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**Information sources used for this issue include:**
Bulletin Quotidien Europe
Cordis
Council Press Office Newsroom
EUR-Lex: European Union law
Europa website
European Parliament Press Service

EBLIDA encourages dissemination of our information. However, we would ask that the source be acknowledged. Documents are available at the EBLIDA Secretariat.

For more information, contact Carmen Morlon, EU Information Officer, email: morlon@nblc.nl

**Audiovisual**

Commission published study on circulation of broadcasting
The Commission adopted a report on 22 July, to present the implementation of the Directive 93/83/EEC in national legislation as well as its concrete application. The report allowed to recall some principles of the directive and to present some reflections on the improvement of some mechanisms.

The Directive 93/83/EEC aims at facilitating the cross border transmission of audiovisual programmes such as, particularly broadcasting via satellite and retransmission by cable. Mechanisms are set up in order to ensure that creators and producers of programmes obtain a fair remuneration, on grounds of intellectual property rights, for the use of their creations.


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Parliament adopted resolution on aid to the audiovisual sector

On 2 July, Parliament adopted a non-binding resolution drafted by MEP Vander Taelen on aid to the audiovisual sector by 475 votes in favour, 18 against with 48 abstentions. In its resolution, Parliament requests reforms to EU State aid provisions for the audiovisual sector.

The audiovisual sector comprises two dimensions. On the one hand, it is a huge source of economic activity and wealth; on the other hand it reflects, encourages, and promotes European heritage and culture. The resolution points out that the EU should take a more pro-active role policy to foster production and distribution of audiovisual works; funding should be provided to co-finance work to digitise archives; VAT rates should be reduced when applied to audiovisual products and services. Parliament stated the importance of reducing VAT rates applicable to audiovisual cultural products and services, in the review of the Sixth VAT Directive, by analogy with the reduced rates applied to other cultural sectors.

Amongst future steps is the need to consider a legal base for the promotion of the European film industry. The full report (A5-0222/2002) can be found at: http://www.europarl.eu.int/plenary/default_en.htm, under latest reports.

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Czech Republic signs up to EU Media programme

On 30 July, EU and Czech Republic co-signd a Memorandum of Understanding to allow its full participation in the EU Media programmes (2001-2005). The Czech government already gave its approval on 24 July, with retroactive effect from 1 January 2002. The Czech Republic will pay €370,000 a year into the programmes' budget, and a new "MEDIA Desk" office will be opened to assist Czech applicants in drafting projects and provide contacts in the Czech Republic and abroad. Czech experts will also be involved in the selection and evaluation of applications for financial support.

Candidate countries can participate in the Media programmes as soon as they have provisionally completed accession negotiations on the culture and audiovisual chapter (chapter 20), which itself presupposes implementation of the Television without Frontiers directive. Chapter 20 has been opened with all twelve-candidate countries and provisionally closed with eleven. It remains open with Romania (http://europa.eu.int/comm/enlargement/negotiations/chapters/chap20/index.htm).
**Consumer protection**

**Directive on privacy and electronic communications published**

On 12 July, the EU Council of ministers formally approved, with all compromise amendments voted in by Parliament (second reading) last May, the directive concerning the processing of personal data and the protection of privacy in the electronic communications sector.

With Luxembourg voting against it, the directive was adopted by qualified majority voting (QMV) and published in the Official Journal no 2002/L 201 of 31 July 2002, p. 37-47 ([http://europa.eu.int/eur-lex/](http://europa.eu.int/eur-lex/)). The directive entered into force on 31 July 2002 and should be transposed into national law before 31 October 2003.

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**Culture**

**Council resolutions on culture and digital content available**


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**Danish Presidency plans to work on current cultural and audiovisual issues**

During the Danish Presidency one meeting of the Culture Council will be held in Brussels on 4 November 2002, visit [http://www.eu2002.dk/](http://www.eu2002.dk/).

With regard to the Television without Frontiers directive, the Presidency has stated that it will need some time to gather, analyse and process information before revision of the directive can be taken forward. With regard to enlargement, the first cultural project ‘Images d’Europe’ involving all the candidate countries and any EU Presidency was held in Paris from 1 to 28 July. A series of free concerts, photography exhibitions, films and book presentations from all thirteen-candidate countries were hosted. On 29 and 30 July, the Danish Presidency negotiated on thirteen chapters with ten candidate countries and managed to provisionally close nine of them. Hungary closed culture and audiovisual policy.

