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# REPORT

on the transition from analogue to digital broadcasting: an opportunity for European audiovisual policy and cultural diversity (2005/2212(INI))

Committee on Culture and Education

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# MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

# on the transition from analogue to digital broadcasting: an opportunity for European audiovisual policy and cultural diversity (2005/2212(INI))

#### The European Parliament,

- having regard to its resolution of 16 November 2005 on accelerating the transition from analogue to digital broadcasting<sup>1</sup>,
- having regard to the Commission's communication on accelerating the transition from analogue to digital broadcasting (COM(2005)0204),
- having regard to the conclusions of the Transport, Telecommunications and Energy Council Meeting in Brussels of 1 to 5 December 2005,
- having regard to Rule 45 of its Rules of Procedure,
- having regard to the report of the Committee on Culture and Education (A6-0075/2006),
- A. whereas the global market developing in the communications media, a sector subject to constant technological change, involves new players, particularly in the telecommunications industry, and increasingly important multinational alliances,
- B. whereas compliance with the principles of media pluralism and diversity of content will not automatically be guaranteed by increasing the number of television channels and radio stations, but must be ensured by an active and consistent policy on the part of the public authorities;
- C. whereas it is essential for transmission and equipment to ensure coverage of the whole territory in order to ensure equal access for all;
- D. whereas disparities exist between and within the Member States;
- E. whereas the Commission considers that there is insufficient coordination between the Member States' plans for the transition to digital broadcasting, as not all Member States have set a deadline for completing analogue switch-off as yet; whereas the transition from analogue to digital will be successful and fair for all suppliers if the analogue system is switched off throughout Europe on the same set date;
- F. having regard to the Commission communication of 2 February 2006 (COM(2006) 37) to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions on reviewing the interoperability of digital interactive television services pursuant to Communication COM(2004) 541 of 30 July 2004,
- G. whereas the Council of Europe Resolution No. 2, entitled 'Cultural diversity and media

<sup>&</sup>lt;sup>1</sup> Texts adopted of 16.11.2005, P6\_TA(2005)0431.

pluralism in times of globalisation', which was adopted in Kiev at the European Ministerial Conference on Mass Media Policy, stresses 'the particularly important role of public service broadcasting in the digital environment, as an element of social cohesion, a reflection of cultural diversity and an essential factor for pluralistic communication accessible to all',

H. whereas the European audiovisual model is based on a healthy balance between a strong and independent public service and a dynamic commercial sector, and whereas this model must continue to be safeguarded when digital technology is introduced;

#### In the general context of the transition from analogue to digital broadcasting

- 1. Considers that the new audiovisual technologies should, above all, make it possible to deliver media pluralism and broadcast high-quality programmes which will be accessible to an ever-increasing number of citizens;
- 2. Considers that it is essential that the development of the information society as a whole, including audiovisual services, should be socially, regionally, culturally and linguistically balanced and that, to avoid new forms of exclusion, and in particular the 'digital divide', all citizens must be assured of the possibility of taking advantage of the benefits of the information society;
- 3. Insists that, given the role of television in a global society, the technical and legislative options involved in the transition process must not be determined by economic factors alone but must also take account of social, cultural and political factors in order to safeguard, among other things, the European public audiovisual sector;
- 4. Recommends that, to prevent adverse social repercussions, the measures accompanying the transition process must focus primarily on the interoperability of platforms and standards, and thus on the interests of citizens and consumers;
- 5. Recognises that it will only be possible to make full use of the whole range of pan-European and cross-frontier services if there is wholesale transition to digital broadcasting in Europe;
- 6. Hopes that the Commission and the Member States will improve the coordination and consistency of national policies in relation to action plans;

#### National action plans and specific measures

- 7. Urges the Member States to ensure that, in the context of the specific measures to be adopted at national level:
  - the transition process is geared to seeking a balanced range of services offering added value to the public;
  - consumers are provided with more information about the possibilities offered by digital platforms and the requisite equipment;
  - the transition does not involve increased costs for the consumer, or any loss of

service;

- it is possible for everyone to use the increasing number and range of services on offer, and efforts are made to educate the public about digital technologies ('digital literacy');
- the public authorities encourage the provision of quality content by television networks and guarantee that public information is broadcast;
- support is provided for the role which local and regional authorities can play in the development of local television in the education, vocational training and health sectors, in the promotion of cultural and tourism-oriented content and with regard to offers on the local and regional labour markets;
- particular attention is paid to access for people with disabilities and a list of all the services designed to assist them (subtitling and captions, audio descriptions, signing, etc.) is published every year, and action plans are drawn up to develop and extend the services in question;
- broadcasting is facilitated by ensuring equal access throughout their territory including the Union's peripheral and outermost regions - to infrastructures designed to facilitate access to audiovisual services;

