



Hot News October 2000

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Access to documents: Parliament report adopted

On 24 October, the Citizens Parliamentary Committee adopted the report by MEP Cashman on the regulation proposed by the Commission to implement **Article 255** (which sets out a right of access to documents of the European Parliament, the Council and the Commission). Vote in plenary is scheduled for 13 November. Further information can be found at: <http://www.euopen.com/>

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Charter of Fundamental Rights: Council to formally adopt the text

At 4 October plenary session, MEP Napolitano, on behalf of the Citizens Parliamentary Committee, questioned the Council on the binding nature of the charter to find out whether Parliament had the support of the French Presidency for this to be an integral part of the Treaties. Later on, at the Biarritz European Council on 13 October, member states informally endorsed the charter and agreed to adopt it as a political declaration at the Nice summit in December.

In addition, the Council of Europe has adopted its report, which hopes that the European Union will sign up to the European Convention on Human Rights (ECHR) and deplores the fact that people belonging to ethnic, religious or linguistic minorities are **not** mentioned.

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Data protection: personal data handled by EU institutions under debate

On 13 October, the Citizens Parliamentary Committee adopted a report by MEP Paciotti (first reading) on the protection of personal data processed by the EU institutions and on the creation of a European data supervisory authority aimed at the correct handling of such data. This was originally scheduled for 1 January 1999. MEP Paciotti submitted 63 amendments to the regulation as drafted by the Commission, the majority of which were in line with a text drawn up by the Committee of Permanent Representatives (COREPER). Five amendments went further than the COREPER text, but were negotiated with the French Presidency. In principle, the regulation only applies to activities under the first pillar, but two amendments on the procedure to be followed when activities concerned the second or third pillars have also been included: a reference to **Article 6** of the EU Treaty (fundamental rights) and **Article 255** of the EC Treaty (public access to documents).

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Electronic commerce: decision on judgements in civil and commercial matters debated

On 28 September, the Justice Council heard a presentation by Commissioner Vitorino on a proposal for a Council Decision on the creation of a European Judicial Network in civil and commercial matters. The proposal aims at facilitating judicial co-operation between member states in civil and commercial matters and to plan, implement and maintain an information system for the public, to be managed by the Commission.

The network will be composed of designated central contact points which will meet at least three times a year. These meetings will facilitate an exchange of experience to identify legal problems encountered by member states and solutions to these problems.

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Electronic commerce: place of taxation still under discussion

On 17 October, the Ecofin Council heard a report from Commissioner Bolkestein on the Commission proposal aimed at establishing the principle of taxation in the place where consumption occurs (where digital products are downloaded from the Internet and where radio/TV broadcasting services are received). Under existing tax rules, operators from third countries carry out certain transactions tax-free for Community-based customers, while operators established in the Community are obliged to charge VAT to their customers in third countries. With its approval, online payments made by operators located in third countries would thus be taxed within the European Community, by the clients if they are liable to VAT or by the operator.

The place of taxation for extra-community operators is still the subject of disagreement between the Fifteen. Most delegations are opposed to the Commission proposal in that it did not result in actual taxation in the country of consumption. The delegations endorsed the Presidency's suggestion that foreign companies should register in **each** of the member states where they conducted business. Belgium was in favour of another alternative under which registration would be centralised in **a single** member state and the revenue would be shared out on a macro-economic basis between the member states in which consumption took place. Only Luxembourg was in favour of the Commission proposal. The Presidency hopes to reach an 'unanimous' assent on 27 November.

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Telecommunications: Parliament adopts report on unbundling of the local loop

Parliament adopted the Commission proposal for a regulation liberalising local telephone networks (the local loop) at 26 October plenary session. Specific additions requested by the committee and included by the Council in a political agreement of 3 October included:

- enhanced intervention powers for national regulatory authorities (NRAs);
- confirmation of the date of 31 December 2000 as the deadline for the regulation to enter into force;
- confirmation of the possibility of shared unbundling;
- inclusion of a technical annex detailing the obligations of the incumbent operator.

The adoption of these amendments emphasises that refusal to allow unbundled access would prevent, restrict or distort competition in this sector. They also stress the need for compensation for beneficiaries (i.e. new market entrants). The regulation foresees that the incumbent operators will have to pass on a price to the new entrants for the total or partial unbundling of the local loop. Total access includes voice and digital (Internet) telephony while shared access implies a choice between the two modes.