Mobility will be the subject of a seminar being organised in co-operation with the European Commission, to be held on 6 and 7 September in Arhus. In addition, the Council will examine in November, the conclusions of the study ‘mobility and free movement of people and products in the cultural sector’ ([http://europa.eu.int/comm/culture/eac/mobility_en.pdf](http://europa.eu.int/comm/culture/eac/mobility_en.pdf), April 2002) to identify genuine obstacles, difficulties, shortcomings and minor barriers that need to be corrected.
Furthermore, the Danish Cultural Institute has set up, in connection with the Danish Presidency of the EU, the ‘Lux Europae 2002’ project (http://www.visitcopenhagen.dk/show.asp?id=1217). From October, the project will bring together European artists whose works emphasise the common traits of European culture while respecting its diversity and mind the enlargement negotiations and the idea of an open Europe.

News on culture from the European Convention

Only some of the many contributions from civil society focus on education and culture, calling for the EU to have a greater role and for cultural diversity to be preserved. On 24 and 25 June, the European Convention on the future of Europe met with, amongst others, representatives of cultural organisations. Main conclusions drawn appear as follows:

- **European Cultural Foundation** called for a strong cultural component and action at Community level and for article 151 to be strengthened in a future Europe;

- Federation of **European Film Directors** (FERA) called for copyright to be recognised as the basis of freedom of expression; article 151 to be moved to QMV; unanimity however to be kept for trading cultural and broadcasting services (article 133); European treaties to allow a common culture policy based on cultural diversity; it also recommended the setting up of a special body to manage the Media programmes;

- **Europa Nostra** stated that an European cultural and educational area is required to develop European identity;

- **European Bureau for Lesser-Used Languages** called for the new Treaty to guarantee linguistic diversity and for cultural policies to be changed from unanimity to QMV;

- Slovenian Parliament said that there is no contradiction between defending cultural diversity in Europe and having a common action in the cultural field - Europe should do more to have a common action in the cultural field;

- **Dutch Government** called for cultural diversity and for the Convention to create a working group on culture;

- **Forum européen pour la liberte dans l’éducation** called for current articles 149 and 150 to be merged and for the EU to be able to share powers with member states in this area. While respecting the principle of subsidiarity, EU action in co-ordinating national education policies and relations with third countries should be strengthened.

For further information visit: [http://european-convention.eu.int/](http://european-convention.eu.int/).

Outcomes of Culture 2000 for 2002 released

28 countries participate in the Culture 2000 programme this year, a number that is expected to increase in 2003 with the participation of Cyprus and Malta. Nine candidate countries are participating for the second time and Slovenia does so for the first time. This year, the Culture 2000 programme launched the first of three annual sectoral approaches, which will see one main cultural sector being highlighted each year - visual arts in 2002. Other sectors will be supported in all three years.

Over 750 organisations are involved. 224 projects will be funded this year totalling over € 33 million (119 in the field of visual arts) and including different activities in different sectors e.g. cultural heritage (21 projects), literature, books and reading (10 projects) and literary translation (48 projects, over 200 books being translated). Culture 2000 will also support the
creation of a European Prize for Cultural Heritage, to be organised by Europa Nostra, as well as the European Capitals of Culture selected for 2002 (Bruges, Salamanca) and 2003 (Graz).

186 projects totalling € 30 million were funded in 2001. The lists of experts and of selected projects are available at http://europa.eu.int/comm/culture/eac/2002/presentation_en.pdf. Furthermore, the third issue of Cultur@ 2000, the Culture 2000 monthly newsletter is available from http://europa.eu.int/comm/culture/eac/newsletter3_en.pdf.

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**Europe in everyday life**

A new guide bringing together examples of European education and culture projects in Denmark was published in July 2002. The guide includes examples of several Socrates actions, European social partners - action plan on lifelong learning, languages, youth, culture 2000, Media Plus, Netd@ys, CinEd@ys 2002 and town twinning. The guide is available from culture success stories at http://europa.eu.int/comm/dgs/education_culture/succes/dossiers/denmark/press_en.pdf.

