

Television and the audio-visual sector: towards a European policy



European File

At the end of 1986 the whole European television scene will be transformed by the appearance of Europe's first direct television satellites. We have already seen the spread of cable networks and the increasing use of communications satellites: transmissions from the new satellites will be receivable by means of home aerials and will reach most of the continent simultaneously. The fragmentation already begun at national level will be followed by a rapid internationalization. People will have access to an unprecedented volume of television pictures: culture, entertainment, fiction, news, etc. Where will these pictures come from? Who will capture the market – and the employment – for producing and transmitting them? ¹

One thing is certain: no Community country in isolation, confined to its national market, will be able to furnish at competitive rates the amount of equipment and programmes required as a result of technological advances and the multiplication of the number of stations that can be received. The choice is clear:

- Either a strengthening of exchanges within Europe and a deepening of Community cooperation to promote the identity of our continent in all its diversity;
- Or a surrender to powerful competitors and their cultural models, be it the Americans today, or the Japanese tomorrow.

The European Commission has made its choice. It is proposing to Member States a series of measures to respond to the current technological and industrial changes, to ensure the free circulation of programmes throughout the Community and to reinforce Europe's production and transmission capacity.

Answering the technological and industrial challenge

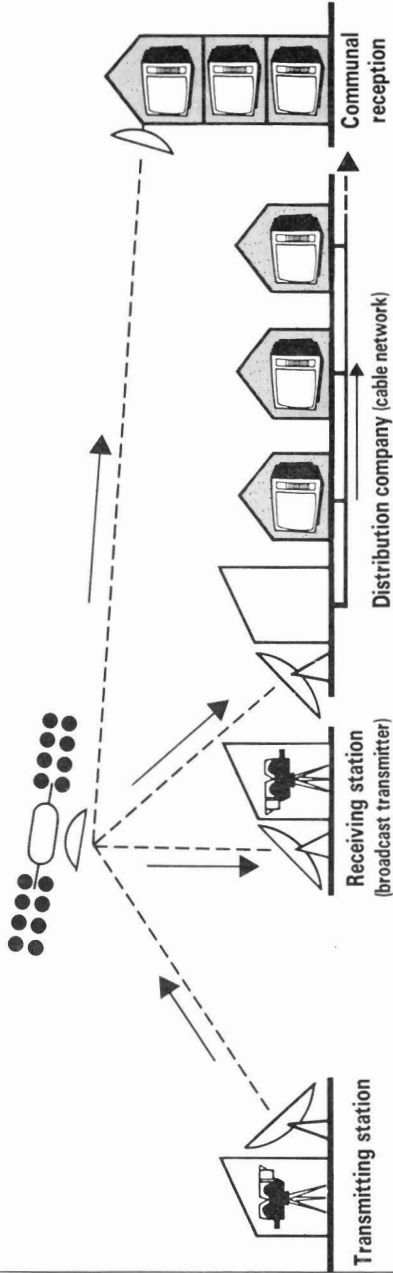
Several European communications satellites are already distributing programmes to twenty-odd television stations. 90 channels will soon be available for that purpose: there are expected to be 200 by the year 1992. These programmes are re-broadcast by hertzian waves or, in more densely populated areas of Europe, by cable from communal aerials. In addition, 10 new channels broadcast directly by satellite will be available to people with their own aerial from 1987.

It means that the day of purely national audiences, markets and channels is gone. In the audio-visual field as in many others, technical progress is making a mockery of frontiers. Other developments are expected, which will make for great changes in television:

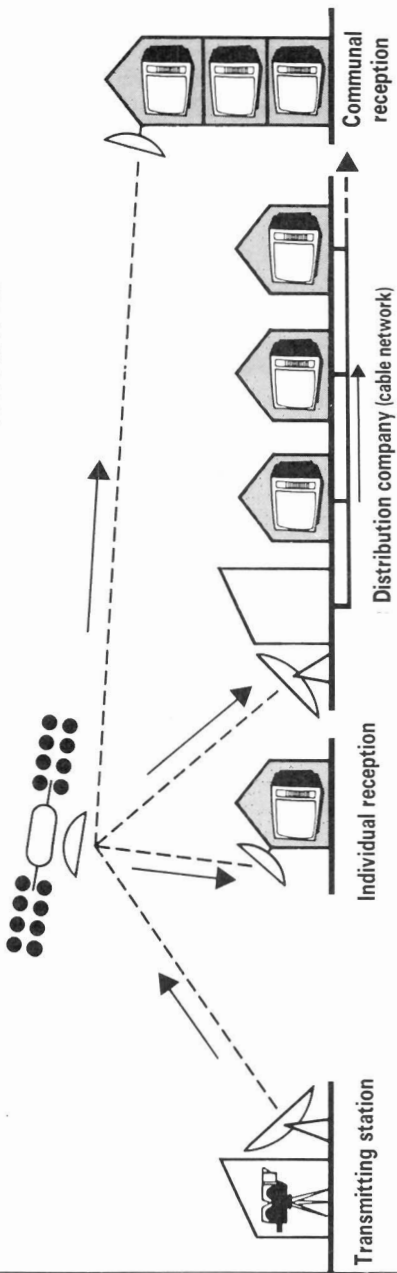
- The new standards for television transmission by satellite and the use of digital processing of picture, text, spoken word, sound and computerized data, will make it possible to move towards high-definition television, up to the best cinematographic standards;

¹ This file replaces our No 19/84.

1. Communications satellite



2. Direct broadcast satellite



- Digitalization will also give impetus to the integration of audio-visual, computer and telecommunications networks. 'Broadband' technology will make it easier to exchange computerized data, text, sound and still or moving pictures. The broadband networks, using optical fibre cable — made of a material like glass, carrying laser-generated light pulses — will be able to give the public a great number of television channels as well as interactive telematic services based on combined use of telephone and television (videophony, videocommunications, downloading of computer programmes, consultation of bank accounts and data bases from the home, etc.).

The industrial market that will be opened up will be enormous: about 2 000 million ECU¹ between 1986 and 1989 for satellites, launch rockets and ground stations; about 10 000 million ECU over the coming five to seven years for aerials, decoders and other equipment for receiving direct television broadcasts. There will also be the cost of cabling, as well as the market for domestic and professional equipment: terminals, recording apparatus, high-definition television receivers, telematic equipment, etc.

Like their external competitors, European manufacturers are capable of supplying the equipment needed for direct reception of satellite television in reasonable time and on relatively competitive terms. To do it, however, they will need to be sure of a market of continental dimensions, which will enable them to produce on a large scale, at low unit cost, for the whole world market. A basic requirement is common European standards for transmission and reception, so that public demand cannot only be sustained by the large number of channels available, but also be met by the same equipment throughout Europe.

- In view of the opportunities offered by direct broadcasting by satellite, the European Commission is asking Member States to adopt, as soon as possible, the MAC-packet 'family' of standards. These new standards were developed by European industry and the European Broadcasting Union: they are compatible with each other and allow better sound and vision reproduction, the simultaneous use of one vision channel and several sound channels (multilingual programmes), and a gradual evolution towards high-definition television. From that point of view the MAC-packet standards should answer the needs of operators and consumers for a long time. The Commission's draft directive provides for their immediate and exclusive use for direct broadcasting by satellite, but allows a gradual transition for ground-based transmissions and for cable distribution. During this transition period, viewers who want to get the value from their PAL or SECAM television set will be able to go on receiving the traditional channels; they will also be able to receive the MAC-packet signals by cable or through a decoder.

¹ 1 ECU (European currency unit) = about £0.64, Ir. £0.71 or US \$0.96 (at exchange rates current on 9 June 1986).

- The Commission is also hoping for agreement on other technical standards in the audio-visual sector. One of the vital issues is high-definition television, which should establish itself between 1990 and 1995. It is important to continue research in order to arrive at a true world standard. Contrary to what is being proposed by the Japanese television station NHK, this standard should take account of the evolving nature of the technology and of the need to ensure, in everyone's interest, some degree of compatibility between today's television sets and future high-definition broadcasts. Some years of study and development are needed to achieve those objectives and to give a fair chance on world markets to European makers of programmes and equipment.
- Finally, the Commission will stimulate improvement of the Community's technological capacity through its research and development programme RACE. Under the programme it is intended to perfect the technology for broadband networks for interactive audio-visual communication services. Linked with certain Eureka projects, RACE should also contribute to the development of high-definition television.