This Parliament decision, to be formally adopted by the Council on 4 December, is a major step in building eEurope. A version of the informal consolidated text (27 October) is available at: http://europa.eu.int/comm/information_society/policy/telecom/localloop/pdf/infregep_en.pdf

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Education: mobility action plan awaiting Council common position

On 30 September, education ministers agreed to support the action plan for mobility proposed by the Council Presidency and the European Commission. It should not be accompanied by a binding timetable for its implementation, but be a tool to serve people; its financing will mainly lie with the competence of member states. Certification (labelling the successful projects to attract local/private sectors); the creation of a common portal for access to various sources of European information on mobility; language teaching and the integration of a mobility section in the training of education personnel were particularly welcomed.

The plan is complementary to the Commission recommendation currently underway to adoption on the suppression of obstacles to mobility (e.g. barriers in taxation, social protection). The report by MEP Evans for such a recommendation was adopted at 5 October plenary. The proposal has been amended to include researchers. Language and cultural barriers need to be reduced and certain financial constraints should be abolished. Amendments have also been introduced on the mutual recognition of qualifications and the importance of involving the candidate countries. Education ministers could adopt the action plan in the form of a resolution on 9 November. A pamphlet on good practices in the field of mobility will be presented during the Nice summit.

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Education: Romania and Cyprus to participate in Leonardo and Socrates programmes

On 26 September, the Council took a decision concerning the participation of Romania in the second phase of the Leonardo da Vinci and Socrates programmes, covering the period 2000-2006. Romania took part in the first phase of the Leonardo and Socrates programmes which expired on 31 December 1999. Participation to continue is allowed with the approval of a further Decision of the Association Council.

In addition, the Commission has just adopted the terms and conditions for the participation of Cyprus in the second phase of these programmes.

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Education: United States and Canada co-operation agreements soon to be signed

On 20 October, the Commission adopted the Council decisions concerning the agreements on co-operation programmes in higher education and vocational training between the Community, the United States and Canada for the period 2001-2005. The agreements are due to be signed in Washington on 18 December and in Ottawa on 19 December. The final conclusion would follow in February, once the Parliament opinion has been secured.

These programmes encourage the creation of joint consortia to develop and implement projects in fields such as student mobility preparation, student and teacher exchanges, joint teaching modules, use of new technologies in education and training and distance learning.

The new EU-USA programme (<http://europa.eu.int/comm/education/ec-usa/usa.html>) will have a budget of Euro 8.6 million and Euro 3.65 million for the EU-Canada programme (<http://europa.eu.int/comm/education/canada/canada.html>). Commissioner Reding hopes the budget allocation for these programmes will be reviewed (the Commission estimated 14 and 10 million Euro respectively). A Commission communication on this subject is expected before the end of the year.

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EU/Asia: economic and cultural co-operation projects to be launched

Europeans met Asian countries at the third ASEM summit in Seoul on 20 October. Heads of state and government should adopt a new Asia-Europe co-operation framework 2000 defining its priorities for the next ten years, according to the three pillars of ASEM (political, economic and cultural). Moreover, a list of 12 initiatives jointly launched by the ASEM countries is to be adopted.

Economic issues such as a new global round in the WTO, co-operation in the era of information and globalisation and science and technology were discussed. Korea proposed the creation of a scientific network between Europe and Asia. Belgium and Singapore have proposed to organise a seminar together on e-commerce in the first quarter of 2001.

The two parties intend to launch several projects for cultural, intellectual and student exchanges. A project for exchange grants proposed by France and Korea will be supported to enable around 3,000 teacher exchanges and 1,000 student exchanges.

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EU/Russia: scientific and technological co-operation agreement underway

On 10 October, Parliament approved the report by MEP Quisthoudt-Rowohl on the scientific and technological co-operation agreement between the European Community and the Russian Federation, which aims at stimulating co-operation at research level in areas such as industrial techniques, information society and social sciences. The agreement was concluded for an initial period to expire on 31 December 2002 but renewable by common assent between the parties for additional five-year periods.

The Council of Europe decided to await further progress before re-establishing the powers of the Russian delegations within it and called for further postponement of the vote (postponed from last spring by plenary as a protest against the war in Chechnya). However, Parliament rejected deferral of the vote and approved the report, as a message of openness from the EU. The Council final act is expected on 16 November.