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**New selection procedure for European Capitals of culture**

A new Community-based selection procedure will apply to European capitals of culture as of 2005. European capitals of culture until 2005 however, will be chosen on the basis of an intergovernmental decision.

Following the new selection procedure, a member state will host the European capital of culture every year. A list of member states has been drawn up for the 2005-2019 period e.g. Ireland (2005), Greece (2006), Luxembourg (2007), UK (2008). The member state then will propose one or more candidate cities, no later than four years before the year in which it will host the European capital of culture. A jury composed of seven independent experts and appointed by EU institutions will evaluate the applications. On the basis of a report, the Commission will then issue a proposal to be finally adopted by the Council after Parliament’s opinion (if applicable). Visit: http://europa.eu.int/comm/culture/eac/capeurcult_en.html.

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**Copyright and Intellectual Property Rights**

**Rental and Lending Rights Directive in Belgium**

The European Commission decided in February 2002 (see Hot News February 2002, p. 4), to pursue infringement proceedings against Belgium and Denmark for their failure to implement in full Directive 92/100 on rental and lending rights and on certain rights related to copyright.

Infringement procedures had began against Belgium for not having granted an exclusive right to authorise or prohibit public lending to artists, producers of phonograms and videos or – in the absence of such a right, at least a right to remuneration for authors. Five months later, the European Commission has referred Belgium to the European Court of Justice for failing to implement into its national legislation certain provisions on the public lending rights provided for by the directive.

Proceedings against Denmark however have been suspended, following a ‘constructive dialogue with the Danish authorities’. Progress in notification of national measures implementing

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**eCommerce**

**ePING meeting on eCommerce directive held**

On 10 July, EPING, the European Parliamentarian Internet Group held a meeting in Brussels on the eCommerce Directive. A presentation given dealt with the implementation, transposition of the directive in member states. The eCommerce directive had to be transposed into national law by 17 January 2002. So far Austria, Denmark, Finland, Germany, Luxembourg, Spain and Sweden have implemented it; work is still underway in the other member states, but in advance.

Other issues dealt with referred to liability, recent case-laws and conclusions on case-laws, future areas of interest, areas already identified in the directive (Article 21), eCommerce and providers of Internet services, and eCommerce and right holders.

Liability issues will be examined in the first report on the eCommerce Directive due in 2003. Minutes of the meeting can be downloaded from: http://www.eping.org/minutes.html.

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**Education**

**Commission report on lifelong learning indicators published**

The first European report on quality indicators in education and lifelong learning was published on 2 July. It examines the quality of lifelong learning in 35 European countries in four central areas: skills, competencies and attitudes, access and participation, resources for lifelong learning and strategies and systems. The report shows that not all countries are able to successfully ensure education and lifelong learning for all sectors of the population.

Indicators used in the report are: literacy, numeracy, new skills for the learning society, learning-to-learn skills, active citizenship, cultural and social skills, access to lifelong learning, participation in lifelong learning, investment in lifelong learning, ICT in learning, strategies for lifelong learning, coherence of supply, guidance and counselling, accreditation and certification and quality assurance. The full report (English only) is available from the Spokesman's office. An Annex with comparative data is attached to the press release, available from: http://europa.eu.int/comm/education/index_en.html.

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**Commission proposal on Erasmus World programme**

The European Commission adopted on 17 July, the Erasmus World programme for the enhancement of quality in higher education and the promotion of intercultural understanding through co-operation with third countries. The project will make possible to turn Europe into a reference point for all students in the world. Erasmus World will allow more than 2000 students
from outside the EU to get a grant of €1600 month to study in Europe, 480 university lecturers for study or research for an average of 3 months at a time. The project covers a five-year period (2004-2008) with a budget of €200 million. The text of the proposal is available from: http://europa.eu.int/comm/education/world/index_en.html.

**New proposal for an education programme for European students released**

From 25 to 28 July 2002, following phase of EURECA (European Education Campaign) project, the representatives of European youth gathered in Mons (Belgium) for the Education Study meeting to draft a new education programme for Europe.

Concrete proposals will be drafted at a seminar in October in Bonn and the results of the meeting will be presented during the Students’ Convention in December in Brussels.