#### At Union level

- 8. Stresses the importance of giving thought, at European level, to the sociocultural implications of the digital society and the adaptation of national education systems to the cultural and social changes brought about by new technologies, convergence and digitalisation;
- 9. Calls on the Commission to produce a communication on education in the media;
- 10. Suggests that, to combat piracy, which is facilitated by digital technology, the Commission should continue its work on harmonising copyright;
- 11. Suggests that the Commission successfully continue its work on harmonising copyright no later than the end of the transition period, in order to facilitate the establishment of legal on-line markets with specific European content and combat piracy;
- 12. Declares that, in view of the social and political impact of programme content, action should be taken to ensure:
  - media pluralism by means of legislation at European and national level to guarantee that the freedom of information and the freedom of expression are upheld, together with the independence and editorial freedom of the media vis-à-vis those wielding political and economic power,
  - an adequate level of competition and diversification of media ownership and strict separation between the political authorities and the interests of media and electronic communications groups;

- 13. Reiterates its request to the Commission to launch a debate at European level on pluralism and the concentration of media ownership, and in particular the publication of a Green Paper on the subject;
- 14. Is pleased that the Commission recognised, in November 2005, that the transition might be delayed if it were left entirely to the free play of competition and that public intervention can bring benefits if it takes the form of legislation, financial support for consumers, and information campaigns or grants aimed at remedying specific weakness in the market or at ensuring social or regional cohesion;
- 15. Stresses that it is the Commission's task to support the Member States in the event of public-sector intervention, not by a commitment to introduce a specific standard but by clarifying, at an early stage, the conditions under which public-sector intervention is compatible with EU competition law;
- 16. Stresses that any such public intervention must not distort competition, be discriminatory or place individual market players in a privileged position;
- 17. States that, as extending a cable network to the whole of large territories is neither technically nor economically feasible (although it may be for smaller, densely urbanised countries), and satellite broadcasting does not always make it possible to meet viewers' requirements with regard to local services, Europe should commit itself to the principle of complementary transmission networks as a means of upholding the public-interest role of public television on a technologically neutral basis;
- 18. Considers that there should be consultation at European level as soon as possible on how to use the digital dividend in order to secure the most favourable conditions for the development of new audiovisual and telecommunications services (HDTV, mobile television and fixed and mobile high-speed services);
- 19. Stresses that the redistribution of spectrum resources must not be left to the free play of competition and that appropriate measures must be envisaged to ensure that the frequencies released are used primarily for innovatory services offering high quality and diversity of content;
- 20. Considers that for the purposes of regulation, it is important to ensure that control of electronic gateways such as electronic programme guides, interactive software or content protection technologies (i.e. systems for managing digital rights) does not prevent service providers maintaining fair access for their audiences;
- 21. Points out that public-service broadcasting has an obligation to ensure access for all; notes that this remit will become increasingly difficult owing to the fragmentation of distribution networks and methods of access; considers that the provisions on preferential access to distribution networks for services which have a universal access obligation and, in particular, the 'must carry' rules must therefore continue to play an important role after the transition, and contribute to media pluralism;

#### Public audiovisual services

- 22. Stresses that, without appropriate funding, public broadcasters competing with large groups particularly telecommunications groups entering the audiovisual market will not be able to remain strong and independent and continue to attract audiences, or generate sufficient resources to fulfil their remit;
- 23. Draws attention to the fact that placing a strong and independent public broadcasting system in jeopardy involves risks to pluralism, freedom of expression, cultural diversity, access to audiovisual services and democracy itself;
- 24. Instructs it President to forward this resolution to the Council and to the Commission.

# **EXPLANATORY STATEMENT**

#### <u>KUNDERA Milan</u>

A people's culture is its memory, its collective awareness of historical continuity, its way of thinking and living

In the course of fifty years, television has become the main means of disseminating information throughout the world, the main arena of public debate, the main means of providing entertainment and acquiring knowledge. It is also a flourishing industry which, directly or indirectly, generates thousands of jobs and is being increasingly dominated by new players who are more concerned with the wellbeing of their business and shareholders' profits than pluralism, education or culture.

The transition from analogue to digital broadcasting marks a great technological advance, but is it, as some argue, an opportunity to ensure cultural diversity or, as others fear, will it endanger the European audiovisual model?

