European Parliament: Report on Commission Communication on Certain Legal Aspects Relating to Cinematographic and Other Audiovisual Works

IRIS 2002-8:1/5

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Following its consideration of the European Commission Communication on certain legal aspects relating to cinematographic and other audiovisual works of September 2001 (see IRIS 2001-9: 6), the Committee on Culture, Youth, Education, the Media and Sport (hereinafter "the Committee") of the European Parliament has proposed a Motion for a Resolution.

The proposed Resolution is wide-ranging in scope. It opens with a statement of its support for the Commission's Communication and its insistence on strict adherence to the proposed time-line. Pursuant to the Communication and the European Parliament Resolution on achieving better circulation of European films in the internal market and the candidate countries of November 2001 (see IRIS 2002-1: 6), the Committee appeals to the Commission to strive to make the free movement of audiovisual works within the Internal Market a reality by 2005.

On more specific matters, the Committee favours greater transparency in procedures governing the examination of aid to the audiovisual sector; greater clarity in the definition of State aid, and the factoring of the cultural dimension to audiovisual activities into the notion of State aid for the sector, thus resulting in beneficial flexibility. As regards the protection of heritage and the exploitation of audiovisual works, the Committee endorses the need for the compulsory legal deposit of works by Member States and calls for such initiatives to be undergirded by public support funds and complemented by, inter alia, the co-financing of projects for the digitisation of audiovisual archives.

The Committee also recommends that market forces be allowed to spur developments in e-cinema, albeit with the cooperation of the EU and US audiovisual industries. It suggests involvement by the Commission, the European Investment Bank and the Council in the financing of "extremely expensive digital projection equipment for European cinemas". Further related recommendations are that reduced VAT rates should apply to audiovisual cultural products and services and that the possibility of ensuring reduced rates for admission to cinemas should be explored by Member States. The Committee regrets the omission in the Commission's Communication of encouragement to Member States to offer tax breaks in order to attract investment in film production.

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The Committee endorses the Commission's proposal to independently investigate the impact of cultural differences in Member States on the rating and marketing of films. In order to improve the circulation of films in the Internal Market and in the candidate countries, it urges facilitating the creation of financial institutions specialising in the audiovisual sector and the development of relevant capital risk funds. Other financial initiatives aimed at stimulating growth in the audiovisual sector are also contemplated.

In the context of the review of the "Television without Frontiers" Directive, the Committee requests a re-examination of certain definitions, such as "European work" and "independent producer". It highlights that "buy-out" clauses, which exist in certain Member States, "considerably restrict contractual freedom at producer level". It also underlines the importance of investment in film production for improving the circulation of European films in the Internal Market and in the candidate countries.

Report on the Commission communication on certain legal aspects relating to cinematographic and other audiovisual works (COM(2001)534 - C5-0078/2002 2002/2035(COS)) of 5 June 2002, Doc. No. A5-0222/2002, European Parliament Committee on Culture, Youth, Education, the Media and Sport, Rapporteur: Luckas Vander Taelen

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