Commission re-opens procedure concerning German book prices system

On 19 July, the European Commission adopted a statement criticising certain German publishers and book-wholesalers who had applied the "Sammelrevers" system of fixed book prices to direct cross-border sales of books to final consumers. This system is the result of an inter-professional cross-border agreement fixing book prices between Austrian publishers and German booksellers and between German publishers and Austrian booksellers. The Sammelrevers system, in its amended version, limits the application of the fixed book prices to Germany. It also stipulates...
that the prices imposed for books are authorised as long as they are not detrimental to trade between member states.

Last year, the Commission had carried out inspections of several German publishers, bookstores and wholesalers, which revealed that the system had been applied in a way that effects trade between member states. The Commission therefore, has concluded that the Sammelrevers system is not compatible with the agreement reached in spring 2000 on the future application of this system. The German legislator is presently considering the adoption of a national law on fixed book prices, which is permitted by Community law as long as the rules concerning free movement of goods and services between member states and the respective case law are respected.

Out-of-court settlement: Recommendation 98/257/EC adopted

On 3 July, Parliament adopted, by 522 votes to 9 with 11 abstentions, the own-initiative report by MEP Wallis on out-of-court settlement of consumer disputes, which aims at improving protection for members of the public involved in cross-border consumer disputes. In its resolution, Parliament calls on the Commission to ensure better co-ordination of all involved parties as well as a better flow of information to, and involvement of, the European Parliament. Parliament stresses that consumers should be allowed to use their own language in settling disputes via the European Extra-Judicial Network (EEJ Net), for which purpose there should in particular be an effective translation capacity.

In addition, the Commission should ensure that consumers are properly informed about the network and have easy access to it, and it should also enable the EEA states and candidate countries to take part.

Commission communication on higher education with third countries published

On 18 July, the European Commission presented a communication on strengthening co-operation with third countries in the area of higher education. The communication proposes new measures to increase the exchange of students, teachers and researchers with partner countries in order to create high quality human resources and to promote the EU as a centre for excellence. The communication, submitted to Parliament and Council for consideration, is available from:


First steps will be accompanied by an evaluation of results achieved and fuller analysis of the challenges Europe faces as a result of global developments in the field of higher education. The Commission will draw up the conclusions from this process with a view to further policy proposals, likely to come forward in 2003.
New action plan for border regions adopted

On 25 July, the European Commission put forward an action plan for regions bordering on applicant countries. Twenty-three regions in Austria, Finland, Germany and Greece are involved. The action plan proposes a series of measures which should help prepare for enlargement of the Union. The range of measures fall into three main categories aimed at:

- providing additional funding to assist the transport infrastructure and to promote SMEs and youth exchanges. Euro 150m is earmarked for new transport links in the framework of the Trans-European networks (2003-06), Euro 50m of which will come from a reallocation of existing funds. A Euro 10m boost in funding for the European Youth programme is to be used specifically for projects in border regions;
- allowing resources available under existing INTERREG III A programmes or existing structural assistance to be reallocated. In addition, Euro 20m of the INTERREG funding for networking in general is reserved for co-operation projects in border regions;
- co-ordinating different European policies more efficiently in order to take account of the particular needs of border regions. For instance, the Phare CBC Regulation is to be amended, by means of a Commission decision, by the end of 2002.

For further information on the structural funds visit: http://www.inforegio.cec.eu.int or http://europa.eu.int.comm.enlargement.index.htm on enlargement.

More Community funding for EUROMED - Audiovisual programme

The European Commission has recently adopted a decision to allow the use of the remaining Euro 22.5m charged to 2001 budget in support of four Mediterranean and Middle East programmes. One of the programmes concerned is 'Euromed Audiovisual' with an overall budget re-allocation of Euro 1.3m. The Euromed Audiovisual is not only about culture or communication but also has economic, technological and trade dimensions. The first Euromed Audiovisual Programme effectively started in 2000 with six projects and a total MEDA grant of Euro 20m.

