



INFORMING NEWSPAPER READERS ON ALL PLATFORMS

10 PRIORITIES FOR EU DIGITAL AGENDA

Introduction

PROVIDING NEWS, VIEWS AND INFORMATION IN THE DIGITAL SPHERE

Europe is home to a highly creative and diverse newspaper sector, comprising large publishing houses, medium-sized enterprises and a great number of small, family owned businesses. European publishers, editors and journalists bring an incredibly diverse range of authoritative news, information and entertainment to citizens every day, at national, regional and local level. In doing so, the sector plays a unique role in democracy in Europe, stimulating informed debate and promoting engaged citizenship.

Moreover, the newspaper industry is an important employer in the digital arena. Apart from the publishers, editors, journalists and commercial departments employed in the sector, the industry also contributes to employment directly and indirectly in advertising, distribution and logistics, the forest-based sector, the printing industry, and the retail sector.

Today, production and consumption of newspaper content is undergoing a restructuring phase. Digitisation of production, distribution and consumption of newspapers as well, as the growing penetration of broadband access and mobile Internet, allow increasingly rich media content to be distributed to a variety of terminals. This transition coincides with increasing convergence, as well as a trend towards co-creation and interactivity, independent of time and place.

In the digital environment, publishers have pioneered many different ways of bringing news, information including context, analysis and opinion to citizens, including interactive websites, online paid-for offers, applications on tablets, online archives and news services to mobile phones. The diversity of terminals and devices in consumers' everyday life is increasing and there is a greater emphasis on mobility. Printed media will stay, but its role in the daily life of consumers will most probably change.

Publishers will further develop paid-for business models in the new digital landscape and in particular offer new products and services that are attractive to consumers, especially younger generations. In this way, publishers can help to safeguard journalism as a social good in society, maintain high editorial standards and promote growth in new digital markets.

Building on its core strengths, the European newspaper industry will develop a successful future, both in the print and digital environments. The newspaper sector is set to expand in influence in the knowledge economy, as it continues to fulfil its democratic function and reach new audiences in the digital sphere.



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ENPA PRIORITIES FOR THE EU DIGITAL AGENDA

- Fundamental rights of **freedom of expression and freedom of the press** are vital for a free and independent press sector. Any new regulatory initiative should take full account of the special mission that the newspaper sector has in contributing to the democratic society.
- The EU goal of allowing citizens to enjoy commercial services and culture across borders cannot be achieved without placing **copyright** and value of content at the centre of the Digital Agenda.
- The future development of the sector depends on establishing **mutually beneficial partnerships** with other players in ICT sector. ENPA has called on technology companies to ensure that newspaper subscribers can continue to enjoy access to news content on tablets and other online services, without any restrictive conditions.
- The possibility for Member States to apply **zero, super reduced or reduced VAT** rates to printed newspapers is indispensable and similar conditions should be extended to newspapers in all digital forms. Ideally, newspapers should be under a zero VAT rate, whether in their printed and digital versions.
- EU decision makers should recognise the **importance of advertising** as an indispensable source to finance newspaper content and avoid introducing further bans, restrictions or mandatory labelling requirements.
- ENPA supports the aim of the EU Data Protection Directive to balance the fundamental rights of individuals with the achievement of the Internal Market through the free flow of **personal data**. In amending the current rules there is a need to ensure that a free and independent press is properly safeguarded.
- It is essential that the E-Commerce Directive maintains an effective **right of information** to identify the infringer, as a necessary precondition to enforce copyright. In enforcement cases, only a judge can decide on whether content is lawful or not, as the judicial authority can balance the different rights and freedoms concerned. The **safe harbour** in the E-Commerce Directive should be maintained as regards user-generated content posted by users on newspaper blogs and other fora.
- Newspaper publishers call on technology platforms, internet service providers and telecom operators to ensure **fair competition and non-discrimination** among different content providers and different services delivered via the Internet.
- The digital activities of Public Service Broadcasters should be subject to a **public value test** and a sector impact assessment through independent bodies. In addition, the public service remit of PSBs should be clearly defined and rigorously applied to avoid distorting the digital market for the independent press sector.
- ENPA calls for recognition of the important role that newspapers play in **media literacy**, promoting the critical skills needed to evaluate content and stimulating democratic debate on the Internet.





