competing on the world market.

II. The Commission's proposals

As with both its predecessors, the MEDIA I and II programmes, the new MEDIA-Plus programme focuses on three priority areas for support, i.e. (a) training, (b) project development and (c) marketing of audiovisual products. The Commission has submitted two separate proposals; a proposal for a training programme in support of the audiovisual programme industry (based on Article 150 of the Treaty) and a proposal for a programme to encourage the development, distribution and promotion of audiovisual works (based on Article 157). For the period 2001-2005, the Commission proposes a total budget of 400 million euro, which includes 50 million euro for training. Hitherto, 300 million euro were available for the programme, which included 45 million euro for training.

Only the proposal for a training programme for professionals will be dealt with in more detail here as it falls within the committee's actual terms of reference. However, it should be pointed out that, in view of the close links between 'MEDIA-Plus – development, distribution and promotion' and 'MEDIA-Training', the amendments should be brought into line to some extent.. The committee responsible is therefore asked to consider whether the amendments it adopted for 'MEDIA-Training' need to be modified for the purposes of the second proposal, 'MEDIA-Plus – development, distribution and promotion'. This will be particularly necessary for amendments relating to the administrative implementation of the programme.

III. Brief presentation of MEDIA-Training

3.1. Organisation of the programme

MEDIA-Training focuses on continuous training for professionals in the audiovisual sector. The Commission argues that initial training in media is adequately covered by national measures. In the light of the proposed budget, comprehensive support for initial training would also be too ambitious an aim. Nevertheless, initial training initiatives qualify for support under certain conditions..

3.2. Budget

The Commission's proposal provides for a budget of 50 m euro for the period 2001-2005. This is a nominal increase of euro 5 m over the programme's predecessor, MEDIA II – Training (1996-2000).

3.3. Objectives

Priority areas for support are:

(a) **Training projects** in:

- training of producers (economic, financial, commercial and legal knowledge for European management);
- script-writing techniques;
- use of new production technologies;

(b) **Networking** of partners involved in training (training establishments, the professional sector and undertakings).

The measures eligible for support in pursuit of these objectives include the development and updating of training modules, exchange programmes and work experience, the networking of training measures and promotion of distance learning. Only training projects in which the majority of participants are of a different nationality from that of the country where the training takes place will qualify for support from the programme.

3.4. Implementing procedure

Projects will be selected by means of annual invitations to submit proposals. The Community's contribution is normally restricted to 50% of the total training costs; the rate may be increased to 60% for projects in regions with a low production capacity and/or a restricted linguistic area.

The Commission is to be assisted by an advisory committee (pursuant to Article 3 of Decision 1999/468/EC on comitology). To implement the programme, the Commission is assisted by several technical offices specialising in individual aspects of the programme.

IV. Guidelines for amendments

In regard to the content of the programme, there are two priorities: (a) **appropriate inclusion of initial training** and (b) greater efforts to **network** relevant training partners. Both priorities

essentially reflect the European Parliament's position on the programme's predecessor, 'MEDIA II – Training'. In view of the restricted budget and taking account of the subsidiarity principle, the programme focuses on continuous vocational training measures. If a European mentality and a genuinely European audiovisual market is to be created, however, it is essential make a start from the very outset at the initial training stage. It must therefore be possible to support initial training measures with a clear European content as a complement to national training. The networking of the national training centres – both initial and continuous - pursues the same objective. In the long term, this should enable a 'centre of centres' to develop along the lines of the American Film Academy.

In regard to the implementation of the programme, *criteria for eligibility for support* are proposed together with *coordination of the programme* with other Community measures. In view of the limited budget, it should be ensured that the projects supported have the greatest possible multiplier effect and produce lasting results. Although the MEDIA programme was developed specifically for the audiovisual sector, it cannot be regarded as independent of other – horizontal – Community measures in the vocational training and labour market sectors. To avoid overlapping and to increase consistency and complementarity between the Community measures instead, the programme must be coordinated, especially with the Socrates and Leonardo programmes as well as the ESF.

The amendments concerning the practical implementation of the measures supported relate to the *publicity rules for projects supported by EU funds and incompatibility rules for Commission experts and consultants*. Firstly, the final beneficiaries are required to make it clear that their projects are jointly financed from Community funds and secondly, the Commission is responsible for drawing up incompatibility rules to apply to the experts and consultants whose services it uses in order to prevent these groups of people using their knowledge of the programme and their specific position to further their own project proposals.

AMENDMENTS

The Committee on Employment and Social Affairs calls on the Committee on Culture, Youth, Education, the Media and Sport, as the committee responsible, to incorporate the following amendments in its report:

Text proposed by the Commission¹

Amendments by Parliament

(Amendment 1)

Article 2(1)(a), third paragraph

Certain initial training measures in which the industrial sector is directly involved, such as masters' degrees, may also be supported if no other Community support is available and in fields for which there are no support measures at national level.

Initial training measures are eligible for support only if they deal with the European dimension of the audiovisual sector and in this respect supplement the content of the national initial training schemes.

Justification:

The Commission's proposal focuses exclusively on continuous vocational training and is therefore strongly industry-oriented. In its legislative resolution of 16 June 1995² on the programme's predecessor (MEDIA II – Training) the European Parliament called for the inclusion of initial training in the programme. In view of the limited budget, it cannot be the programme's aim to replace national initial training measures. The amendment therefore states that the training measures in question must deal with the European dimension of the audiovisual sector and therefore supplement national measures.

At the same time, the Commission's text is given a logical structure in that conditions of support and examples are transferred to the annex. The amendment is therefore closely related to Amendment 7.

¹ OJ C .

² A4-0144/95 of 16 June 1995, OJ C 166, 3.7.1995, p. 192

(Amendment 2)

Article 2(1)(b)

(b) To encourage cooperation and the exchange of know-how through **networking** between the partners **involved in** the training, such as training establishments, the professional sector and undertakings, **as well as through developing training for the trainers.**

Particular importance will be attached to encouraging the **gradual** establishment of networks **between the activities and the existing training establishments.**

(b) To encourage cooperation and the exchange of know-how **and model procedures** between **relevant** partners **for the** training, such as training establishments, the professional sector and undertakings.

Particular importance will be attached to the establishment of networks **in the audiovisual training sector and training for the trainers.**

Justification:

The main aim of the amendment is to improve the wording of the text. Paragraph 1(b) defines the general objective (cooperation on training) and the subparagraph sets out the means of obtaining the objective (networking). The provisions concerning the practical implementation of the measures are transferred to the annex. The amendment is therefore directly related to Amendment 6.

(Amendment 3)

after Article 2(2) (new)

In selecting supported activities, the Commission shall, in addition to the priorities set out in paragraph 2, take particular account of the following criteria:

- **partnership between training establishments, the professional sector and undertakings;**
- **the innovatory nature of the measure;**
- **the multiplier effect of the measure (including utilisable results, e.g. manuals)**
- **the cost-effectiveness of the measure;**
- **availability of other national or Community support measures;**

Justification:

The Commission's proposal contains no criteria for support. In view of the limited budget, however, priorities - as defined in the amendment - must be introduced.

(Amendment 4)

Article 3

In order to achieve maximum coordination, the Commission will ensure that there is collaboration between the training activities and the development projects supported under the MEDIA Plus programme. In this context, information about the support mechanisms provided by the programme shall be given to the professionals taking part in the continuous training activities.