A second programme could be launched towards the end of 2002 or early 2003, after the first programme is evaluated and lessons are learnt from experience.
Infringement proceedings against the United Kingdom

On 26 July, the European Commission decided to refer the United Kingdom to the Court of Justice for not completing implementation of Council Directive 92/100/EEC of 19 November 1992. This directive concerns the rental and lending rights and certain rights related to copyright in the field of intellectual property. Under the terms of the directive (Article 8(2)), which entered into force on 1 July 1994, performers and producers of phonograms are entitled to equitable remuneration each time their music is broadcast in a place accessible to the public.

The directive must be read in the light of the international conventions to which the EU or its member states are parties e.g. the Rome Convention for the Protection of Performers and Producers of Phonograms (1961), the Berne Convention for the protection of literary and artistic works (1971).

USA to compensate music producers for loss

A recent WTO panel, at the initiative of the EU, considered that the USA was infringing its international obligations by not granting performers and producers of phonograms equitable remuneration for the broadcasting of music in places accessible to the public. This provision was declared incompatible with those of the multilateral agreement on Trade in Intellectual Property Rights (TRIPs).

On 25 July, a procedural agreement was reached on the handling of compensation to the EU music industry until the 'business exemption' of the US Copyright Act is amended. The deadline initially set for 27 July has thus, been postponed until 31 December. An independent arbitration body will decide the exact amount of the compensation.

Parliament report on resale rights adopted

On 3 July, Parliament approved, by 405 votes to 101 with 32 abstentions, the Zimmerling report on resale rights for the benefit of the author of an original work of art. The joint text, after conciliation, has incorporated most of Parliament amendments, either in full or in a reworked form. The directive is awaiting publication in the Official Journal. It should be transposed into national law before 1 January 2006. Member states that do not currently apply the right to resale have an additional period of four years for transposition.
European standards on chip card readers soon to be adopted

Information Society Commissioner, Erkki Liikanen, launched on 11 July, new specifications for secure smart cards readers, an initiative which will achieve security of transactions to enhance consumers' confidence and support eCommerce, in response to the eEurope action plan.

The specifications are the result of the work done by the FINREAD consortium, which comprises innovative European payment schemes and smart card reader manufacturers. They will mainly be used for eCommerce payments and home banking applications, but may also be extended to other sectors, such as health or eGovernment.

Member states fail to implement eSignatures directive

The eSignatures directive (1999/93/EC) was adopted in 1999, in order to give electronic signatures the same status as written signatures in the law of the member state concerned. Its implementation obliges member states to ensure that their legal system allows contracts to be concluded by electronic means. Only Austria, Belgium, France (March 2001), Germany (May 2001), Italy, Netherlands and the UK have to date, implemented the rules in time for the deadline. Some member states however, already have rules which still need to be updated e.g. new regulation on eSignatures in Luxembourg (June 2001).

When member states do not respect deadlines for implementation, there are always infringements. Under EU infringement rules, the European Commission must go through three stages before taking member states to the European Court of Justice - a warning letter; a reasoned opinion, if EU countries fail to act; a court case for final adjudication by the College of Commissioners.

VAT application to eCommerce awaiting Council agreement

On 5 June, the Council took note of a progress report on the work carried out on the VAT application to eCommerce and resolved to reach an agreement on how to apply VAT to ecommerce at a future ECOFIN meeting.

The Council confirmed the principle of taxing services supplied to Community clients and of exempting those to third country customers for services supplied by electronic means. It also agreed that the normal rate should be applied to eCommerce operations with the exemption of TV/radio services. Work has since concentrated on seeking a solution to the problem of identification of third country operators providing services in the Union to non-taxable persons, focused on a compromise text presented by the Swedish Presidency, which has the support of all member states, except the UK.
UNICE and lifelong learning

The Union of Industrial and Employer’s Confederations of Europe (UNICE) has stressed that the responsibility for the development of lifelong learning is essentially a national responsibility. They believe that professional capacity and competitiveness will only be enhanced if available training meets the needs of business. The strategy proposed by the Commission memorandum on lifelong learning should, according to UNICE, include the exchange of experience.