The Mons meeting follows the international conference on non-formal education – the role of the NGOs, held on 5 July in Tartu, Estonia. All these events will occur within the framework of EURECA, a yearly project of the European Students’ Forum (AEGEE). For further information visit: http://www.aegee.org/.

**eLearning survey extended to EFTA and candidate countries**

A survey of eLearning in Europe and beyond, now in its second year, has been extended to cover all EFTA (European Free Trade Area) and central and eastern European countries as well as the 15 member states. It is available in English, French, German, Italian and Spanish, see http://www2.trainingvillage.gr/etv/elearning/surveys/questions/2002_05_en.asp.

A free summary of the results is available for respondents. A free summary of the results will be posted in September at: http://www.trainingvillage.gr. The complete report will be available from Bizmedia, http://www.elearningage.co.uk.

**Enterprise**

**Consultation on pan-European government eServices now closed**

The open consultation on pan-European government eServices (see Hot News April 2002, p. 8) closed on 19 July 2002. This consultation aimed at helping the Commission and member states to identify the needs and opportunities of EU enterprises and citizens in terms of pan-European government eServices.

The consultation was aimed at both enterprises and citizens, in particular citizens that live in one member state but work across a border in another member state, or citizens that study or retire to a member state other than their own.

EU Information Policy

European Council summits available online

The European Parliament publishes after every summit of the European Council the conclusions of the Presidency and speeches by the President of Parliament since 1994. This collection has now been completed and has added the scanned versions of the Bulletin of the European Parliament covering the period 1985 to 1994 in German, English and French, http://www.europarl.eu.int/summits/index.htm.

Modification of the Council's rules of procedure

The General affairs Council adopted on 22 July, a Revised Version of its Rules of procedure, incorporating new provisions which reduces the number of Council configurations, defines the areas of activity of future meetings of the General affairs and External relations Council, and sets out the latter's role in preparing European Councils and opening up Council deliberations to the public.

Visit http://ue.eu.int/newsroom/newmain.asp?lang=1, under Council, then General Affairs (2447th Council meeting, 22 July 2002, 10945/02 (Presse 210)).

Commission information and communication strategy published

On 2 July, the European Commission adopted a new information and communication strategy for the EU, which will involve the entire political class in focusing on certain major priority themes e.g. enlargement, future of Europe, justice and home affairs. The document is quite detailed in indicating how the different players will be able to participate to help citizens understand what happens in the EU and thus, better participate in the debate on its future.

The Commission proposes that a review be scheduled for 2005 with all the parties involved in order to carry out an exhaustive evaluation of progress achieved and to determine any new lines of action that are required for an enlarged Europe, once the new Commission and Parliament are in place and the next Intergovernmental Conference has been held.

Priorities for September 2002 are an agreement between the three institutions (Council, Parliament and Commission) on the main priority information topics for 2003 and 2004, to be reached before first reading of the budget by Parliament; the launch of the analysis and evaluation of the networks and relays; a new training programme tailored to the Commission’s needs following adoption of the new strategy; and the launch of the development and testing, via the focus groups in each member state, of the central thread and values underpinning the communication process. See the action planned (annex 3) attached to the communication. The full text of the communication can be downloaded from: http://europa.eu.int/eur-lex/en/com/cnc/2002/com2002_0350en02.pdf.
**ECLAS catalogue incorporates SCAD articles**

You can now consult in the ECLAS, the Commission libraries’ union catalogue, the records relating to articles from periodicals which were formerly to be found in the SCAD database. Following the transfer and the regular addition of new articles, ECLAS now contains references to more than 137,000 articles. While the presentation of the former SCAD records has been adapted to the ECLAS catalogue format, work is continuing on these records, in particular on the descriptors. Visit [http://europa.eu.int/comm/libraries/info-scad.htm](http://europa.eu.int/comm/libraries/info-scad.htm).

**EU grant for enlargement information in France and Belgium**

As part of the EU's strategy for raising awareness about enlargement, the European Commission's representations in France and Belgium have launched calls for proposals for their national campaigns to provide information to the public.

France - where there is the least support for enlargement in any EU member state and where lack of knowledge may be an important factor - is seeking offers to provide information and communication actions or media coverage relating to enlargement. So far for 2002 a budget of €750,000 is foreseen for projects such as studies, exchanges, cultural events, and publications (with an average grant envisaged of around €40,000 per project) and a further €300,000 for broadcast and written press.