#### The European audiovisual model

This model comprises two equally important strands: public sector broadcasting, which, as a general rule, primarily provides public-interest services - balanced information, democratic debate, documentaries, entertainment, high-quality drama; and the private sector, which consists of commercial, profit-oriented channels. The competition between the two sectors has been healthy for the audiovisual system as a whole, and should be maintained.

The transition to digital broadcasting will greatly increase the number of niche or generalpurpose television channels available to the public, and favour the development of 'ondemand' television. Might this not tip the balance in favour of commercial channels?

After all, new commercial players, in the form of big telecommunications and Internet companies which have far greater financial resources than the traditional audiovisual communications companies, have entered the programme market and will no doubt rapidly expand there.<sup>1</sup>

In the very competitive and diversified environment of European television, it seems to be generally accepted that the abundant supply offered by digital broadcasting will enable the market to fulfil television's public-interest role.

We should treat this argument with caution. For discerning viewers, a multiplicity of programmes is no guarantee of quality and diversity, unless they have taken out a number of

<sup>&</sup>lt;sup>1</sup> We should not forget the size of the communications industry: 7% of the US' GDP is generated by the cultural sector. Throughout the world, almost 900 million people use the Internet.

expensive subscriptions for encrypted channels.

# **Political objectives**

The Commission recognises that the switch from analogue to digital should not simply involve an infrastructure change with no added value for the public; rather, the challenge lies in stimulating demand to ensure that the process is led by the range of services on offer.

Although the development of the digital environment is an inevitable consequence of technological progress, it is far from simply being a question of infrastructural change, as the Commission recognises. Given its social implications, the changing digital environment must be approached from the standpoint of policy objectives, with the aim being constantly to seek to ensure added value for consumers, while at the same time safeguarding our democratic systems and practices on behalf of Europe's citizens.

In this rapidly changing technological world, it is essential to maintain the overall balance of our audiovisual sector and the important purposes it serves. This requires the introduction, at both European and national level, of safeguards to ensure that the important decisions to be made are not determined solely by the free play of competition and the law of the market. It will also require particular encouragement to be given to certain measures forming part of the Member States' action plans, which the Commission has unfortunately been slow to address up to now.

#### Television broadcasting for the benefit of all citizens

The measures accompanying the switch-over must be mainly geared towards protecting the interests of citizens and consumers. The transition must not be carried out at their expense: it must not involve increased costs, and must be completed at a pace that suits them, without causing any loss of service. It must take all consumers into account: particular attention should be paid to ensuring access for people with disabilities, and to the most vulnerable sectors of the population.

Whatever type of network is used, whether satellite, cable or terrestrial, digital television is likely - and designed - to allow an increasing number of people access to more programmes, improved technical quality and interactive services. It is only be ensuring that the whole of Europe switches to digital broadcasting, and that there is equal access to it throughout European territory - including the peripheral and outermost regions - that it will be possible for full use to be made of pan-European and transfrontier services.

The new information technologies offer immense possibilities for opening up our society to culture and to cultural diversity. But, in a global governed by the law of the market, care must be taken to ensure that the huge potential offered by IT is not restricted to a limited number of consumers, while the great majority of viewers - i.e. those who cannot afford the wide choice offered by pay-TV - are offered only debased and mindless forms of entertainment.

It is essential, therefore, for the public authorities to encourage the provision of high-quality content on television networks and ensure that public information is broadcast.

It is unlikely, judging by the trends observed by your rapporteur in the US, that the multi-

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purpose channels will disappear, with individual consumers choosing programmes from across a wide range of channels. But is it inevitable that the new technologies will profoundly change our audiovisual systems and individual viewing habits.

# **Digital education**

Your rapporteur hopes that the Commission will take rapid action to consider, together with international experts, the social, political and cultural changes likely to be produced by the new technologies.

The transition from analogue to digital must not further exacerbate this latest source of inequality, the 'digital divide' between 'digital beings'<sup>1</sup> who will be capable of using the new technologies as a 'new pair of hands'<sup>2</sup> and those who will have neither access to digital technology nor the knowledge to take advantage of it. Your rapporteur considers that considerable efforts must be made to ensure that everyone can enjoy the potential benefits of the new information and communication technologies (NICT) by providing education in the new means of communication, or 'digital literacy'.

This education in the new technologies must begin at the earliest possible age. The time has come for school systems to adapt as quickly and effectively as possible to the cultural and social changes brought about by the NICT, convergence and digitalisation. Here again, the Commission could show the way.

# Social and political impact

Given the very important social and political impact of television, it is obvious that care must be taken to ensure media pluralism. European and national legislation must guarantee respect for freedom of information and expression, and the independence and editorial freedom of the audiovisual media vis-à-vis those wielding political and economic power.