In order to achieve maximum coordination, the Commission will ensure that there is collaboration between the training activities and the development projects supported under the MEDIA Plus programme. In this context, information about the support mechanisms provided by the programme shall be given to the professionals taking part in the continuous training activities. ***The Commission will also ensure coordination between the programme and the other Community programmes in the field of initial and continuous vocational training, and with the operations of the European Social Fund.***

Justification:

In the explanatory memorandum to its proposal, the Commission points to the need for coordination with the Socrates and Leonardo programmes, though there is no direct reference to this in the proposal itself. In addition, there is a need for coordination with the operations of the European Social Fund, the most important Community instrument of active employment policy, since the measures contained in the proposal have obvious points of contact with the tasks of the ESF. The amendment is closely related to Amendment 5 in this respect.

(Amendment 5)

Article 8(5)

On completion of the programme, the Commission shall present to the European Parliament, the Council, the Economic and Social Committee, and the Committee of the Regions a report on the implementation and results of the programme

On completion of the programme, the Commission shall present to the European Parliament, the Council, the Economic and Social Committee, and the Committee of the Regions a report on the implementation and results of the programme. ***The Commission's report shall, in particular, give an account of the value added created by the Community's financial support, its possible impact on***

employment, and the coordinating measures referred to in Article 3.

Justification:

The amendment takes over the European Parliament's proposals in its legislative resolution on the programme's predecessor and expands on Amendment 4 by requiring the Commission to report on coordination between the programme, other Community programmes in the field of initial and continuous vocational training, and the operations of the European Social Fund.

(Amendment 6)
Annex Paragraph 1.4

1.4 Networks of training courses

The objective is to encourage existing institutions and/or measures to set up coordination of their activities in order to establish European networks.

1.4 Networks of training courses

The objective is to encourage existing institutions and/or measures ***in the field of initial and continuous vocational training*** to set up coordination of their activities in order to establish European networks, ***including the establishment of transnational networks of initial and continuous training establishments and, in general, the networking of partners involved in continuous training. The programme should also provide for a contribution to create the conditions for founding a European initial and continuous training centre for audiovisual arts and professions along the lines of already existing institutions.***

Justification:

The amendment is directly related to Amendment 2 in that it lays down more detailed provisions in the Annex for the objective of networking set out in Article 2(1)(b).

Hitherto, the possibility of networking under the programme's predecessors has hardly been used. This is probably connected with the fact that MEDIA is very strongly industry-oriented and at the same time confines itself to continuous vocational training. The lack of structured cooperation between national initial training establishments, however, is a missing link in support for the audiovisual sector. The creation of a European mentality in the film industry should be promoted from the very outset by heightening students' awareness of the European dimension at the initial training stage. The networking of film institutes is an important contribution to that.

The amendment finally proposes the gradual creation of a centre for training centres, somewhat along the lines of the American Film Academy, with the aim of giving the European audiovisual industry a more visible international profile. The amendment thus takes over a proposal made by the European Parliament in its legislative resolution on the programme's predecessor 'MEDIA II - Training'. This proposal was also backed by professionals in the audiovisual industry at the Birmingham Conference on the Future of the Audiovisual Sector in April 1998.

(Amendment 7)
Annex paragraph 1.5

1.5. Initial training activities

Support may be provided for activities in some fields of initial training where no Community or national funding is on offer. Such activities may include master's degrees in which there is a link with industry in the form of a partnership and/or work experience.

1.5. Initial training activities

Initial training measures covering specifically European aspects and thereby going beyond the content of national initial training schemes are eligible for support provided funding from other Community programmes does not prove more expedient or provision is already made for national funding. Such measures may include masters' degrees with a European focus.

Justification:

The amendment expands on Amendment 1 by providing a more detailed definition in the annex of the conditions for eligibility for support of initial training measures (as provided in Article 2(1)(a)).

(Amendment 8)
Annex paragraph 2.3.1, second paragraph

The Commission shall make the final selection of the beneficiaries of the programme and shall decide on the financial support to be granted, in accordance with Article 5.

The Commission shall make the final selection of the beneficiaries of the programme and shall decide on the financial support to be granted, in accordance with Article 5. ***The beneficiaries shall take steps to publicise the Community's support. .***

Justification:

To make the use of Community funds more transparent to the general public, beneficiaries must refer to the Community's support in the context of the measures concerned.

(Amendment 9)

Annex 2.3.1, third paragraph

For the implementation of the programme, and in particular the assessment of the projects receiving funding under the programme, and for the networking measures, the Commission shall ensure that it makes use of the skills of recognised experts in the audiovisual sector in the fields of training, development, production, distribution and promotion.

For the implementation of the programme, and in particular the assessment of the projects receiving funding under the programme, and for the networking measures, the Commission shall ensure that it makes use of the skills of recognised experts in the audiovisual sector in the fields of training, development, production, distribution and promotion. ***In order to ensure the independence of the consultants and experts whose services it uses, the Commission shall lay down incompatibility provisions in respect of the participation of these groups of persons in the invitations to submit proposals under the programme.***

Justification:

In considering the technical assistance offices for the Leonard Programme, it was established that Commission experts and consultants were also acting as project promoters or had a close relationship with project promoters. As the consultants and experts used by the Commission have access to privileged knowledge, their participation in the programme as project promoters should be regarded as inappropriate.

21 June 2000

OPINION OF THE COMMITTEE ON INDUSTRY, EXTERNAL TRADE, RESEARCH AND ENERGY

for the Committee on Culture, Youth, Education, the Media and Sport

on the proposal for a decision of the European Parliament and of the Council on the implementation of a training programme for professionals in the European audiovisual programme industry (MEDIA – Training (2001-2005)) (COM(1999) 658 – C5-0059/2000 – 1999/0275(COD))

and on the proposal for a Council decision on the implementation of a programme to encourage the development, distribution and promotion of European audiovisual works (MEDIA Plus – Development, Distribution and Promotion) (2001-2005)) (COM(1999) 658 – C5-0119/2000 – 1999/0276(CNS))

Draftsman: Francesco Fiori

PROCEDURE

The Committee on Industry, External Trade, Research and Energy appointed Francesco Fiori draftsman at its meeting of 27 January 2000.

It considered the draft opinion at its meetings of 19 April, 25 May and 21 June 2000.

At the last meeting it adopted the amendments below by 49 votes, with 2 abstentions.

The following were present for the vote: Carlos Westendorp y Cabeza, chairman; Nuala Ahern, vice-chairman; Peter Michael Mombaur, vice-chairman; Francesco Fiori, draftsman; Gordon J. Adam (for Eryl Margaret McNally), Konstantinos Alyssandrakis, Ward Beysen (for Willy C.E.H. De Clercq), Guido Bodrato, Yves Butel, Massimo Carraro, Gérard Caudron, Giles Bryan Chichester, Dorette Corbey (for Erika Mann), Claude J.-M.J. Desama, Harlem Désir, Raina A. Mercedes Echerer (for Nelly Maes), Concepció Ferrer, Colette Flesch, Glyn Ford, Jacqueline Foster (for Godelieve Quisthoudt-Rowohl), Norbert Glante, Robert Goebbels (for Rolf Linkohr), Lisbeth Grönfeldt Bergman (for Anders Wijkman), Michel Hansenne, Malcolm Harbour, Bashir Khanbhai (for Christos Folias), Bernd Lange (for François Zimeray), Peter Liese (for Werner Langen), Caroline Lucas, Linda McAvan, Hans-Peter Martin (for Imelda Mary Read), Marjo Tuulevi Matikainen-Kallström, Elizabeth Montfort, Luisa Morgantini, Angelika Niebler, Giuseppe Nisticò (for Paul Rübig), Reino Kalervo Paasilinna, Yves Piétrasanta, Elly Plooij-van Gorsel, Samuli Pohjamo (for Nicholas Clegg), John Purvis, Alexander Radwan (for W.G. van Velzen), Mechtild Rothe, Christian Foldberg Rovsing, Umberto Scapagnini, Konrad K. Schwaiger, Esko Olavi Seppänen, Astrid Thors, Claude Turmes (for Ilka Schröder), Jaime Valdivielso de Cué and Dominique Vlasto.