PRESS FREEDOM: 1 no restrictions on the press in digital sphere

The European Union has a well-established position as a world leader in respect of freedom of the press and other fundamental rights. Newspapers all across Europe continue to fulfill their essential democratic role in questioning and holding up to account those in positions of power.

The importance of newspapers' role in contributing to debate about the great challenges facing our society and promoting social inclusion, will only increase in future, as the industry continues to develop news and information on digital platforms. Newspapers provide a wide range of information to citizens about developments at national, regional and also at community level in the form of "hyperlocal" news.

Crucially, the presence of newspapers on digital formats is vital for the provision of professional and quality content in the digital environment. Digital newspapers are also essential for the depth and diversity of public discourse on the Internet.

European principles and commitments in the field of freedom of expression, free flow of information and freedom of the press, including national constitutions and the Charter of Fundamental Rights (Article 11), are vital for a free and independent press sector.

ENPA believes that it is essential for a European democracy based on fundamental constitutional principles that freedom of expression and press freedom is always preserved and respected in any initiative proposed by EU or national decision-makers, which could directly or indirectly impact on newspaper activities. The digital environment should be subject to the same principles as the rest of society.

Freedom of speech is not only connected to editorial content but also to advertising. In both the editorial and advertising field, newspaper publishers favour the use of self-regulation over the use of co-regulation and statutory regulation, since it is the only possible way to ensure the respect of certain ethical rules and at the same time preserve freedom of the press.

Public authorities should also remain alert for any instances of technology platforms getting involved in the censorship of editorial content, since this could have a serious detrimental effect of press freedom

ENPA Recommendation:

Fundamental rights of freedom of expression and freedom of the press are vital for a free and independent press sector. The newspaper publishing sector deserves special attention whenever proposed legislation, which could affect this sector, is on the table. Any new regulatory initiative should take full account of the special mission of press sector in contributing to democratic debate and responding to citizens' need to be informed.



2 COPYRIGHT: protecting value of content in the digital era



Newspaper publishers share the goal of the EU Digital Agenda to create a favourable environment for a “Digital Single Market” to flourish and to where citizens can access the content and services they want on the Internet. In this context, however, it is vital that the value of creative content, both in a knowledge-based economy and in European society, is recognised and respected. The needs of creative content production and distribution merit a place right at the heart of the Digital Agenda.

The newspaper sector today is investing heavily in new business models in the digital environment, to offer citizens an incredibly diverse menu of news, information, analysis and entertainment at local, national and European level.

Newspaper publishers are responding to the challenge of providing new digital offers and services that both anticipate and satisfy customers’ demands and changing reading habits. This includes the increasing demand for news on a variety of digital platforms, from mobile phones to computers and tablets. A certain amount of information is offered to consumers in digital formats free of charge, but in order to build a sustainable future, newspapers are also increasingly charging for access to quality press content in the digital environment.

Copyright protection is essential to this continued investment in online newspaper content. Effective enforcement of copyright is particularly important at a time when newspaper content is increasingly used by third parties, whether commercial companies, news aggregators or public authorities, without prior authorisation and without remuneration.

Press content developed by newspapers is too often used by some technology companies, in particular, as an added value for their own commercial services. There is an urgent need, therefore, to ensure that the investments of publishers in providing quality content for the digital environment is not jeopardised by third parties misappropriating newspaper content.

Without effective copyright protection and enforcement, publishers would not be able to invest in a wide range of quality newspaper content, or in developing new digital business models. They would also not be able to monetise online newspaper archives, which are growing in significance as a revenue stream.

In light of discussions on whether Europe needs to review its copyright framework, EU decision makers should ensure that the future of newspapers is not undermined by new exceptions or by a lower level of protection of publishers’ rights. The EU goal of allowing citizens to enjoy commercial services and culture across borders cannot be achieved without placing copyright and value of content at the centre of the Digital Agenda.



ENPA Recommendation:

ENPA encourages the European institutions and Member States, in light of discussions on whether Europe needs to review its copyright framework, to ensure that the future of newspapers is not undermined by new exceptions of by a lower level of copyright protection. Effective copyright enforcement is indispensable to protect publishers’ investment in digital content.



ICT SECTOR: establishing mutually beneficial partnerships **3**



Today, newspapers in the digital environment often operate in combination with the print edition, which remains the engine room producing an incredible range of news, information, analysis and entertainment for consumers.