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Netd@ys Europe 2000: Commission gives financial support to 36 projects

The Netd@ys Europe initiative is funded by the Socrates, Leonardo da Vinci, Youth, Culture 2000 and Media programmes. It aims at encouraging the use of the Internet and the new media in the areas of education, training and culture.

Netd@ys Europe 2000 (<http://www.netdays2000.org>) will take place between 20 and 27 November. This year, 42 umbrella projects have been approved, 36 of them receiving financial support from the Commission (Euro 750,000). The list of selected projects is available from the website.

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IST programme: new key action III information available on website

A new site, information access, filtering, analysis and handling (IAF) has been added to the IST website on Cordis. IAF is part of the key action III (Multimedia Content and Tools) of the IST programme, which focuses on developing advanced and generic tools and techniques for the management of multimedia content to empower the user.

Information on the 2000 workprogramme, projects, news and events as well as content planned on a regular basis is available at: <http://www.cordis.lu/ist/ka3/iaf/home.html>

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IST programme: projects on display at the Knowledge Management Europe 2000

The Commission will display knowledge management projects currently funded under the IST programme at KM Europe 2000, to be held in Brussels in November. Current research activity in the IST action line 'Knowledge Management for eCommerce and eWork' (<http://www.ispo.cec.be/istka2/al1-2.html>) brings together around 20 innovative research and development projects, which build on and extend earlier tools and methodologies for collaborative working and knowledge exchange.

The European Commission eVillage at KM Europe 2000 can be found at the exhibition entrance. More information on the KM Europe 2000 is available from: <http://kmeurope.com>

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Information society: regional initiatives in favour of the information society

The Committee of the Regions (COR) adopted its opinion on the Commission working paper on information society and regional development - ERDF interventions for the period 2000-2006 on 21 September. The COR considers that:

- the information society is a key element in Europe's development and competitiveness in the world economy;
- development of the information society will in future be one of the most important policy-making areas for the EU Structural Funds and that local and regional authorities must be involved in all stages of implementation.

The COR firmly supports the planning and development of regional initiatives in favour of the information society. The opinion can be downloaded from: http://www.toad.cor.eu.int/docroot/commission1/dossiers/com1-021/en/cdr124-2000_fin_ac_en.doc

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Information society: Commission grants Euro 80 million to GEANT project

On 4 October, the Commission agreed to sign an Euro 80 million contract with the GEANT consortium as a contribution to the scientific research network on the Internet. GEANT will put in place a 2,5Gbit/s trans-European Internet backbone for research purposes involving all national research and education networks in member countries, as well as the telecommunications service operators. It will increase the geographical coverage of Europe's Internet backbone from 24 to 30 countries, and its capacity by a factor of 16 times to that of 155Mbit/s offered by the previous technology. The network, which represents a major step in the practical implementation of the eEurope action plan, could enter into service in 2001.

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PHARE programme: review on the functioning of the programme adopted

On 27 October, the Commission adopted a review on the functioning of the Phare programme commissioned in 1999 by Enlargement Commissioner Verheugen. The main conclusions are: more coherent programming, fewer implementation delays, more effective approaches to institution building and greater integration of management systems for EU aid into national systems.

The review makes specific proposals for raising the impact and absorption capacity of the candidates, encouraging agreements with candidate countries on multiannual indicative financing programmes and taking on increased responsibility for managing EU funds and increased use of structural funds approaches within Phare.

More information on the Phare programme can be found at: <http://europa.eu.int/comm/enlargement/pas/phare/index.htm>

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Research: Commission submits guidelines for 2000-2006 period

On 4 October, the Commission presented to Parliament its communication on the guidelines for implementing the European research area initiative. The paper proposes guidelines for future measures in support of EU research, and more specifically the sixth framework programme (2002-2006). In addition, it contains the Commission's mid-term review of the fifth research framework programme.

The Commission suggests a radical change of approach for the next framework programme. Arrangements of the following types are proposed: joint networking and execution of national research programmes; creation of networks of excellence; large targeted research programmes conducted by universities and research centres; support of innovation and research conducted by SMEs; implementation of a European policy on research infrastructures and researcher mobility.

The framework programme could evolve from an approach focused on projects (with low financial contributions) to an approach based on more structured programmes and activities, with funding for networking public and private centres of excellence and large directed research projects. This concerns a profound change compared to the present system of financing for a multitude of small projects and the scattered results. It should give priority to post-genome research, nanotechnologies, the setting up of inter-operability systems in the framework of the information society, space and sustainable development.