SHORT JUSTIFICATION

The audiovisual industry, currently one of the fastest-moving sectors on the world stage, has recently seen such ground-breaking innovations in the areas of both broadcasting and production that it is justified to talk in terms of a 'new millennium of multimedia revolution' or the 'multimedia millennium'. From the financial point of view too, in the wake of the years in which commercial television stations emerged and expanded, a new and more intensive economic and financial growth phase has opened, driven, among other things, by the new audiovisual technologies, which have sent share prices soaring.

These factors help to create new jobs. What is needed, therefore, in order to boost development are constant adjustments in technology applications and an ability to adapt quickly to the changing situations.

The European audiovisual programme industry has to be in a position to benefit from the opportunities afforded by the development of digital technologies, whether on the European market or on markets outside Europe. It would be pointless to talk of US supremacy on the world market or a serious risk that the European industry will be smothered by American products. The buoyancy of the market, the rapid spread of wealth, the fact that information and products circulate at such speed, and, above all, their market penetration capacity (using the Internet, satellite transmissions, and WAP technology) will lead to greater competition among audiovisual industries.

The MEDIA programme has to enable the European industry to compete and become a leading player in this global scenario by networking national and international audiovisual professionals and focusing on product content and marketability alike.

I. AIM OF THE PROGRAMME

MEDIA Plus, which will succeed Media I and Media II from 2001, provides a single unified legislative frame of reference for the programme seeking on the one hand to encourage the development, distribution, and promotion of European audiovisual products and, secondly, to support the training of audiovisual professionals.

II. SUBSTANCE

The programme is intended to cover development, transnational distribution of products, promotion and market access, and training of professionals.

Like Media I and II, MEDIA Plus breaks down into two main lines of action:

1. MEDIA Plus – Development, Distribution and Promotion (consultation procedure under Article 157(3) of the Treaty),
2. MEDIA – Training, for programme industry professionals (codecision procedure under Article 150(4)).

2.1 MEDIA Plus – Development, Distribution and Promotion

The following types of activity will be pursued under MEDIA Plus – Development:

- ***Development***

Measures to boost investment in audiovisual works, focusing on products which lend themselves most effectively to distribution on European and international markets and offer the best prospects of commercial success. The operations to be carried out to achieve that end fall into two categories:

- (a) co-financing of the development of individual projects (ideas, identification of artistic and financial partners, market studies) put forward by European producers,
- (b) co-financing of medium-term strategies pursued by leading companies with a view to developing 'project packages'.

- ***Distribution***

Measures to encourage investment in distribution covering media of various kinds, ranging from film to on-line distribution. The programme offers support in the form of loans to those who distribute European products outside the countries where they were made, and automatic support for certain areas of distribution.

- ***Promotion and market access***

The priorities will be to:

- (a) provide technical and financial support to enable professionals to gain access more readily to European and international markets;
- (b) promote the use of databanks to exchange information and experiences;
- (c) supporting audiovisual festivals featuring a significant proportion of European works.

2.2. MEDIA Plus – Training

The development of digital technologies will enable the supply of audiovisual programmes to expand rapidly. The likely developments in the content industry will not generate employment unless the skills of the professionals in the sector are geared to market needs. MEDIA – Training centres on vocational training for audiovisual professionals in the areas of:

- new production technologies,
- economic, financial, and commercial management,
- scriptwriting techniques,

- networking of those involved in training.

III. OVERALL BUDGET AND DURATION OF THE PROGRAMME

The Commission proposal stipulates that the total volume of appropriations for the two programmes will be EUR 400 m. The sum of EUR 350 m is earmarked for development, distribution, and promotion of audiovisual works (compared with EUR 265 m under the previous programme), whereas EUR 50 m is to be allocated to training (compared with EUR 45 m under Media II).

The Community contribution will not normally exceed 50% of the total cost of an operation but may be raised to up to 60% in special cases, for example measures carried out in narrowly circumscribed geographical language areas.

The programme will run from 2 January 2001 to 31 December 2005.

IV. THE AMENDMENTS

From the structural point of view, investment in the audiovisual sector needs to be increased in order to create new job opportunities for the young European unemployed and stem the brain drain from the EU to non-European countries, especially the United States, where higher investment makes not only for better working conditions, but also for greater job opportunities. It is unfortunate that the funds earmarked for the MEDIA Plus programme as a whole are a little less than what the majors spend to make a blockbuster. The overall budget should be increased not only in the area of development, distribution, and promotion of European products, but also where the training of professionals is concerned.

It should be ensured that the training programmes set out in the proposal include support measures geared to the need to develop innovative content for the production of audiovisual formats other than drama and documentaries. Contrary to what has been the practice under Media II, the training programmes financed by the Commission should cover the study of, research into, and the production of new formats and not just drama and documentaries. Emphasis should be laid on training conducive to 'research and development' oriented towards high-quality content for services that will continue to be provided free of charge to all homes, whether or not on-line and/or subscription services are used at the same time. In addition to the training of professionals, therefore, support should also be granted for the development, promotion, and distribution of programmes in the above category.

Furthermore, the legal basis should be changed to ensure that the component relating to support for the development, distribution, and promotion of European audiovisual works can likewise be brought within the scope of codecision, thus enabling Parliament to wield greater influence on implementation of the programme and its aim of fostering European culture. The draftsman considers it essential that production be added to the activities to be supported under the programme so as to provide the encouragement required to bring about genuinely European audiovisual production to counterbalance US production and at the same time act as a mouthpiece for intrinsically European cultural values, in particular the democratic principles that form the bedrock on which the Union has been built. The programme should offer support in the form of co-financing for programmes and films that disseminate European culture.

At all events, even without departing from the existing structure of the programme, the preferred aim should be to bolster production and distribution sectors that use new experimental systems.

The draftsman believes that the eligibility arrangements applying to the programme should be altered by reducing the number of partners required to obtain MEDIA Plus funding from three to two. If the number of partners were to remain unchanged, large companies and SMEs alike would have few opportunities to take part. In recent years European film audiences have increased by over 30%, although cross-border distribution, especially by small and medium-sized enterprises, still poses a problem.

In spite of the fact that projects submitted by (public service or commercial) broadcasting companies have not been explicitly excluded under the provisions of Media II, they have been disqualified de facto by the guidelines published together with the calls for tender.

However, it is vitally important for Europe that audiovisual production companies should be eligible to be included among the potential beneficiaries of the programme.

AMENDMENTS

The Committee on Industry, External Trade, Research and Energy calls on the Committee on Culture, Youth, Education, the Media and Sport, as the committee responsible, to incorporate the following amendments in its report:

Amendments to the proposal for a decision of the European Parliament and of the Council on the implementation of a training programme for professionals in the European audiovisual programme industry (**MEDIA – Training**) (COM(1999) 658 – C5-0059/2000 – 1999/0275(COD))

Text proposed by the Commission¹

Amendments by Parliament

(Amendment 1)
Recital 4a (new)

The importance of establishing a Guarantee Fund has been acknowledged on several occasions by the European Parliament and the Commission as one of the measures required, together with other means, for the development of an independent audiovisual industry that encourages new talent and develops European cultural content.