It should not be forgotten, however, that the creation and dissemination of quality newspaper content that can educate inform and entertain, comes at a high price. The future development of the sector therefore depends on establishing mutually beneficial partnerships with other players in the Information and Communications Technologies (ICT) sector.

ENPA has called on technology companies to ensure that newspaper subscribers can continue to enjoy access to news content on tablets and other online services, without any restrictive conditions.

In the opinion of newspaper publishers, tablet devices offer fantastic potential for the development of newspapers in the digital environment. Publishers want to provide readers with a range of attractive options, including offers combining access to newspapers online and on tablets, or offers for print subscribers that also allow access to the newspaper on digital formats.

In some instances, it has been suggested that newspaper publishers who provide news services via the tablet of a specific technology platform, would no longer have access to important information about the readers of their digital publications. It should not be forgotten, therefore, that the business model of newspapers is dependent on publishers and editors knowing their readers.

It is essential that this close connection is maintained. Without direct access to their subscribers, a vital bond between newspapers and readers would be broken, to the detriment of both.

Moreover, newspaper publishers should have freedom of choice of payment systems for their readers and the possibility to negotiate pricing levels for their digital publications.

Newspaper publishers are optimistic that they can work in partnership with technology platforms to resolve any ambiguities and difficulties. The aim must be to establish mutually beneficial relationships in a thriving content and ICT sector in Europe.

ENPA Recommendation:

EU institutions should remain vigilant to ensure that there are fair conditions for newspaper publishers offering their content on tablets and other mobile devices. Newspaper publishers are ready to work closely with ICT companies to establish mutually beneficial business partnerships.

4 VALUE ADDED TAX: recognising the unique role of newspapers in society



At European level, legislators have long recognised the essential role that newspapers play in democratic society and this has been reflected when applying VAT rates to the press. Under the Sixth VAT Directive, Member States can provide for a zero, super reduced or reduced VAT rate for printed newspapers. The benefits of this measure are widely appreciated and generally seen as a sustainable contribution to wider public policy objectives.

Today, a majority of EU Member States apply a less than 10% VAT rate on printed newspapers. Many Member States apply a super-reduced VAT rate of below 5%, while a number of countries including Belgium, Denmark, the UK provide for a zero rate. This is in recognition of the unique democratic role of newspapers in society.

ENPA therefore calls on EU decision makers not to erode existing tax advantages for print editions, but rather to promote the idea that newspapers should not be taxed at all. Discussions are now underway at European level over the possibility of extending existing zero or reduced VAT rates for printed newspapers also to newspapers in the digital environment, where they are currently subject to a standard VAT rate.

There are fundamental aspects of the press that should be taken fully into account in the current review of the EU VAT System. Newspapers contribute daily to promoting debate on the great challenges facing our society, such as climate change and the ageing population. They foster engaged citizenship and promote inclusion, which is one of the goals of the EU Digital Agenda.

The press also serves a vital purpose in encouraging reading and literacy. By extending the possibility for Member States to apply a zero VAT rate to newspapers in the digital environment, the EU could make a practical contribution to both encouraging democratic debate and enhancing media literacy, by helping to ensure that citizens have greater access to newspaper content. This would also encourage young people in particular, who may have limited means, to take advantage of online offers and services.

ENPA therefore urges EU decision makers to take the unique and important role of newspapers into account when evaluating the European VAT system.



ENPA Recommendation:

The possibility for Member States to apply zero, super reduced or reduced VAT rates to printed newspapers is indispensable and should be maintained as a matter of high priority in the current review of the EU VAT System. Similar conditions should be extended to newspaper in all digital forms. Ideally, newspapers should be under a zero VAT rate, whether in their printed and digital versions.

ADVERTISING: an indispensable revenue source for a free press **5**



Advertising is an essential source of revenues for financing a free and independent press, in both the print and in digital environment. To date, online newspapers are almost 100 per cent financed by advertising, since revenues from paid-for products or services are not yet significant enough to sustain these digital offers.

Publishers need to ensure that their newspapers, whether printed or digital, remain an important point of reference and a brand that is attractive for advertisers. At the same time, publishers need to have the legal and market conditions which allow them to remain competitive in the commercial marketplace.

Yet publishers are under increasing legal and political pressure regarding the introduction of new advertising restrictions and threatened bans, whether related to energy consumption, alcohol or certain types of food. The EU institutions, for example, have recently been looking at possible mandatory information requirements in press advertisements regarding the energy performance of cars and other vehicles.