Creating a European audio-visual area

In the audio-visual sector as in others, the continuation of national barriers and of the fragmentation they cause prevents European producers from taking up the challenge presented by external competitors. They are a major handicap for Europe's industry and cultural identity. There are legal as well as technical barriers: to remove them, it is necessary now to give full force to the European Treaty provisions for freedom to provide services — services such as television broadcasting. Every citizen and every firm retransmitting programmes must be free to receive and retransmit, without restriction, programmes coming from other Community member countries.

The Treaty of Rome offers two approaches to the creation of a European audio-visual area: the direct application of the Treaty rules and the coordination of national legislation. The European Commission has undertaken, along with the Member States, an examination of possible breaches of the Treaty. They are looking in particular at certain national measures which discriminate on grounds of nationality, such as a ban on retransmission by cable of channels broadcasting from other Member States. Apart from such discriminatory restrictions, there are rules governing certain types of activity, imposed on grounds of the general interest: when applied to broadcasters they may constitute an obstacle to the free circulation of programmes, because of the disparity of the various national legislations. Only coordination at European level can ensure free circulation of broadcasting services.

- With this in mind, the European Commission has submitted to the Council of Ministers a proposal for a directive to coordinate certain national measures relating to broadcasting. This proposal was preceded by a Green Paper and

various other documents from the Commission and the European Parliament, which occasioned a very wide-ranging debate on the subject. All that is proposed is a minimum of coordination: in regard to advertising, sponsorship and protection of young people, Member States would still be free to impose stricter or more detailed rules on national broadcasters. In matters subject to coordination, Member States would no longer be able to prevent the free circulation of each other's television programmes by means of non-discriminatory national measures justified on grounds of the general interest. In fact, the directive would have the effect of eliminating the present legal disparities and the laws of Member States would offer equivalent safeguards. The proposal is also aimed at encouraging distribution and production of television programmes in member countries, not only by creating a market big enough to make investment profitable, but also by an industrial policy that ensures preferential treatment in Member States' TV schedules for programmes of Community origin.

The measures proposed relate in essence to:

- The European content of programme schedules. A minimum percentage of air time (30% to begin with, 60% after three years) would be reserved for Community-made television programmes. Also, to encourage the establishment of new production companies, especially small and medium-sized ones, TV stations would have to allocate a minimum percentage of their programme budgets (5% at the beginning, 10% after three years) to the work of independent Community producers.
- The regulation of advertising. The proposal lays down minimum requirements for broadcast advertising, which are intended to ensure free circulation of broadcasts within the Community. It would be for Member States to establish, on the basis of criteria laid down in the directive, the amount of airtime allowed for advertising on their national services. At the same time, they could not prevent retransmission of TV advertisements coming from other Member States if the amount of advertising were below a certain threshold (15% of the transmissions receivable in the country of origin), or provided, in the event of this threshold being exceeded, that certain other conditions are fulfilled. The proposal also provides for separation of advertising from programmes, general standards in regard to the interruption of programmes for advertising and to sponsorship, the banning of tobacco advertising, limits on advertising for alcoholic drinks and advance checking of advertisements.
- The protection of young people against programmes liable to harm their physical, mental, or moral development (pornography, violence, racism).
- Copyright. The aim here is to facilitate the simultaneous distribution by cable, complete and unchanged, of programmes coming from other Member States, while respecting the interests of authors, composers, actors, etc.

- The European Commission is preparing other initiatives relating to copyright, some of which are of particular importance to the audio-visual sector: the prevention and suppression of piracy, rules for private copying, etc. A green paper on copyright will set out a first analysis of the issues, with a view to stimulating a wide-ranging debate.
- Finally, the Commission is following the work of certain international organizations, such as the Council of Europe and the OECD, which have become involved in various aspects of the audio-visual sector.

An action programme for European audio-visual production

Satellites, cables, and common technical and legal standards are all very well, but what of the programmes themselves? The question is crucial in two respects:

- Economically, the TV programme industry, like the equipment industry, is directly productive of wealth and employment. In addition, the development of TV infrastructure and the multiplication of channels call for a major increase in programme output, an increase which in turn speeds up the spread of new equipment.
- The cultural challenge from outside is as urgent as the technological and economic ones. Experience in cinema shows the difficulties involved in maintaining European production in the face of American competition; the Americans have benefited for a long time from the advantages of a big internal market of continental dimensions and are, paradoxically, the only producers of TV programmes capable of operating in Europe as in a unified market.