Justification:

It is important also to stress, together with the other actions taken by the European institutions, the setting up of the Guarantee Fund which the European Parliament also supports.

(Amendment 2)
Recital 9a (new)

It is appropriate to facilitate the development of investment in the European cinema industry by calling on the Member States to pursue a policy of making sums reinvested for the creation of new jobs tax-deductible.

Justification:

¹ OJ C xxxx.

Calling on Member States to pursue a policy of making such expenditure tax-deductible is one means of assisting the creation of new jobs

(Amendment 3)

Article 2(1)(a), fourth indent (new)

– format development techniques extending beyond drama and documentaries.

Justification:

This provision aims to ensure that European audiovisual professionals can be trained to develop techniques for creating audiovisual formats not confined merely to drama and documentaries. The market segment concerned is one which European production has penetrated only barely, if at all, but the sector has the potential for substantial expansion, not least because new forms of transmission (new technologies such as the Internet and so forth) have now become established. This amendment should be viewed in conjunction with other amendments to the text seeking to safeguard the European cultural heritage.

(Amendment 4)

Article 2(1)(a), third subparagraph

Certain initial training measures in which the industrial sector is directly involved, ***such as masters' degrees***, may also be supported if no other Community support is available and in fields for which there are no support measures at national level.

Certain initial training measures in which the industrial sector is directly involved may also be supported. ***Masters' degrees, for example, shall be supported and encouraged*** if no other Community support is available and in fields for which there are no support measures at national level.

Justification:

The involvement of private industry and industrial free enterprise must be encouraged not just as a separate area of activity, but also as a form of action coordinated with the programme.

(Amendment 5)

Article 2(1)(b)

(b) To encourage cooperation and the exchange of know-how through networking between the partners involved in the training, such as training establishments, the professional sector and undertakings, as well as through developing training for the trainers.

(b) To encourage cooperation and the exchange of know-how through networking between the partners involved in the training, such as training establishments, the professional sector and undertakings, as well as through developing training for the trainers.

Particular importance will be attached to encouraging the gradual establishment of networks between the activities and the existing training establishments.

Particular importance will be attached to encouraging the gradual establishment of networks between the activities and the existing training establishments. ***Networks already operating on the market shall likewise be encouraged.***

Justification:

If the specific intention is to provide a springboard for alternative European networks that can compete on non-European markets, the networks must not only be encouraged at the time when they are set up, but must continue to be fostered once they have become active on the market.

(Amendment 6)
Article 4(2)

2. The beneficiaries of Community support shall ensure that ***a majority*** of the participants in a training measure are of a nationality other than that of the country in which the training takes place.

2. The beneficiaries of Community support shall ensure that ***some*** of the participants in a training measure are of a nationality other than that of the country in which the training takes place.

Justification:

This amendment is intended to help the smaller countries and those where the audiovisual industry has traditionally played a less dominant role or whose products have little commercial potential (this would apply to some of the associated countries). It would enable them to train a high proportion of their audiovisual professionals with the aid of measures which in any event would involve an appreciable number of persons who would not be nationals of the country where the training took place.

(Amendment 7)
Article 4(5)

5. The financial framework for implementing this programme for the period set out in Article 1 shall be EUR ***50*** million.

5. The financial framework for implementing this programme for the period set out in Article 1 shall be EUR ***70*** million.

Justification:

To date Europe has invested only modestly in training in general and audiovisual training in particular. Quite a considerable gap has therefore opened up in relation to its main rivals on the world market. A higher amount needs to be allotted to the programme in view of its aims and the measures to be pursued under it.

(Amendment 8)

Article 6(1)

1. The Commission shall be assisted by an advisory committee ("the MEDIA Committee") composed of representatives of the Member States and chaired by the representative of the Commission.

1. The Commission shall be assisted by an advisory committee ("the MEDIA Committee") composed of representatives of the Member States ***with proven experience and expertise in the sector*** and chaired by the representative of the Commission.

Justification:

The stipulation that committee members must have proven experience and expertise is intended to strengthen the general rules on committee and the provisions set out in the Annex.

(Amendment 9) Article 7(5)

6. The programme shall also be open to the participation of other third countries on the basis of supplementary appropriations and the specific arrangement to be established in the agreement between the interested parties. The European third countries referred to in paragraph 3 which do not wish to participate fully in the programme may be eligible for cooperation under the conditions set out in this paragraph.

6. The programme shall also be open to the participation of other third countries on the basis of supplementary appropriations and the specific arrangement, ***including cost sharing under agreed procedures***, to be established in the agreement between the interested parties. ***The inclusion of third countries must be encouraged because it makes for a cultural exchange that can serve to disseminate the democratic ideas and the values, traditions, history, and culture which Europe embodies and symbolises.*** The European third countries referred to in paragraph 3 which do not wish to participate fully in the programme may be eligible for cooperation under the conditions set out in this paragraph.

Justification:

The inclusion of third countries is central to the spread of European cultural products, a vehicle for disseminating the ideas that Europe embodies. Moreover, it must serve to ensure that European products can provide a world-wide alternative to American products.

(Amendment 10) Article 8(5)

6. On completion of the programme, the Commission shall present to the European

5. On completion of the programme, the Commission shall present to the European

Parliament, the Council, the Economic and Social Committee, and the Committee of the Regions a report on the implementation and results of the programme.

Parliament, the Council, the Economic and Social Committee, and the Committee of the Regions a **detailed** report on the implementation and results of the programme.

Justification:

Only with the aid of a detailed report will it be possible to gauge the real impact of the programme, as reflected in the long-term value added generated by the training of professionals. A detailed assessment should also be made in order to ascertain how far training has helped to create new jobs.

(Amendment 11)
Annex, point 1

1. MEASURES TO BE IMPLEMENTED

In support of and in addition to the measures being undertaken by the Member States, the programme aims to permit professionals to adapt to the dimension of the market, and in particular the European market, for audiovisual works, by promoting vocational training in economic, financial and commercial management, including the legal framework, distribution and marketing, as well as in the new technologies (including the conservation and exploitation of the European film and audiovisual heritage) **and** script-writing techniques.

1. MEASURES TO BE IMPLEMENTED

In support of and in addition to the measures being undertaken by the Member States, the programme aims to permit professionals to adapt to the dimension of the market, and in particular the European market, for audiovisual works, by promoting vocational training in economic, financial and commercial management, including the legal framework, distribution and marketing, as well as in the new technologies (including the conservation and exploitation of the European film and audiovisual heritage), script-writing techniques, **and audiovisual format development techniques not confined to drama and documentaries.**

Justification:

Support for training to enable professionals to develop programme formats other than drama and documentaries will provide an incentive to produce such programmes on a Europe-wide scale and ensure in the medium to long term that European broadcasting organisations will have no need to buy non-European formats, as many professionals in the sector are doing at present. Formats produced in Europe would help to reduce the influence and spread of cultural models that do not belong to the tradition of our continent and would enhance the employment and economic growth potential of this segment of the audiovisual industry, not least in view of the fact that new transmission technologies are being used more and more widely.

(Amendment 12)
Annex, point 1.4

1.4. Networks of training courses
The objective is to encourage existing institutions and/or measures to step up coordination of their activities in order to establish European networks.

