

Ladies and gentlemen,

I am sorry I missed the yesterday's get-together. I would have liked this chance to make closer acquaintance with many of you. However, my primary duty is to my voters. This means that my work in the Parliament always takes priority over everything else. This week the European Parliament holds its monthly plenary session in Strasbourg and I want to be present as much as possible.

As it happens, the current plenary session is the session where the European Parliament holds a discussion and a vote on the report known as Media 2007. The discussion took place already yesterday and the vote is imminent. You might say that important news are in the making as we speak.

But let me approach the subject systematically. The organisers of this conference indicated that I will be speaking to hard-working representatives of the media industry. As a former journalist and media person I know all too well how the daily work might prevent a sufficient level of engagement with the legislative process.

The much trumpeted new technology is not yet mature. However, everyone assumes that in ten years it will be delivering content on par with the present channels of distribution. The legislation under discussion right now will shape the media landscape in ten years. The difficulty is that we cannot be absolutely certain how the media will work in that not-too-distant future.

Of course, media businesses will always want to make money. Even as we speak, the business lobbyists are diligently at work. Strong voices representing certain interests will not disappear. The profit imperative remains a primary motivator for media businesses.

Ladies and gentlemen,

You will agree that even normal businesses must be regulated to prevent abuses on the expense of the consumers. And you will also agree that media business is not a normal business. At the one end of the spectrum, the journalists are, or should be, the fourth power in any democratic country. At the other end, the entertainment and the popular culture shape the attitudes of future generations. This is an area, where the public interest must seriously be defended.

To ensure a good and fruitful discussion, I want to make sure that everyone is on the same level. May those with deep knowledge of the subject forgive me for boring them, but I will start at quite the general level of the topic.

It is well understood and agreed in both the Commission and the Parliament that regulation should be the *minimum necessary to achieve a clearly defined policy goal*. We both want *legal certainty* and *technological neutrality*.

The policy goals seem indeed quite clearly defined. They are: to protect the consumer, especially the children, preserve the media pluralism and ensure the protection of civil rights. The support for and the promotion of the European culture is a goal stated separately, though it could theoretically fit under the media pluralism. In short, the goal is to protect the public interest.

Now, the extent of the public interest and its protection is a subject of debate between the European Commission and the European Parliament.

The first point of contention is the level at which the regulation should be enforced. The Commission is happy to leave the enforcement to the member states, the Parliament would like a pan-European approach.

Secondly, the Commission believes that it does not need to worry much about the media pluralism in the future, as the new media are sufficiently pluralistic by nature. The Parliament is not quite as optimistic.

Thirdly, the Commission is not overly fond of the quotas for the national and European content, the Parliament tends to support those rather more.

Fourth, the Commission has been rather vague in its intentions regarding the digitisation of the content. The parliamentarians, however, want digitisation moved to the centre of the document.

Let me start with a short discussion of the *level of the enforcement*. The view of the Commission does indeed sound very democratic. It conforms very well to the principle of subsidiarity.

But if you scratch the surface a little, you discover that this amounts to papering over the cracks in the wall. I would like to ask the audience - can a small state effectively regulate a multinational media enterprise? Is the budget of the bodies tasked with the oversight in, for example, Latvia anywhere near the marketing budget of a television giant? What can any state really do against the programming beamed down from a satellite or carried across the border?

The Soviet Union would have loved to stop the people of northern Estonia from watching the Finnish television. But it could not. The profound influence of the transmissions across the border certainly helped Estonia to be prepared to grab their chance when the Soviet Union collapsed. But the influence across the borders is not always necessarily benign. The Hezbollah channel might be banned in France, but it can still be received via Dutch satellite.

This takes me to the topic of the *media pluralism*. Mr. Fabio Colasanti, the Director General of the Information Society and Media Directorate-General, has repeatedly expressed the view that the new media are sufficiently pluralistic to let the free market, instead of the regulation, to rule the roost.

This may work in the airless space of the economic theory. In that space free market deals with all matters to the best satisfaction of everyone concerned. But we know that the real life is rather different. In the real life there is something called media convergence. New media becomes more like old media and vice versa. I expect the two to become inextricably intertwined.

What does this mean? It means that it will be the big players who will profit from the process. Websites, streaming media, electronic program guides will all support the mass marketing of the giants' production. The convergence does indisputably play into the hands of the big firms.

About 10% of the Members of the European Parliament, me included, have worked as journalists. We have a very acute sense of media freedom. Regretfully we have lately seen a dumbing down, a race to the bottom and lessening of the media

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freedom. This correlates with the consolidation of media businesses into ever-growing conglomerates wholeheartedly subscribing to the profit imperative. This is not a coincident. One is the direct result of the other.

I mentioned how weak are the regulators in the small states, where the turnovers of the media businesses do not even remotely approach the level where the EU competition authorities would take an interest. Now consider, theoretically, the outlook for an upstart media business in Luxembourg trying to compete with the programming transmitted from Germany. Not a rosy perspective, you agree.

True, the states can bilaterally or multilaterally adjust their respective laws so as to accommodate their neighbours. But would it not be more convenient and time-saving if it were agreed in the European Parliament, the Commission and the Council?

National culture, national heritage, however big or small, deserves to be protected. And not for just for the sake of it. After all, the big businesses have always borrowed their ideas from the smaller cultures and subcultures. We all need the diversity to survive. Presently, the *content quotas* seem the best instrument we have to ensure that survival.

Ladies and gentlemen,

I hope this overview was helpful in understanding the forces at play in the European legislation. The amendments proposed by the European Parliament are too numerous to be commented upon here.

Now, before concluding, I would like to draw your attention to the fourth big issue in our amendments to the "Media 2007" programme. This is *digitisation*. I also think that, as an aspect of the former, the *subtitles* deserve a special mention.

The Parliament proposed several amendments, which should make the issues of digitisation a central feature of the "Media 2007" programme. We see digitisation as means of overcoming the obstacles created by the fragmentation of the European audiovisual market.

Digitised works can be distributed at the fraction of the present cost, which is vitally important for independent producers. They are also easier to catalogue, which should help to support the rights of content creators. Every country has its "copyright libraries", the audiovisual content is maybe best served by a pan-European "copyright catalogue".

The European Parliament called for pilot projects to decide which digitisation and distribution platform to adopt as a standard. We also called for funding of firms involved just in digitisation, rather than pure content creation.

Finally, we arrive at the issue of subtitling. It is not very common in big cultures. In the USA, watching a subtitled movie automatically lends you a status of an intellectual, if American sitcoms are to be believed. France and Germany are not noted for the subtitling fervour either.

Yet it can be a big help in preserving and respecting the cultural diversity, while bringing European cultures closer to each other. The experience of the Nordic countries shows that subtitling provides several important benefits. The work of actors is carried across authentically. The public gets a direct contact to another culture. The public develops a reading habit.

M. Mikko MEP at the "European Television dialogue", 25. October 2005, Munich
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Subtitling is, of course, less expensive and thus a bonus for the independent producers and smaller cultures seeking an international market. Subtitling is vital means of participating in the cultural life for the hearing-impaired people.

Ladies and gentlemen,

Thank you for listening. I hope I have brought up enough issues to ensure a good discussion. Thank you.