UNICE believes that an individual legal right to education and training 'is not an appropriate tool for enlarging access to education and training'. They have thus, recommended to further focus on practical issues, motivation, access and barriers which prevent individuals from improving their skills. They consider that a lifelong learning strategy should tackle problems such as lack of interest shown by individuals, time constraints, training costs and lack of information on training possibilities. The strategy should promote the conditions for motivating companies and individuals through incentive measures e.g. financial investment, personal commitment to training, etc.

Commission Green Paper on social responsibility published

On 18 July, the European Commission presented a Green Paper on Promoting a European framework for Corporate Social Responsibility. Corporate social responsibility is essentially a concept whereby companies decide voluntarily to contribute to a better society and a cleaner environment. This concept is mainly driven by large companies, even though socially responsible practices exist in all types of enterprises, public and private, including SMEs and co-operatives.

The green paper aims at launching a wide debate on how the EU could promote corporate social responsibility at both, the European and international level. As regards lifelong learning, the green paper says that businesses have a key role to play at:

- contributing to a better definition of training needs through close partnership with local specialists who design education and training programmes;
- supporting the transition from school to work for young people, e.g. by providing apprenticeship places;
- valuing learning, in particular in the Accreditation of Prior and Experiential Learning (APEL);
- providing an environment which encourages lifelong learning by all employees, particularly by the less educated, the less skilled and older workers.

At the invitation of the European Council in Lisbon, the Commission is exploring ways to introduce a European award for particularly progressive companies, in order to give higher priority to lifelong learning as a basic component of the European social model. Similar prizes will recognise companies, which have developed good practice to promote gender equality or provide...
opportunities for people with disabilities.

Council resolutions

On 13 July, further to the Education Council on 28 May 2001, the Justice/Home Affairs Council formally adopted the following:

Resolution on the role of education and training in employment-related policies

Within their respective areas of competence, member states are called, amongst others, to strengthen the exchange of experience and examples of good practice, based on comparative analysis of the national action plans for employment e.g. education and training in employment policies (Commission document).

Resolution on eLearning

Of interest to libraries, member states are advised to take advantage of the opportunities that digitisation offers for facilitating access and increasing the educational and use of public cultural resources, such as libraries, museums and archives.

An interim report is due in November 2001. In addition, the Commission will report to the Council, no later than December 2002, on the results of such activities in order to facilitate an overall evaluation of their results and decisions on further actions.

Conclusions on the follow-up report on concrete objectives of education and training systems

The report identifies a number of concrete objectives for work at European level and asks for the establishment of a work programme for a ten-year period up to 2010. A joint report by the Commission and the Council containing a detailed work programme should be adopted at the Council meeting on 14 February 2002 and transmitted to the European Council in Barcelona.

Council recommendation on mobility adopted

Following the meeting of the Education Council on 28 May (see Hot News May 2001, p. 2), Research ministers formally adopted on 26 June, the amendments voted by Parliament on the proposed recommendation promoting mobility (second reading).

On 12 July, Parliament adopted six amendments to the common position at second reading which introduce a reference to the Nice European Council and to the action plan for mobility. They also aim at clarifying the nature of the reports to be forwarded by member states to the Commission, as well as the composition and role of the group of experts. The last two amendments remove the temporary restriction on mobility and volunteers. The Commission
accepted these amendments. The recommendation is awaiting publication in the Official Journal.

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**Estonia and Slovenia participation on Socrates and Youth programmes approved**

On 11 June, the General Affairs Council agreed that the EU-Estonia Association Council should adopt a Decision concerning the financial contribution of **Estonia** for participation in the Socrates and Youth programmes for the years 2001 to 2006. In addition, the Council agreed on 18 June, that the EU-Slovenia Association Council adopt a Decision concerning the financial contribution of **Slovenia** for its participation in the Socrates and Youth programmes.

Decisions adopted during 2000 established the financial contribution of the countries in question for 2000 only. The contribution for the remaining years would be detailed in subsequent decisions.