1.4. Networks of training courses
The objective is to encourage existing institutions and/or measures to step up coordination of their activities in order to establish European networks **and foster networks already in place.**

Justification:

This amendment forms a pair with Amendment 3 to Article 2(1)(b). The justification is as for Amendment 3.

(Amendment 13)
Annex, point 1.4a (new)

1.4a. Audiovisual format development techniques beyond drama and documentaries

Training in this area is intended to develop and improve the ability of audiovisual professionals to create audiovisual formats not confined to drama and documentaries.

Justification:

Support for training to enable professionals to develop programme formats other than drama and documentaries will provide an incentive to produce such programmes on a Europe-wide scale and ensure in the medium to long term that European broadcasting organisations will have no need to buy non-European formats, as many professionals in the sector are doing at present. Formats produced in Europe would help to reduce the influence and spread of cultural models that do not belong to the tradition of our continent and enhance the employment and economic growth potential of this segment of the audiovisual industry, not least in view of the fact that new transmission technologies are being used more and more widely.

Amendments to the proposal for a Council decision on the implementation of a programme to encourage the development, distribution and promotion of European audiovisual works (**MEDIA Plus – Development, Distribution and Promotion**) (2001-2005) (COM(1999) 658 – C5-0119/2000 – 1999/0276 (CNS))

(Amendment 14)
Citation 1

Having regard to the Treaty establishing the European Community, and in particular Article 157(3) thereof,

Having regard to the Treaty establishing the European Community, and in particular Article 157(3) thereof **and Article 151(5) thereof in conjunction with the fourth indent of Article 151(2) thereof,**

Justification:

The change of legal basis is intended to enable Parliament to wield greater influence on implementation of the Programme and its aim of fostering European culture.

(Amendment 15)
Recital 4a (new)

The importance of establishing a Guarantee Fund has been acknowledged on several occasions by the European Parliament and the Commission as one of the measures required, together with other means, for the development of an independent audiovisual industry that encourages new talent and develops European cultural content.

Justification:

It is important also to stress, together with the other actions taken by the European institutions, the setting up of the Guarantee Fund which the European Parliament also supports.

(Amendment 16)
Recital 13

(13) The competitiveness of the audiovisual programme industry depends on the use of new technologies at the programme development, production and distribution stages. It is therefore appropriate to ensure suitable and effective coordination with the measures undertaken in the field of new technologies, in particular the Fifth Framework Programme of the European Community for research, technological development and demonstration activities (1998-2002), as

(13) The competitiveness of the audiovisual programme industry depends on the use of new technologies at the programme development, production and distribution stages. It is therefore appropriate to ensure suitable and effective coordination with the measures undertaken in the field of new technologies, in particular the Fifth Framework Programme of the European Community for research, technological development and demonstration activities (1998-2002), as

adopted by Decision No 182/1999/EC of the European Parliament and of the Council.

adopted by Decision No 182/1999/EC of the European Parliament and of the Council, **and the future Sixth Framework Programme in order to make for consistency with the measures to be undertaken under that programme, focusing in particular on the needs and potential of small and medium-sized enterprises operating on the audiovisual market.**

Justification:

According to the spirit of the Fifth Framework Programme, small and medium-sized enterprises are regarded as the chief beneficiaries of future technological development and research. To make for consistency among the different Community measures relating to new technologies, this point needs to be stressed.

(Amendment 17)
Recital 17a (new)

(17a) The European audiovisual production of independent large and small private companies should not be underestimated, but on the contrary turned to account, given that such companies can do much to boost the development of the European audiovisual sector.

Justification:

If it is to meet the challenge of the global market, it is vitally important that Europe should not overlook the considerable contribution of industries operating in the audiovisual sector that have entered into international partnerships within the EU.

(Amendment 18)
Recital 17b (new)

It is appropriate to facilitate the development of investment in the European cinema industry by calling on the Member States to pursue a policy of making sums reinvested for the creation of new jobs tax-deductible.

Justification:

Calling on Member States to pursue a policy of making such expenditure tax-deductible is one

means of assisting the creation of new jobs

(Amendment 19)
Recital 18

(18) There is a need to facilitate market access for independent European production and distribution companies, and to promote both European works and European companies in the audiovisual sector.

(18) There is a need to facilitate market access for independent European production and distribution companies, and to promote both European works and European companies in the audiovisual sector, ***not least by simplifying the official administrative procedures applying to the Programme.***

Justification:

Quite a substantial portion of the budget is earmarked for technical administrative expenditure.

(Amendment 20)
Recital 19a (new)

(19a) Publicly and privately owned European companies, be they publishing houses, distributors, or broadcasting organisations, should be encouraged to digitise their archives and network their catalogues.

Justification:

If catalogues, wherever they might be found, were exploited in digital format, new broadcasting technologies could be put to use, and the production of the various European countries brought to wider notice.

(Amendment 21)
Article 1(2)(e)

(e) building up ***a production and distribution sector, especially*** comprising small and ***medium-sized*** enterprises.

(e) building up ***those production sectors that use new experimental production systems and distribution sectors*** comprising ***large*** and small ***publicly and privately owned*** enterprises.

Justification:

The text of the Commission proposal needs to be altered with a view to improving the competitiveness of the European audiovisual industry.

(Amendment 22)

Article 2

In the development sector, the specific objectives of the programme are as follows:

(a) to promote, by providing financial support, the development of production projects (dramas for cinema or television, creative documentaries, animated films for television or cinema, works exploiting the audiovisual and cinematographic heritage) submitted by companies and aimed at the European and international markets;

In the development sector, the specific objectives of the programme are as follows:

(a) to promote, by providing financial support, the development of production projects (dramas for cinema or television, creative documentaries, animated films for television or cinema, **audiovisual formats**, works exploiting the audiovisual and cinematographic heritage), **especially those using new experimental systems**, submitted by companies and aimed at the European and international markets;

Justification:

The text of the Commission proposal needs to be altered with a view to improving the competitiveness of the European audiovisual industry

(Amendment 23)

Article 5(2)

2. The financial reference amount for implementation of the Programme for the period referred to in Article 1(1) shall be EUR **350** million. The annual appropriations shall be authorised by the budgetary authority within the limits of the financial perspectives.

2. The financial reference amount for implementation of the Programme for the period referred to in Article 1(1) shall be EUR **550** million. The annual appropriations shall be authorised by the budgetary authority within the limits of the financial perspectives.

Justification:

An increase on the scale specified above is necessary given the vast scope of the measures to be supported under the Programme.

(Amendment 24)

Article 10(5)

6. The Programme shall also be open to cooperation with other third countries on the basis of supplementary appropriations and the specific arrangements to be established in agreements between the interested parties. The European third countries referred to in paragraph 3 which

6. The Programme shall also be open to cooperation with other third countries on the basis of supplementary appropriations and the specific arrangements, **including cost sharing under agreed procedures**, to be established in agreements between the interested parties. **The inclusion of third**

do not wish to benefit from full participation in the Programme may be eligible for cooperation with the Programme under the conditions set out in this paragraph.

countries must be encouraged because it makes for a cultural exchange that can serve to disseminate the democratic ideas and the values, traditions, history, and culture which Europe embodies and symbolises. The European third countries referred to in paragraph 3 which do not wish to benefit from full participation in the Programme may be eligible for cooperation with the Programme under the conditions set out in this paragraph.