In Belgium, the accent is on generating debate and involvement of groups of people - particularly those who feel some form of threat from enlargement. The overall budget for Belgian actions is €300,000 for 2002, and projects must be worth at least €20,000. In all cases, the EU is offering subsidies of up to 50% of the costs of projects and actions. Further information on enlargement can be found at: [http://europa.eu.int/comm/enlargement/](http://europa.eu.int/comm/enlargement/).

**EP/Council conciliation on public access to environmental information**

On 6 August, the Council decided to open Parliament/Council conciliation procedures on several cases for which it has so far refused to accept the amendments voted for by the Parliament during second reading. Amongst them is the draft directive on public access to environmental information, which will replace directive 90/313/EEC (this proposal aims at establishing the first pillar of the Aarhus Convention of 1998 into Community law. Parliament adopted on 30 May, the report drafted by MEP Korhola and re-tabled a large number of amendments adopted at first reading which had not been taken up by the Council.

The draft directive is awaiting convening conciliation.

**Denmark proposes public access to Europol documents**

Denmark has presented a draft Protocol to amend the Europol Convention to allow public access to certain Europol documents e.g. documents of general kind, and to increase the consultative
role of Parliament. COREPER has not yet discussed the document, but authorised its publication and asked Parliament and Europol’s management committee to give their views before 1 December 2002.

Denmark proposes that “all citizens of Europe, as well as natural or legal persons residing in or with a registered office in a member state, (should have) the right of access to Europol documents, in the respect of the principles and conditions laid down by the European Parliament and the Council on the basis of Article 255 of the Treaty”.

EU Research and Development

Parliament report on science and technology statistics adopted

The European Parliament adopted on 2 July, the resolution drafted by MEP Nistico with a few amendments. Parliament used its procedure without debate.

Parliament wants the Community to step up co-operation with the OECD and other international organisations, especially for the purposes of patents and high-technology statistics. In addition, it proposed, contrary to the five-year interval proposed by the Commission, that the first report be prepared four years after the entry into force of the decision and that subsequent reports be submitted every three years.

The draft resolution is now awaiting Council common position. The full report (A5-0236/2002) can be found at http://www.europarl.eu.int/plenary/default_en.htm, under latest reports.

Sixth Framework Programme for research 2002-2006 now published


On 3 June the Council of Ministers, European Parliament and Commission officially concluded negotiations on the final content of the Sixth Framework Programme 2002-2006 (FP6). Completion of this crucial stage should ensure that the timetable is respected: calls for proposals should be launched before the end of the year and the first Community financing contracts should be able to start from the beginning of 2003.


In addition, the effectiveness of the seven priority areas proposed for the FP6 have been questioned in a report (July 2002) published by STOA, Parliament Scientific and Technological Options Assessment unit. Another report reflects the legal, technical and policy differences between the new programme and previous programmes (April 2002). Both reports are available at http://www.europarl.eu.int/stoa/publi/default_en.htm.

Parliament reaches final deal on rules for participation in FP6
Final agreement brings adjustments to the content and financial breakdown of certain research priorities. The rules of participation for the FP6 are particularly important due to the introduction of new instruments, which bring significant changes to the scope for co-operation between European research teams.

Parliament adopted on 3 July (first reading, co-decision procedure), a compromise deal reached with the Spanish Presidency on the rules for participation in FP6. With the adoption of two reports by MEP Quisthoudt-Rowohl, Parliament definitively concluded its examination of FP6. The Commission accepted all Parliament amendments on 11 July 2002 and the draft decision is now awaiting Council common position.

The compromise takes into account the main concerns expressed by MEPs who insisted there should be an option for objects to be evaluated through a two-stage procedure. A first criterion for selection would be the scientific/technological excellence of the application and its innovation degree. When applying the main criteria, the Commission would be taken into account new criteria proposed by Parliament e.g. synergies with education, capacity to engage with players beyond the research community, and activities to increase the role of women in research.


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**Information Society**

**Study suggests an open source licensing basis for European administrations' software**

The ‘Poolung Open Source Software’ study, financed by the IDA programme, recommends the creation of a clearinghouse to which administrations could ‘donate’ software for re-use. This facility would concentrate on applications specific to the needs of the public sector and in turn, encourage good practice in eGovernment services.