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**Joint declaration on access to documents adopted**

On 27 June, following the Regulation on public access to documents (30 May 2001), the Council, Commission and Parliament have made the following joint declaration:

"The European Parliament, the Council and Commission agree that the agencies and similar bodies created by the legislator should have rules on access to their documents which conform to those of this Regulation. To this effect, the European Parliament and the Council welcome the Commission's intention to propose, as soon as possible, amendments to the acts establishing the existing agencies and bodies and to include provisions in future proposals concerning the establishment of such agencies and bodies. They undertake to adopt the necessary acts rapidly".

The Institutions also called upon those institutions and bodies not covered by paragraph 1 "to adopt internal rules on public access to documents which take account of the principles and limits in this Regulation".

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**Parliament report on Ombudsman access to documents adopted**

The Constitutional Parliamentary Committee adopted on 20 July, the Almeida report on the modifications to increase the investigative powers of the European Ombudsman and to ensure
better transparency. The report, which will be subject to a vote at the September plenary, proposes general access for the Ombudsman to all documents. When documents are classified as 'secret' or 'confidential' and independently from its origin, the Ombudsman cannot divulge the contents - this ban would maintain confidentiality of the information without questioning the citizen's confidence in the Ombudsman's action.

Commission communication on information policy finally published

On 27 June, the European Commission presented a communication entitled 'A new framework for co-operation on activities concerning the information and communication policy of the European Union' (COM(2001)354fin). The communication sets up a new framework for the EU information and communication activities, centred on interinstitutional co-operation, notably with the Council and Parliament. It also proposes new forms of co-operation with member states, national parliaments, local authorities and civil society. It does not however, propose a global strategy for information policy, but aims at starting a debate focused on content in order to allow the institutions reach the public.

Current information and communication activities include PRINCE (Priority Information Activities), networks and relays, Europa website, Europe Direct, Eurojust, TV/Radio Broadcasting, central library and network of documentation centres. Regarding the central library, members of the IGI (Inter-Institutional Group on Information) group have recommended that the Commission and Parliament develop a virtual interinstitutional library and a feasibility study is carried out.

EU institutions launched portal for legal acts

The EU institutions have created a single entry point - EUR-Lex portal to EU legal texts in order to make the workings of the EU more accessible and transparent. This is the first stage of an initiative which aims at regrouping all of the legislative texts of the Union and at rationalising the online environment.

The portal is managed by the Office for Official Publications of the European Communities (EUR-OP) and offers an integrated access to legal texts that can be found in the CELEX, EUR-Lex, CURIA (Court of Justice) and OEIL databases, as well as other legislative legislative sites.
Council regulation on .EU top-level domain adopted

The legal area constituted by the EU does not exist in cyberspace. Currently national territories are recognised on the Internet by means of domain names. For instance, each member state has its own domain while the EU has no profile of its own on the Internet. As part of eEurope, the creation of the .EU domain is seen as a crucial factor in speeding up the development of eCommerce in Europe.

On 28 June, telecommunications ministers agreed on the Commission proposal for a Regulation on the implementation of the .EU top level domain (TLD). The regulation is a general act which sets a framework for creating an .EU Registry, leaving a number of major decisions to be dealt with under implementing rules. The Lisbon European Council (March 2000) instructed the Commission to create a .EU TLD on behalf of the Community. The Commission adopted a draft regulation to set up the .EU registry on 12 December 2000. The Stockholm European Council (March 2001) confirmed that the Council and the Commission would take the necessary measures to ensure that the .EU TLD is available to users as soon as possible.

Parliament adopted on 4 July, the Flesch report amending the Commission proposal on the Internet Top Level Domain ".EU" and is now awaiting Council common position. Once adopted, the committee established by the regulation should be set up, the selection of the Registry should be completed and an agreement between the Registry and the Internet Corporation for Assigned Names and Numbers (ICANN) should be finalised before the Registry can become operational.

.museum sponsorship agreement near completion

The sponsorship agreement between ICANN and MuseDoma for the .museum TLD has been posted on the ICANN website. It is expected that this agreement will be signed in the near future. Comments on the proposed agreement and any other commentary that you may have about .museum can be made via an open forum at: http://listserv.musedoma.org/archives/musedoma-discuss.html.