Justification:

The inclusion of third countries is central to the spread of European cultural products, a vehicle for disseminating the ideas that Europe embodies. Moreover, it must serve to ensure that European products can provide a world-wide alternative to American products.

(Amendment 25)

Article 11(4)

5. On completion of the Programme the Commission shall submit to the European Parliament, the Council and the Economic and Social Committee a report on the implementation and results of the Programme.

5. On completion of the Programme the Commission shall submit to the European Parliament, the Council and the Economic and Social Committee a ***detailed*** report on the implementation and results of the Programme.

Justification:

Only with the aid of a detailed report will it be possible to gauge the real impact of the Programme in terms of the value added serving to attain the Programme's proposed objectives.

(Amendment 26)

Annex, point 1.2.3, first paragraph

Encourage independent producers to produce works (feature films, documentaries and animated films) involving at least ***three*** broadcasters in several Member States belonging to different language zones.

Encourage independent producers to produce works (feature films, documentaries, ***television programmes, formats,*** and animated films) involving at least ***two*** broadcasters in several Member States belonging to different language zones.

Justification:

The first part of the amendment, seeking to add television programme formats, stems from the need to offer incentives to produce such programmes on a Europe-wide scale and ensure in the medium to long term that European broadcasting organisations will not have to buy non-European formats, as many professionals in the sector are doing at present. Formats produced in Europe would help to reduce the influence and spread of cultural models that do not belong to the tradition of our continent (see the preceding amendments on the same subject). As regards the second part of the amendment, which reduces the number of partners from three to two, the idea is to provide real support to SMEs, which are not so readily able to enter into partnership arrangements.

(Amendment 27)

Annex, point 1.2.4, second paragraph

Introduction of incentives to digitise works and create promotional and publicity material in digital form, so encouraging European companies (suppliers of on-line access, special-interest channels, etc.) to create catalogues of European works in digital format for exploitation via new media.

Introduction of incentives to digitise works and create promotional and publicity material in digital form, so encouraging European companies (suppliers of on-line access, **public service and commercial broadcasting organisations**, special-interest channels, etc.) to create catalogues of European works in digital format for exploitation via new media.

Justification:

The amendment makes for greater technical precision.

29 May 2000

OPINION OF THE COMMITTEE ON LEGAL AFFAIRS AND THE INTERNAL MARKET

for the Committee on Culture, Youth, Education, the Media and Sport

on the proposal for a decision of the European Parliament and of the Council on the implementation of a training programme for professionals in the European audiovisual programme industry (MEDIA - Training)
(COM(1999) 658 – C5-0059/2000 – 1999/0275(COD))

and

on the proposal for a Council decision on the implementation of a programme to encourage the development, distribution and promotion of European audiovisual works (MEDIA Plus - Development, Distribution and Promotion) (2001-2005)

(COM(1999) 658 - C5/0119/2000 - 1999/0276(CNS))

Draftsman: Raina A. Mercedes Echerer

PROCEDURE

The Committee on Legal Affairs and the Internal Market appointed Raina A. Mercedes Echerer draftsman at its meeting of 29 February 2000.

It considered the draft opinion at its meetings of 9 and 25 May 2000.

At the latter meeting it unanimously adopted the amendments below.

The following were present for the vote: Ana Palacio Vallelersundi, chairman; Ward Beysen and Rainer Wieland (vice-chairmen); Raina A. Mercedes Echerer, draftsman; Maria Berger, Philip Charles Bradbourn, Giorgio Celli (for Heidi Anneli Hautala, Rule 153(2)), Francesco Fiori (for Felipe Camisón Asensio, Rule 153(2)), Janelly Fourtou, Evelyne Gebhardt, Gerhard Hager, Malcolm Harbour, The Lord Inglewood, Kurt Lechner, Klaus-Heiner Lehne, Donald Neil MacCormick, Helmuth Markov (for Alain Krivine, Rule 153(2)), Manuel Medina Ortega, Bill Miller, Angelika Niebler, Joke Swiebel, Antonio Tajani, Maurizio Turco (for Francesco Enrico Speroni, Rule 153(2)), Feleknas Uca, Diana Paulette Wallis and Stefano Zappalà.

SHORT JUSTIFICATION

There is no such thing as a European film. No more than there is such thing as a US, an 'African' or an 'Asian' film. A cinematic work fundamentally bears the signature of the artists who create it and not that of a nation state. And yet, to some extent films from different cultures differ in their visual language, their subject matter and in their entire approach so enormously that it is possible to speak of specific characteristics of a 'European cinematic style' (e.g. 'film noir') or of a typical 'Hollywood movie'.

Audiovisual works made in Hollywood hold sway over the world market and consequently also dominate the European market. Hollywood decided at an early stage to become an entertainment industry whose guiding maxim would be 'take care of business'. The audiovisual work itself sometimes appears to be no more than a small cog in the commercial machinery (licensing, merchandising, stockmarket performance etc.) when in fact it should constitute the very heart of the matter.

Europe can and must distinguish itself from Hollywood in this respect by not simply submitting to the laws of the market - dictated by Hollywood - and thereby risking the loss of its own identity but it must (re)conquer its own market through authenticity and innovation. The aim cannot be to compete with Hollywood at the mainstream level and produce Hollywood films made in Europe. If 'European cinema' is to hold its own as a distinctive product of a cultural community, as a 'trade mark', then it must place its trust in its own cultural identity.

1. Entertainment industry versus cultural mission

To avoid any misunderstanding from the outset, I should point out that artistic authenticity and cultural identity are in no way by definition contrary to commercial profitability. It should therefore be the declared objective of every European film 'to be seen', in other words to be a commercial success. The image of a 'niche' product which almost must be a flop in commercial terms is hardly conducive to the progressive development of European film production.

Part of the cultural mission in Europe is to arouse and stimulate mutual interest between people of different nations. Audiovisual works are the cultural instrument of our age and are capable, as no other medium is, of promoting and strengthening cultural exchange. Reviewing and passing on our own history, examining analytically the present, commenting on the various issues affecting Europe - none of this can be done except through high-quality content. If Europe is writing its own history, then European cinema is also doing the same.

2. Visual language and its impact

Social and cultural values and trends are now often created through cinema, TV and the Internet, making reality of a virtual world via the big and small screens. Young Europeans of recent decades know the big cities and regions of the USA like the back of their hand or at least they believe they know them. However, if typical social and cultural influences from the US audiovisual tradition - almost exclusively - shape our reality, if through screen or display 'made in Hollywood' culture is the staple diet, then obviously interest in the 'culture on our own doorsteps' wanes and Europe loses something of its cultural identity. One of the most

urgent tasks of European cultural policy is to ensure that the shelves of the 'audiovisual supermarket' feature European films at eye level alongside the mainstream products from the USA. That is a cultural service.

3. Know-how, market situation and image

Creative, technological and management skills can only be developed further and perfected through continuous work. Hollywood was created with the help of Europeans who left their lasting mark on it. Many highly talented European professionals still emigrate to the US Mecca of cinema. Europe must provide more opportunities for its own potential to set up here in Europe, which obviously means that the number of productions must increase significantly. Without high-quality content, however, the promotion of distribution and marketing, although highly important, will be irrelevant. Exceptions usually prove the rule. If European cinema represents a 'positive exception' in the international mainstream, this will ultimately lead to a qualitative stimulation of competition and will enhance the image of the producing country.

4. Management and marketing

US producers employ a concerted strategy with co-producers, subsidiaries and partners throughout the world to achieve optimum marketing and global success (e.g. films going on general release simultaneously worldwide).