The study suggests that software developed for and owned by public administrations should be issued under an open source licence. The pooling facility would provide software, make available expertise and help create a community of developers, users and policy makers. The study is available from the IDA website at http://europa.eu.int/ISPO/ida/jsps/index.jsp?fuseAction=home.

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**Commission publishes funding programme to monitor eEurope**


The five-year PROMISE programme was initiated in 1998 with a budget of €25m to promote the information society in Europe. The eEurope 2002 action plan set 64 targets in 11 action areas. Both eEurope 2002 and the PROMISE programme will expire by the end of 2002. The Commission therefore, proposes that a financial support programme be adopted to accompany national efforts for the transformation of Europe into a knowledge-based economy.

The programme will finance data collection and analysis concerning a revised set of benchmarking indicators; studies to identify good practices in Europe; workshops and studies to analyse the adjustment of industry to digital technologies and the transformation of society;
support the Information Society Forum and targeted conferences, seminars or workshops; financing of specific surveys, studies and expertise gathering activities in the area of network and information security. It will last for 3 years (2003-2005) with a budget of 25m. Each year a specific work programme will be published containing the years priorities. During its last year of execution the programme will be evaluated in order to assess its cost-effectiveness and to decide its usefulness for the future. The full text of the proposed decision can be found at http://dbis.cordis.lu/ (COM(2002) 425 final).

**Internal Market**

**Commission asks member states to implement Directive 98/71/EEC**

The European Commission sent on 1 July, formal requests to Austria, Belgium, Finland, Germany, Greece, Luxembourg, Netherlands, Portugal, Spain and Sweden to implement Directive 98/71/EC on the legal protection of designs into their national law. The 1998 directive had to be transposed on 28 October 2001.


**Commission report on the internal market strategy for services**

The internal market strategy for services was issued in December 2000 and then run throughout 2001 and early 2002. The objective of the report is to collect information on the barriers which may hinder the development of the internal market in services in the EU. The latest version presents a comprehensive inventory of existing barriers in the internal market for services e.g. consultancy, employment agencies, estate agents, engineering, construction, distribution, tourism, leisure and transport. Any business activity that constitutes a service is covered e.g. professional services, business services, financial services.


**Commission launches SOLVIT**

The Commission has launched an improved Citizens Signpost Service to help people know their rights and solve problems encountered in the single market e.g. recognition of qualifications, social securities, pensions, taxation. The service is available, in all eleven official languages, at http://europa.eu.int/citizensrights/signpost/front_end/signpost_en.htm.

In addition, SOLVIT, effective problem solving network for business and citizens in the internal market will link up from 22 July, member states’ SOLVIT centres which have been operating since 1997. Visit: http://europa.eu.int/comm/internal_market/solvit/whats-solvit_en.htm.
Internet

Council consultation on cybersquatting launched

Different parties wish to use the same domain name to promote their personal and/or business interests. Individuals who are by no means connected to a name or who do not have business interests in name (so-called cybersquatters) register names hoping to make a profit.

The European Commission launched on 31 July an online consultation, which aims at helping the Commission to develop rules to address speculative and abusive registration of domain names in the future .eu top level domain (TLD). The .eu TLD is being developed under the responsibility of the Commission’s DG for the Information Society, in line with the .eu Regulation adopted last April 2002, http://europa.eu.int/information_society/topics/telecoms/internet/eu_domain/index_en.htm.

The consultation seeks the views of governments, public authorities, businesses of all sizes, and individual citizens. The deadline to respond to the online questionnaires (http://europa.eu.int/yourvoice) is 31 October 2002.

Telecommunications

Public consultation on product and service markets launched

On 18 June, a public consultation was launched on a draft Recommendation on relevant product and service markets within the electronic communications sector susceptible to ex-ante regulation (in accordance with Article 15 of Directive 2002/21/EC). Details can be found at http://europa.eu.int/information_society/topics/telecoms/regulatory/publicconsult/index_en.htm.