Care must be taken, also to ensure an adequate level of competition and diversification in the ownership of communications media, and to establish a strict separation between the political authorities and the interests of the electronic communications and media groups. Doubtful practices in this area have been noted in certain Member States.

# Distribution of the digital dividend

Your rapporteur would like to see action taken as soon as possible to precisely establish the digital dividend released by the switch-over to digital technology. There must be consultation at European level concerning the spectrum resources released, to ensure that the optimum conditions are established for their distribution to create the most favourable possible environment for the balanced and harmonious development of new audiovisual and telecommunications services (high-definition television, mobile television and high-speed fixed and mobile services).

This redistribution of resources must not be left to the mercy of competition. We must seize

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<sup>&</sup>lt;sup>1</sup> Carlos Negroponte Davos - January 2006

<sup>&</sup>lt;sup>2</sup> Idem

the opportunity offered by the switch-over to give priority to the most innovative services offering a high quality range of products and diversity of content.

#### Social and territorial cohesion

Your rapporteur considers that the transition to new broadcasting systems can, if it is properly managed, also help increase social and territorial cohesion. Local and regional authorities could contribute greatly to the development of local television services, particularly in the fields of education, training, teaching, health, and the promotion of cultural material and tourism-oriented content. Their role should be recognised and encouraged by the Union and the Member States.

# Copyright

In your rapporteur's opinion, the Union cannot afford not to revise the law on copyright. Existing legislation is not sufficient to cope with the huge increase in piracy. The law has not kept up with technological advances. Unless the legislation is brought up to date, artistic creativity will be penalised.

# The future of public broadcasting services

Our committee has always argued that it is of prime importance for Europe and the Europeans to maintain a dual television system, as a safeguard of cultural diversity. The transition to digital must not represent a threat to this bi-polar system.

The Member States and the European Union must ensure, for example, that the public-sector channels are strongly represented in the new range of television products. Moreover, the range of services provided by the public channels must be free of charge and non-encrypted, in contrast to the products on offer from the commercial channels, which are mostly subject to charge and encrypted. Public television must be involved in on-demand video and all methods of broadcasting programmes.

It is important, therefore, for public television, which is now forced to compete with the big telecommunications groups, to receive appropriate funding. In the absence nod such funding, it will not be able to remain strong and independent. Nor will it be able to continue attracting a large audience, and hence generate sufficient resources to allow it to carry out the tasks entrusted to it.

Calling into question the public broadcasting system would mean jeopardising pluralism, freedom of expression, cultural diversity, access to audiovisual services and democracy itself.

# Conclusion

To sum up, television's digital future must be planned on the basis of the principles which made it possible to satisfy the dual requirements of citizens and consumers during the analogue era. The switch from analogue to digital is capable of meeting the expectations created by this enormous technological leap forward, provided the technical and legislative decisions made strike a balance between economic, social, cultural and political requirements.

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# PROCEDURE

Title	The transition from analogue to digital broadcasting: an opportunity for European audiovisual policy and cultural diversity	
Procedure number	2005/2212(INI)	
<b>Committee responsible</b> Date authorisation announced in plenary	CULT 17.11.2005	
<b>Committee(s) asked for opinion(s)</b> Date announced in plenary	ITRE 17.11.2005	
Not delivering opinion(s) Date of decision	ITRE 23.11.2005	
<b>Enhanced cooperation</b> Date announced in plenary		
Rapporteur(s) Date appointed	Henri Weber 23.11.2005	
Previous rapporteur(s)		
Discussed in committee	24.1.2006 23.2.2006	
Date adopted	21.3.2006	
Result of final vote	+: 26 -: 1 0:	
Members present for the final vote	<ul> <li>Maria Badia I Cutchet, Christopher Beazley, Ivo Belet, Giovanni Berlinguer, Guy Bono, Marie-Hélène Descamps, Claire Gibault, Vasco Graça Moura, Lissy Gröner, Luis Herrero-Tejedor, Ruth Hieronymi, Manolis Mavrommatis, Marianne Mikko, Ljudmila Novak, Doris Pack, Rolandas Pavilionis, Zdzisław Zbigniew Podkański, Christa Prets, Karin Resetarits, Nikolaos Sifunakis, Hannu Takkula, Helga Trüpel, Henri Weber, Thomas Wise</li> </ul>	
Substitute(s) present for the final vote	Gyula Hegyi, Mario Mauro, Jaroslav Zvěřina	
Substitute(s) under Rule 178(2) present for the final vote		
Date tabled	23.3.2006	
Comments (available in one language only)		