Europe must improve its networking within the EU and in the international area and learn to produce and market on a joint basis to a greater extent. This necessitates creating greater public interest in European cinema worldwide (but particularly in Europe).

5. The European market

Cultural diversity in Europe itself makes for a diverse cinematic landscape. However, this advantage may occasionally be a severe drawback. The particular characteristics of the individual countries and the diversity of languages have made it difficult to create a common market in films and continue to do so.

Following the establishment of a common internal market, ideal commercial conditions have, in theory, been created in the EU. The task now is to establish the same ideal conditions in order to preserve and extend cultural diversity.

The Community recognises the need for and the importance of cultural diversity in Europe and for that reason we should invest in European film-making and concentrate on a European identity.

Both Commission proposals are concerned with support as a matter of principle for the European audiovisual sector. The first proposal concerns training (aid of EUR 50 million; the previous programme provided for EUR 45 million); the second concerns the development, distribution and promotion of audio-visual works (aid of EUR 350 million; the previous programme provided for EUR 265 million).

6. Procedure

The first proposal follows the codecision procedure, while the second is based on simple consultation of Parliament. Following the first reading, at the latest, the two proposals will go separate ways.

7. Content

As regards the content of the proposals, the most appropriate procedure is for the rapporteur of the committee responsible to make an assessment.

The problems lie in the detail and therefore in the annex. For many small businesses, cutting through red tape is a question of survival. One of the main points at issue however, is the budget. It is verging on the impossible to carry out all these plans to support the audiovisual sector however useful or needed, on such a shoestring budget. Given that there are some 375 million EU citizens, the budget for Media-Plus (EUR 350 million plus EUR 50 million) represents only 1.07 EURO per capita and even this amount is over five years.

We therefore propose that the budget should be increased to EUR 550 million.

8. Legal assessment

Even if the Media programme is given a favourable assessment, certain legal and practical problems should not be overlooked. Some aspects of the problems involved are set out below.

(a) Change of legal basis:

The Commission correctly gives Article 150(4) of the EC Treaty as the legal basis for Media-Training.

The legal basis given for Media-Plus – Development, Distribution and Promotion, i.e. Article 157(3), is questionable.

Article 157(3) of the EC Treaty allows the adoption of specific measures in support of action taken in the Member States to achieve the industrial policy objectives set out in paragraph 1. According to the final subparagraph of Article 157(3), the title of the Treaty concerning industry ‘shall not provide a basis for the introduction by the Community of any measure which could lead to a distortion of competition’.

However, it is in the very nature of any form of aid, including Community aid, to have a particular impact on competition. This is precisely why Chapter 1 of Title VI of the EC Treaty contains rules on competition and why these rules are divided into ‘rules applying to undertakings’ (i.e. antitrust law and abuse of dominant positions) and ‘aids granted by States’.

Such an impact on competition, which is not allowed pursuant to the final subparagraph of Article 157(3), is a further argument against the use of the Article 157 which pertains to industry, as the legal basis.

The audiovisual industry is only an instrument with which to guarantee high-quality content and cultural diversity. It is the range of cultural and linguistic diversity which must be promoted.

To pursue the policy of a common cultural area (Art. 151(4)) on a credible basis, it would be appropriate to change the legal basis.

(b) Inconsistency:

On the one hand, European audio-visual works are to be supported on the basis of the subsidiarity principle, and on the other hand the Commission (unilaterally) draws up guidelines for aid. Is there to be less or even no national support in future?

(c) Additionality:

Smaller Member States and regions with a low level of production are dependent on an overall package of support for their programmes (through national and European support). This circumstance could, in the eyes of the 'big bosses', lead to distortion of competition. Without state aid (including TV licence fees) this would, in practice, wipe out film production in the smaller Member States and regions with a low level of production and would, therefore, constitute a flagrant breach of Article 151. Social and cultural values, as specifically represented by the tradition of a particular region, are an integral part of European film-making and, therefore, the European film market.

(d) Criteria for the allocation of funds:

(da) The Media-Plus proposal on training makes no mention of the criteria on which funds will be allocated. Point 2.3.1 of the Annex simply states: 'the Commission will make the final selection of the beneficiaries of the programme and decide on the financial support to be granted, in accordance with Article 5.'

The lack of any precise criteria for the allocation of funds is a cause for concern in any case where aid is provided from public funds.

(db) The Media-Plus proposal on development, distribution and promotion meets with similar criticism. On the one hand, *inadequate* selection criteria are laid down and on the other hand final selection is apparently left to the complete discretion of the Commission.

For example:

Point 1.2.3 (concerning television broadcasting) implies that the selection criteria may be drawn on a case-by-case basis.

(e) Fund allocation mechanism:

(ea) In principle, we welcome cooperation with consultants, independent experts and technical assistance offices. It should be recalled, however, that a significant part of the scandal which forced the Santer Commission to resign built up in the morass of technical assistance offices for the Leonardo Programme. To prevent the recurrence of such abuse, full transparency should be required.

(eb) The MEDIA committee (a management committee within the meaning of the former commitology decision) would only be involved if the Community's planned annual allocation of appropriations were to exceed the following limits: training EUR 200 000, project development EUR 300 000, distribution EUR 500 000.

AMENDMENTS

The Committee on Legal Affairs and the Internal Market calls on the Committee on Culture, Youth, Education, the Media and Sport, as the committee responsible, to incorporate the following amendments in its report:

Text proposed by the Commission

Amendments by Parliament

Amendments to the proposal for a decision of the European Parliament and of the Council on the implementation of a training programme for professionals in the European audio-visual programme industry (**MEDIA – Training**)

(Amendment 1)

Article 4(2) – Media Training

- | | |
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| 2. The beneficiaries of Community support shall ensure that a majority of the participants in a training measure are of a nationality other than that of the country in which the training takes place. | 2. The beneficiaries of Community support shall ensure that at least 40% of the participants in a training measure are of a nationality other than that of the country in which the training takes place. |
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Justification:

This percentage is more practicable for the peripheral Member States.

(Amendment 2)

Article 4(5) – Media Training

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| 5. The financial framework for implementing this programme for the period set out in Article 1 shall be EUR 50 million. | 5. The financial framework for implementing this programme for the period set out in Article 1 shall be EUR 60 million. |
|--|--|

Justification:

The importance and scope of the programme justify a bigger budget.

Amendments to the proposal for a Council decision on the implementation of a programme to encourage the development, distribution and promotion of European audiovisual works (**MEDIA Plus – Development, Distribution and Promotion (2001 . 2005)**)

(Amendment 3)

First citation – Media Plus – Development, Distribution and Promotion

Having regard to the Treaty establishing the European Community, and in particular **Article 157(3)** thereof,

Having regard to the Treaty establishing the European Community, and in particular **Articles 157(3) and 151(5) in conjunction with Article 151(2), fourth indent**, thereof

Justification:

Compromise amendment as agreed by Legal Affairs Committee. As the procedure pursuant to Article 151 requires that the Council acts unanimously throughout the codecision process, the two legal bases are compatible.