The TLD sponsorship agreement is intended as a model for use with other sponsored TLDs, and has 23 attachments allowing necessary customisation for the different circumstances of particular sponsors and sponsored TLDs. The .museum TLD will be established to serve the needs of the international museum community and will be managed in accordance with the provisions of a charter and in the interests of the community.

Commission information day on next call for proposals announced

The European Commission will host an information day on 25 October in Luxembourg, to provide information on progress made in ongoing projects, which aim at ensuring safer use of the
Internet among young users. In addition, an information day will be held on 26 October for the new call for proposals on awareness actions. For further information visit: http://www.saferinternet.org.

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**SPARC Europe launched**

SPARC (Scholarly publishing and academic resources coalition) and LIBER, the principal association of the major research libraries in Europe, have announced the launch of SPARC Europe, which aims at supporting increased competition in scientific journal publishing and at introducing advocacy initiatives tailored to the European research and library communities.

Membership of SPARC Europe is open to national and academic libraries, library organisations and research institutions in Europe. Please visit http://www.arl.org/sparc/home/index.asp?page=0, for further information.

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**Parliament report on sixth framework programme (FP6) after consultations**

After broad consultations, MEP Caudron, Parliament rapporteur on the next framework programme (FP6), has drafted a working document suggesting to split the single specific programme into three specific proposals: technologies, ‘bio’ priorities and information society. He also suggests modifications for each of the eight priorities retained by the Commission: genomics, nanotechnologies, aeronautics, food safety and health, sustainable development, information society - the amendments may introduce references to the knowledge society; consequences in terms of human organisation; defence of privacy and environmental technologies, citizens and governance in the European knowledge society.

In point 1. Integrating European research of the draft report, under point 1.1.7 Citizens and governance in the European knowledge-based society, the rapporteur proposes two amendments: change of title (Am. 33) - the new title as ‘Social and cultural research’ instead of ‘Citizens and governance in the European knowledge-based society’ and split the text into four parts (Am. 34): European knowledge-based society; Citizens, democracy and social and political institutions; Understanding Europe -its history, its peoples and its cultural heritage; Science, technology and philosophy.

The Industry Parliamentary Committee debated the draft report on 27 August. The deadline for tabling amendments is 18 September.
Council agreement on Chile participation in fifth framework programme reached

The ECOFIN ministers adopted on 10 July, a Decision which authorises the European Commission to negotiate an agreement for scientific and technological co-operation between the European Community and the Republic of Chile.

GEANT to be launched in November

From November this year, GEANT will provide links between the research and education communities in 31 countries at speeds of up to 10 gigabits a second. DANTE, the co-ordinating partner of the GEANT project, signed contracts with COLT telecom, Telia international carrier and T-systems, who will provide 118 Gigabits of a total of 120 gigabits used by GEANT. The contracts were signed on 5 July in Cambridge, UK, for the provision of multi-Gigabit connectivity, a central part of the proposed GEANT, the pan-European research network, co-funded by the fifth framework programme.

New project on eCommerce launched under IST programme

A project proposal called INTERPARTY has been accepted for funding under the Fifth Framework programme, as a follow-up to the <indecs> project. INTERPARTY is concerned with the unique identification of party names in eCommerce e.g. authors, which is essential for effective trading of IPRs. The project will attempt to enable interoperability of existing systems such as national library name authority files, collecting society and bibliographic agency name files and to provide a framework for the operation of a directory of parties.

Project partners include EDItEUR, the British Library, The Royal Swedish Library, IFLA, BookData and Kopiosto, together with Library of Congress, International DOI Foundation, CNRI and OCLC.

IST programme - Third countries participation in science and technology

From now on, participants from Turkey will receive direct funding from Tübitak, the Turkish funding agency for science and technology. Similarly CNPq, the National Science Foundation of Brazil proposed to finance Brazilian participants in successful IST proposals and CONACYT, the National Council for Science and Technology of Mexico, will publish the IST calls for proposals in
Mexico and promote the programme. Proposals will be submitted to the Commission for evaluation under normal procedures and, once a proposal is chosen, the Mexican participants will receive funding from CONACYT without further evaluation.