On the basis of the various consultations to take place, the Commission will submit formal proposals of the framework programme to the Council and Parliament in February 2001.

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TEN-Telecom: report on developments and trends published

The Commission latest summary report on recent developments and current trends in Europe in the field of telecommunications is available at <http://156.54.253.12/tentelecom/en/watsum.html>.

Published twice a year, these reports aim at providing selected information on strategic guidance to the TEN-Telecom programme and to support the identification of areas for future trans-European telecommunications networks projects.

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Youth Programme: Slovenia to participate

On 26 September, the Council took a decision concerning the Commission proposal on the participation of Slovenia in the Youth programme, covering the period 2000-2006. A further Decision of the Association Council is required for this purpose.

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Access to documents: Council decisions before Court of Justice

After the unsatisfactory offers made by the Council on 19 October, the President of the Parliament filed a complaint with the European Court of Justice in Luxembourg on 23 October against the Council's decisions on closing access to documents linked to European Security and Defence Policy (ESDP). Mr Solana had suggested a mechanism that would allow a restricted group of MEPs to have access, under certain conditions, to classified documents. The Netherlands has already announced that it will take the Council of Ministers to the European Court of Justice in order to undo the decision, illustrating that the parliament is not alone.

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Council of Europe: draft Convention on Cybercrime now published

On 3 October, the Council of Europe released a new draft of its international treaty on Cybercrime, which aims at addressing criminal law and procedural aspects of various types of criminal behaviour directed against computer systems, networks or data and other types of similar misuse. The new draft fills in some gaps on issues such as wiretapping and jurisdiction, but 'controversial' provisions on issues such as security tools and access to encrypted data remain unchanged. The most significant change is the inclusion of two sections on interception of communications and traffic data. They require countries to adopt laws to 'compel a service provider' to either capture content themselves or to co-operate and assist authorities.

An open meeting on this treaty is yet to be held, but the draft should be adopted by the experts committee next December. The draft Convention on Cybercrime can be downloaded from <http://conventions.coe.int/treaty/EN/projets/projets.htm>

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eContent: multiannual Community programme goes ahead

On 3 October, the Council asked the Permanent Representatives Committee to pursue work on the Commission proposal for a Decision adopting the eContent programme, so that political agreement on this subject may be achieved at the next Council meeting on 4 December.

With its proposal, the Commission seeks to address the fact that, while the role of digital content in the emerging new economy is becoming increasingly important, much of the material available over the Internet still originates in the United States. The proposed programme aims at developing the significant potential for digital content which exists in Europe and it proposes actions in three specific areas: public sector information, linguistic and cultural customisation, and the support of market enablers. It foresees the allocation of Euro 150 million over five years. The European Social Committee (ESC) will debate its opinion on the proposal on 9 November and Parliament will debate its report on 23 November.

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Education: Commission communication on lifelong learning soon to be adopted

The Commission will soon adopt a paper by Commissioner Reding, which aims at setting out guidelines for action to ensure workers in the Union have access to the training and re-training they need in the emerging jobs market.

The paper suggests that member states improve access to education and put more money into adult education. Moreover, member states should ensure basic skills for all workers, investment in human resources, innovation in teaching and learning and better access to training.

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Education: a new Information and Documentation Centre on Europe

Before the end of the year, the European Commission and the Italian government will sign acts for the creation of the Italian Centre for Information and Documentation on Europe. This centre aims at giving Italian citizens a structure that would contribute to quantitative and qualitative development in spreading European information. Ensuring co-operation from all operators in this field, the centre will favour the creation of an integrated national system. Special attention will be given to schools, universities, youth-related organisations and the disadvantaged.

Furthermore, the Centre will promote information on European policies, activities, programmes and procedures for participation aimed at companies, financial operators, retailers and NGOs.

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Education: Parliament calls for EU aid to plan for private university in Macedonia

Last July (*see Hot News August/September 2000, p. 8*), the Republic of Macedonia adopted a new law on higher education which authorises the creation of private universities and will enable the reintegration of Albanian speaking students into the official education system in Macedonia. On 5 October, following the introduction of such law, Parliament adopted a resolution calling on all the political forces in the country to support the agreement in the interest of multi-ethnic co-operation. There is a request for the EU to provide financial assistance for the project. MEPs want the new association and stabilisation agreement with Macedonia to be signed under the French presidency.