(Amendment 4)

Recital 1 – Media Plus – Development, Distribution and Promotion

(1) From 6 to 8 April 1998, the Commission, in collaboration with the United Kingdom presidency, held a European audiovisual conference on "Challenges and opportunities of the digital age", in Birmingham. This consultation process revealed the need for an enhanced programme of support for the European audiovisual **industry**, in particular in the area of the development, distribution and promotion of European audiovisual works. In the digital age, activities in the audiovisual field contribute towards the creation of new jobs, particularly in the production and dissemination of audiovisual content;

(1) From 6 to 8 April 1998, the Commission, in collaboration with the United Kingdom presidency, held a European audiovisual conference on "Challenges and opportunities of the digital age", in Birmingham. This consultation process revealed the need for an enhanced programme of support for the European audiovisual **sector**, in particular in the area of the development, distribution and promotion of European audiovisual works **and, moreover**, in the digital age, activities in the audiovisual field contribute towards the creation of new jobs, particularly in the production and dissemination of audiovisual content;

Justification:

By altering the wording, the rapporteur would clarify the purpose of this programme. The term 'industry' is too narrow. The term 'audiovisual sector' should therefore be used throughout the proposal instead of 'audiovisual industry'.

(Amendment 5)

Throughout the proposal – Media Plus – Development, Distribution and Promotion

The term **audiovisual sector** instead of **audiovisual industry** should be used throughout the proposal.

Justification

The term ‘industry’ is too narrow. Rule 140(1)(c) allows the tabling of ‘horizontal’ amendments.

(Amendment 6)

Recital 10a (new) – Media Plus – Development, Distribution and Promotion

(10a) It is necessary to establish coherence between the present proposal and the action of the Commission on national funding for audiovisual development and production especially in the light of the preservation of cultural diversity. Therefore the principle of additionality should be respected;

Justification:

Member States with a small audiovisual capacity and small audience need to be able to continue to fund in a substantial way their national production.

(Amendment 7)

Recital 10b (new) – Media Plus – Development, Distribution and Promotion

(10b) The need for coherence between the EC cultural, audiovisual and competition policies to be expressed in a regulation according to Article 89 of the EC Treaty that safeguards cultural diversity by allowing national schemes to foster adequately the potential for production in Member States;

Justification:

A regulation would be needed in order to clarify the relation between, on the one hand Art. 151, in particular Paragraph 2, indent 4, and, on the other hand, Art. 87. With regard to the fundamental importance of the promotion of diversity and high standard of European audiovisual content, rules ensuring coherence between State aid and cultural policy should be adopted in the form of a regulation rather than in the form of guidelines adopted by the Commission.

(Amendment 8)
Media Plus – Development, distribution and promotion
Recital 13

13. The competitiveness of the audiovisual programme industry depends on the use of new technologies at the programme development, production and distribution stages. It is therefore appropriate to ensure suitable and effective coordination with the measures undertaken in the field of new technologies, in particular the Fifth Framework Programme of the European Community for research, technological development and demonstration activities (1998-2002), as adopted by Decision No 182/1999/EC of the European Parliament and of the Council.

13. The competitiveness of the audiovisual programme industry depends on the use of new technologies at the programme development, production and distribution stages. It is therefore appropriate to ensure suitable and effective coordination with the measures undertaken in the field of new technologies, in particular the Fifth Framework Programme of the European Community for research, technological development and demonstration activities (1998-2002), as adopted by Decision No 182/1999/EC of the European Parliament and of the Council, ***and in particular there should be coordinated efforts to make use of new opportunities for multilingual production.***

Justification

This amendment is self-explanatory.

(Amendment 9)
Media Plus – Development, distribution and promotion
Recital 19a (new)

(19a) *The European public’s ability to appreciate works in other languages should be promoted by better language teaching.*

Justification:

This amendment is self-explanatory.

(Amendment 10)
Recital 22a (new) – Media Plus – Development, Distribution and Promotion

(22a) *As in the Uruguay cycle and with a view to the preservation of cultural diversity, the possibility for the EC and the Member States to preserve and to develop their capacity to define and to implement their cultural and audiovisual policies has to be safeguarded in the WTO negotiations;*

Justification:

It is essential for the survival and development of the European audiovisual sector that the Commission defends the exemption for the audiovisual sector in the WTO negotiations.

(Amendment 11)
Article 1(2)(a) – Media Plus – Development, Distribution and Promotion

- | | |
|--|--|
| <p>(a) an improvement in the competitiveness of the European audiovisual industry on the European and international markets, by supporting the development, distribution and promotion of European audiovisual works, taking due account of the development of new technologies;</p> | <p>(a) <i>protection and promotion of European cultural diversity through</i> an improvement in the competitiveness of the European audiovisual industry on the European and international markets, by supporting the development, distribution and promotion of European audiovisual works, taking due account of the development of new technologies;</p> |
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Justification:

Clarification of objective.

(Amendment 12)

Media Plus – Development, Distribution and Promotion

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|---|---|
| <p>(d) to promote the movement, in the Community and outside it, of European television programmes intended for a European and world audience, by encouraging independent European broadcasters and independent distributors and producers to cooperate right from the production stage;</p> | <p>(d) to promote the movement, in the Community and outside it, of European television programmes intended for a European and world audience, by encouraging broadcasters and independent distributors and producers to cooperate right from the production stage;</p> |
|---|---|

Justification:

To make compatible with other language versions.

(Amendment 13)

Article 5(1) – Media Plus – Development, Distribution and Promotion

- | | |
|--|---|
| <p>1. Beneficiaries of Community support shall provide a significant proportion of the funding. Community funding shall not exceed 50% of the cost of operations. In the cases expressly provided for in the Annex, this percentage may nonetheless reach 60% of the cost of operations.</p> | <p>1. Beneficiaries of Community support shall provide a significant proportion of the funding. Community funding shall not exceed 50% of the cost of operations. In the cases expressly provided for in the Annex, this percentage may nonetheless reach 60% of the cost of operations. <i>Additionality with national funding has to remain possible, in order to preserve the cultural diversity.</i></p> |
|--|---|

Justification:

Member States with a small audiovisual capacity and small audience need to be able to continue to fund in a substantial way their national production.

(Amendment 14)

Article 5(2) – Media Plus – Development, Distribution and Promotion

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|--|--|
| <p>2. The financial reference amount for implementation of the Programme for the period referred to in Article 1(1) shall be EUR 350 million. The annual appropriations shall be authorised by the budgetary authority within the limits of the financial perspectives.</p> | <p>2. The financial reference amount for implementation of the Programme for the period referred to in Article 1(1) shall be EUR 550 million. The annual appropriations shall be authorised by the budgetary authority within the limits of the financial perspectives.</p> |
|--|--|

Justification:

The importance and scope of the programme justify a bigger budget.

(Amendment 15)

Annex 1.1, last indent – Media Plus – Development, Distribution and Promotion

The potential for using new technologies (special effect, computer images, interactivity etc.),

The potential for using new technologies (special effect, computer images, interactivity etc.). ***This point is desirable but not a requirement.***

Justification:

'Potential for using new technologies' does not automatically meet the required 'European and international nature of the projects'.

(Amendment 16)

Annex 1.2.1 (b), first paragraph – Media Plus – Development, Distribution and Promotion

A system of “automatic” support for European distributors proportional to the number of seats sold for non-domestic European films in countries participating in the programme, up to a limit per film and adjusted for each country. This type of support may be used by distributors only for investment in the following:

a system of “automatic” support for European distributors proportional to the number of seats sold ***and the number of performances*** for non-domestic European films in countries participating in the programme, up to a limit per film and adjusted for each country. This type of support may be used by distributors only for investment in the following:

Justification:

This should prevent showings of European films being confined to a few large cinemas and should increase the audience through possibly extending the period of time for which they are shown