For the European Commission, the time has come to avail more of the richness of the Community by promoting all its creative resources, for both cultural and economic reasons. Briefly, whether in television or cinema, it is necessary both to strengthen national operators likely to assert their cultural diversity, and to develop the European dimension of distribution and production.

The Commission has therefore established an action programme for the European audio-visual production industry. It is intended to stimulate worthwhile original initiatives, as well as projects that take into account the new dimensions of the European audio-visual area and the technological development that is going on, including the prospects for convergence of cinema and television.

Studies and pilot experiments will be launched in close cooperation with professionals in the field, who will be consulted through a series of round table discussions. A first report will be prepared in 1988, European Cinema and Television Year. Two priority areas for action are already apparent: stimulating production and distribution, and promoting programmes with a European dimension.

- *Stimulating audio-visual production and distribution.* The special cultural qualities in which Europe is so rich can be asserted by promoting original creativity and by improving methods of production and distribution. Among the main areas for action are:
 - Production methods. Cinema films and major series are the big successes on television. European programme schedules are filled to a large extent by the cheap and abundant supply available from outside countries, especially the United States. The Community will support experimentation with new, more competitive, production methods. Examples would be the use of lightweight electronic equipment or industrial structures which, like small and medium-sized firms, seem better able to adapt to market fluctuations and the other exigencies of present-day production.
 - Technological development. Many European producers have not the means to acquire the advanced equipment which will play a decisive role in future production. The Community will support research into the use of new techniques for making films and TV programmes (digital processes, high-definition pictures, computer-assisted work, etc.).
 - Promoting cooperation. The development of the European industry will be achieved through the cooperation that already exists among producers in different sectors (cinema and television) and in different Community countries. The European Commission hopes to give particular support to new initiatives in the context of European broadcasting. It also wants to promote better economic and technical arrangements for co-productions, as well as for new forms of work and writing.
 - Financing and distribution. Completion of the European internal market will strengthen the economic basis of audio-visual production in the Community. The industry will then need financing and distribution structures on the same scale as this great unified market. New credit arrangements will have to be available at national level and, above all, at Community level. The value of European production must also be enhanced by paying greater attention to the way work is released (it is not sufficiently realized that in the United States publicity and promotion sometimes account for 30% of a film's budget). Finally, because of Europe's linguistic diversity, parallel action is required in the fields of dubbing and subtitling, which increase costs but offer possibilities for wide distribution.
- *Promotion of television programmes that are really European.* This is another priority for the Commission. Programmes intended, from the beginning, for all of Europe, could count on an audience and resources that would never be available at national level; they would help to strengthen the feeling of belonging to a Community of countries at once different and deeply united. Among the main spheres of activity are:

- Multilingualism. Television programmes devised for the whole Community will have to be broadcast in several languages, as can be done with the MAC-packet standards. The Community will support and coordinate experiments in improving the quality of dubbing techniques, exploring in particular the possibilities for synchronization by computer. A first concrete step in this direction will be taken with the originators of the multinational and multilingual station 'Europa TV'. The results of work of this kind will of course be put at the disposal of all interested groups.
- European information and education. Like the European Parliament, the Commission favours the creation of an independent European news station, which could improve public awareness of what is going on in different countries and of Community activities. The Commission will support the first experiments in this line carried out by editorial teams composed of various nationalities. It will also do its best to make journalists in general more aware of the European and Community dimension of the news.
- Other programmes with a Community dimension. The Commission will study ways to give a European dimension to other types of programme.

These are only the first forays in what is intended to be a much wider campaign, to be conducted in cooperation with all interested parties. Too many of those in charge, in both the public and private sector, have not taken full account of the European implications of the new technology. Projects for direct satellite television often have European ambitions even though their point of departure is a narrow national framework or market. The Commission wants to instigate broad European cooperation among all those involved, so as to make them more aware of the Community dimension of the problems faced. In this way it hopes to reduce the uncertainties which still hamper the development of certain projects and affect the ability of the industry to respond to the challenge it faces. In so doing, the Commission means to make a new contribution to the building of a Europe of television and the audio-visual media, a meeting point for the Europe of new technology, the Europe of culture, and the citizens' Europe ■



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