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Internet: Council debates the creation of the .EU top level domain

On 3 October, the Telecommunications Council heard the Commission results on its public consultation exercise concerning the creation of an .EU top level domain. The Council asked the Commission to forward a proposal for a Decision on creating the domain by November.

The .EU domain, listed as an action to be taken before the end of 2000 under the eEurope initiative, will be an asset in developing e-commerce and promoting the information society in Europe. It is primarily intended to respond the needs of e-commerce, education, public services, libraries and scientific and cultural institutions and to serve the interests of the final users.

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Internet: Commission approves AOL/Time Warner merger

On 11 October, the Commission approved the merger between American Online (AOL) and Time Warner (TW) after AOL offered to sever all structural links with German media group Bertelsmann, the largest European media group. The merger will create the first Internet vertically-integrated content provider, distributing TW branded content (music, news, films, etc.) through AOL's Internet distribution network. Given the links between AOL and Bertelsmann, the new entity would have had privileged access to Bertelsmann content and would have thus controlled the leading source of music publishing rights in Europe.

After approval, the Independent Music Companies Association (Impala) called for anti-trust authorities to establish adequate safeguard measures in order to guarantee independent music companies non-discriminatory access to new online services and mobile telecommunications techniques. In addition, the European Consumers' Organisation (BEUC) calls on competition and data protection authorities to monitor the effects of this merger, as they fear that AOL access to information concerning its subscribers (e.g. surfing, buying and using the Internet) would allow Time Warner access to this data and thus create a potential danger to consumer privacy. Moreover, BEUC believes that access to the Time Warner catalogue by AOL subscribers will improve the attraction of the AOL website and incite subscribers not to go elsewhere, which would discourage the entry of new competitors.

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Structural Funds: further Community funds for education, training and employment

Spain will support human resource initiatives in research, science and technology and improve vocational training under the Community Support Framework (CSF) Objective 3, adopted by the Commission.

In addition, a Single Programming Document (SPD) has also been approved for Germany and the German-speaking Community of Belgium to support education, training and employment over the next seven years.

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Ten-Telecom: report of the Court of Auditors adopted

On 3 October, the Council adopted some conclusions concerning the report No 9/2000 of the Court of Auditors concerning the TEN-Telecom programme. The Council endorsed the recommendations made by the Court in order to:

- provide the Council and Parliament with details of the TEN-Telecom actions and the implications for future TEN-Telecom activities;
- ensure that the financing and execution of TEN-Telecom projects and the results achieved are in accordance with the rules and objectives identified in the contracts.

The Commission has developed new guidelines for the structural fund interventions in the telecommunications field for the 2000-2006 period, which have been submitted to member states.

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Trade disputes: EU and USA reach an agreement

The WTO has ratified the EU-USA agreement reached on 2 October, regarding the amendment to the American Foreign Sales Corporation (FSC) Act. Both sides agree that a WTO panel would review the compatibility of the FSC replacement legislation, if adopted. The panel would assess whether this reform puts an end to the irregularities (compared to the rules of international trade) denounced by the previous panel. This, in practice, puts off the eventual coming into force of the European sanctions for one year. The USA had to amend its law, condemned by the WTO Dispute Settlement Body by 1 October, but the EU agreed to allow Congress one additional month.

The EU would not be obliged to implement sanctions before the panel reports, but it would seek WTO authorisation to impose sanctions in order to preserve its WTO rights. It is to say that the value of trade involved by the FSC regime is evaluated at around four billion dollars annually, such therefore would be the value of American goods hit by European sanctions.

Details of the agreement will shortly be announced to the WTO in Geneva.

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WTO: education fears the dismantlement of public services

On 16 October, David Hartridge, Director of the World Trade Organisation, rejected the accusations levelled by certain trade unions that the WTO aims at dismantling public services. He says "there is no question of tampering with fundamental services like health and education in WTO negotiations on the liberalisation of services".

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Youth: White Paper on youth policy soon to be published

Young people met in Paris on 5 October to make common proposals to the Commission and youth ministers on the priorities for youth policy in Europe. Participation, employment, professional training and social integration, education, culture and mobility were discussed.

This meeting is a key stage in deciding future directions, which will take shape through the drafting of a White Paper on youth policy which the Commission will publish in the second quarter of 2001. The results of this meeting will be presented to youth ministers on 9 November.

More information can be found at: <http://www.youth-europe.org>

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