Trade Policy

Failure by Germany to fulfil its obligations on Sixth VAT Directive

Articles 2(1) and 13(A)(1)(i) of the sixth VAT directive - Research activities of public-sector higher-education establishments carried out for consideration - Exemption

The Court of Justice declared on 20 June that, by exempting from value added tax the research activities carried out for consideration by public-sector higher-education establishments pursuant to Paragraph 4(21a) of the Umsatzsteuergesetz (Law on Turnover Taxes) of 27 April 1993, as amended by Paragraph 4(5) of the Umsatzsteuergesetz-Änderungsgesetz of 12 December 1996, the Federal Republic of Germany has failed to fulfil its obligations under Article 2 of the Sixth Council Directive 77/388/EEC of 17 May 1977 on the harmonisation of the laws of the Member States relating to turnover taxes - Common system of value added tax: uniform basis of assessment and order the Federal Republic of Germany to pay the costs.

Germany used a provision of the sixth VAT directive in favour of university education to exempt research contracts from VAT payments (which would have been 16%). For further information visit: http://curia.eu.int/en/act/ (Case C-287/00).

In addition, the European Commission believes that Belgium does not have the right to impose VAT on the resale of rights of artists and thus, has asked Belgium to change practices that are not in compliance with Community legislation (sixth VAT directive).
Trade policy review now available online


Of interest is the written question and reply on IV. Developments in Selected Sectors; (5) E-Commerce; (ii) Policy developments; (a) Overview, Paragraph 107:

“Paragraph 107 mentions that the Commission is of the view that eCommerce either involves the physical delivery of goods and is thus merchandise trade within the scope of GATT 1994, or involves electronic delivery, and therefore falls within the scope of GATS. No mention is made, however, of the EC’s Market Access (MA) and National Treatment (NT) obligations under the GATS. Please clarify the nature of those GATS-sectoral commitments which it feels are most applicable to electronic deliverables such as software and books”.

Reply from Commissioner Lamy to letters regarding services negotiations

Trade Commissioner Pascal Lamy responded in July 2002 to open letters from NGOs regarding services negotiations (see http://europa.eu.int/comm/trade/services/plreply.htm). In his letter, Lamy states that “the EC’s general objectives for the GATS negotiations as well as its objectives for most of the sectors covered by the GATS have been publicly available for some time…” “Indeed, the sectoral proposals were all submitted to the WTO in December 2000 and a communication on the EC’s general objectives was submitted in March 2001”.

With regard to the GATS negotiations, Lamy says that “the Commission services have hosted a series of specific meetings with civil society, the last one on 7 May 2002. All groups with an interest in GATS negotiations are welcome to attend these events”. The Commission intends to continue this dialogue and another civil society meeting on GATS was planned on 2 July 2002.

The Commission is also preparing a summary of the EC’s initial requests that will be released to the public at the same time as requests at European level are submitted to the WTO. For further information on trade visit: http://europa.eu.int/comm/trade/ or http://docsonline.wto.org/gen_search.asp.

EU initial requests for improved market access on services

The EU submitted on 4 July, its initial requests to other WTO Members for improved market access on services. The areas of concern that have been raised include issues related to the provision of public services in general and health, and education in particular, privatisation, the right to regulate, sustainability and the provision of other services of general interests like water and energy distribution. The EU however, does not seek to dismantle public services, nor to privatise state-owned companies. No requests are being made on health services or audiovisual services to any country, and only the US will receive a request on education, limited to higher education services. Visit: http://europa.eu.int/comm/trade/

In addition, the communication from the European Communities and their member states to the working party on GATS rules on government procurement of services was published on 11 July
EU renews call for US compliance with WTO rules

On 30 August, the EU welcomed the decision by the WTO arbitrators to authorise the EU to take countermeasures of US $ 4,043 million. This decision should bring US compliance with the WTO rulings a step closer. Although no specific deadlines are specified under WTO rules, the EU must formally request from the Dispute Settlement Body (DSB) authorisation to suspend concessions and notify the relevant detailed list of products, building on the original indicative list (chapter headings) submitted in November 2000. The products concerned will be selected in due course following consultations with member states and industry. Countermeasures may be taken anytime after final DSB authorisation has been granted.

The report of the arbitrators was originally due on 29 March 2002 (60 days from adoption of the reports) but, upon the initiative of the arbitrators, it was delayed until the end of August 2002. For further information visit: http://europa.eu.int/comm/trade/miti/dispute/fsc0209_en.pdf.

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