For this purpose, specific agreements with Mexican partners will be made through CONACYT. Initially around $3m will be allocated to support Mexican participants for a three-year period - it could be extended, but it will depend on the CONACYT's rules and annual budget availability. For further information visit: http://www.cordis.lu/inco2/src/participation.htm.

Council does not reach agreement on data protection

Although telecommunications ministers did not reach an agreement on 28 June, they made important progress on the proposed directive on the processing of personal data and protection of privacy in the electronic communications sector. The Council did not agree on the issue of unsolicited email (spam) - article 13, which was deferred to after first reading in October Council session. The Presidency noted however a qualified majority in favour of the Commission proposal to allow the so-called opt-in solution throughout the EU.

Another controversial issue was traffic data retention - articles 6 and 15. Member states unanimously agreed to add a phrase on traffic data retention in recital 10 of the directive. The initial Commission proposal allows traffic data retention only for the period necessary for billing purposes.

In addition, the European Commission adopted on 18 July, a decision to specify the conditions for the appointment and status of a 'European data protection inspector', who would be responsible for monitoring the application of the regulation on protection of personal data used by Community institutions and bodies.

Decision on framework for radio spectrum adopted

A decision on radio spectrum is part of the proposals to create a new regulatory framework for electronic communications networks and services, presented by the Commission in July 2000 (see Hot News July 2000, p.2). The purpose of the proposal is to create a policy framework to advise the Commission on market, technological and international developments with direct impact on the use of radio spectrum. Radio spectrum is a vital resource for the implementation of policy objectives in the areas of telecommunications, broadcasting, transport, research and development.

On 5 July, Parliament adopted the Niebler report on radio spectrum policy. The decision would, amongst other things, establish a general methodology for harmonisation of the use of radio spectrum in the EU. The report highlights that the radio spectrum policy must guarantee the right of freedom of expression without interference by public authorities. Regional aspects of the
use of radio spectrum and the different circumstances that prevail in different parts of the EU should also be taken into account. The draft decision is awaiting Council common position, expected in October.

Council reached political agreement on users' rights

On 27 June, telecommunications ministers reached a common position in order to adopt the Directive on universal service and users' rights. A main issue discussed was the scope of universal service obligations, which was agreed to cover narrowband access to the Internet.

Once the text has been translated into all official languages, the common position will be forwarded to the European Parliament for its second reading (co-decision procedure).

US FSC are incompatible with WTO rules

On 20 August, the WTO panel which examined the US legislation replacing the WTO-incompatible US Foreign Sales Corporation (FSC) scheme, issued its report in full support of the EU. The panel has concluded that the FSC Replacement Act (November 2000) is a prohibited export subsidy and discriminates in favour of US goods in breach of WTO rules because, although companies established outside the US do not need to export to obtain the tax reduction, those within the US can only obtain it by exporting.

In addition, the provisions of the so-called 50% limit on elements of foreign origin violate Article III.4 GATT (General Agreement on Tariffs and Trade) because, it discriminates against non-US imported products by requiring the use of US products to benefit from tax breaks. Moreover, the panel claimed that the US infringed its WTO obligations by maintaining the FSC scheme in force beyond 1 November 2000 under transitional rules of the FSC Replacement Act.

These findings mean that the US will have to make wholesale changes to the FSC Replacement Act to bring itself into compliance with the WTO by 19 October at the latest, unless the US decides to appeal against its findings. If the US fails, the EU will be authorised to impose sanctions of $4billion for commercial losses entailed by European companies.

European Constitution drafted
Seventy one young people aged between 18 and 30 from 26 EU countries and candidate countries met from 9 to 15 July in Cluny, France. The meeting announced the creation of a Network of European citizens intended to develop ties with European institutions. The network adopted a draft European Constitution in which young people calls for new generation citizens to be listened to at all levels by European and national institutions.

The final text will be presented to the Economic and Social Committee (ESC) and available on the Europa website. The European Commission, who backed the project financially, has proposed the translation of the text into the EU official languages.

*Created: 17 October 2001*