While publishers share the concern that consumers should be fully informed ahead of important purchases, they believe that restrictions on newspaper advertising are not the right way to achieve this. Advertising restrictions and mandatory information requirements (labelling) that limit or discourage the advertising of legally available products also undermine the financial viability of the press sector.

In addition, newspaper publishers in some countries have raised concerns about the role of some large technology companies that are dominating the online advertising markets. This situation can create difficulties for other players to develop alternative offers. It can also drive down advertising revenues for publishers, which are essential to a sustainable and independent press.

ENPA Recommendation:

EU decision makers should recognise the importance of advertising as an indispensable source to finance newspaper content and avoid introducing further bans, restrictions or mandatory labelling requirements. EU and national authorities should ensure a competitive market in the advertising sector, with fair and transparent conditions among all players.

6 DATA PROTECTION: transparency, consumer trust and choice



The EU Digital Agenda rightly noted that Europeans will not embrace technology they do not trust and emphasised the need for citizens to feel confident online as regards personal data protection. Newspaper publishers have built privileged relationships with users based on the brand of the newspaper, the quality of content and respect for readers' choices.

In the view of ENPA, the protection of personal data is sufficiently ensured at both national and European level. The existing framework is technologically neutral and can be applied to new data processing procedures as they emerge. In particular, the Data Protection Directive (95/46/EC) provides broad principles-based protection of individuals, without being overly prescriptive. Respect for privacy can be perfectly compatible with both traditional and new advertising techniques, based on consumers' trust and information.

Data for journalistic purposes: the use of a certain amount of personal data is also essential for everyday journalistic work, including, for example, reporting that a public figure is a member of a particular political party. Article 9 of the current Data Protection Directive gives an exception to certain data protection rules for journalistic purposes, which is a necessary precondition for publishers and their journalists to be able to produce quality, professional content. It is crucial that this can continue under the revised Directive. Should, however, a regulation be planned, it is imperative that the exemption is laid down in a manner that fully reflects the importance of the freedom of the press.

Direct marketing: marketing of both print and digital press subscriptions directly to consumers are a vital means of preserving and increasing readership. Such marketing techniques involve the processing of personal data and are therefore subject to data protection legislation.

Online Behavioural Advertising (OBA): ENPA has played an active role in discussions among different stakeholders on developing a self-regulatory framework on online behavioural advertising. Within European Advertising Standards Alliance (EASA), of which ENPA is a member, a system of self-regulation is being developed to provide enhanced transparency and choice for internet users as regards the collection of data for serving more relevant ads to them. EASA has developed a Best Practice Recommendation for online behavioural advertising that aims to provide European consumers with clear information and innovative ways to manage their choices concerning online behavioural advertising.



ENPA Recommendation:

ENPA supports the Data Protection Directive's twofold objective of respect for the fundamental rights and freedoms of individuals on one hand and the achievement of the Internal Market through the free flow of personal data on the other. In amending the current rules we underline the need to find the right balance between freedom of expression and the need to ensure that the press sector is not subject to rules that unduly hinder direct marketing, which is essential to promote subscriptions and ensure efficient distribution of newspapers.

E-COMMERCE REVIEW: **7** preserving the balance of the Directive



Need for effective enforcement of copyright in the digital environment

In the forthcoming review of the E-Commerce Directive (Directive 2000/31/EC), it is essential to maintain an effective right of information to identify the name and address of the infringer, as a necessary precondition to enforce copyright in the digital environment. In case of copyright infringement of newspaper content, it is necessary to ensure that judicial decisions are adequately enforced and respected. At the same time, there should not be room for misuse of the non-liability provisions of the E-Commerce Directive. Search engines should not be permitted to misuse these measures to justify infringement of copyright or trademarks.

Moreover, ENPA believes that it is not the role of an Internet Service Provider to monitor the content that is published on the network. Only a judge can decide on whether content is lawful or not, as the judicial authority can balance the different rights and freedoms concerned, including freedom of expression. Control of content by internet access providers, in particular press content, would pose a threat to digital press freedom.

User-generated content: a safe harbour for interactive debate

Newspaper publishers have invested in digital business models in which user-generated content has grown in importance and influence. Today, many newspapers host online communities through editorial blogs and online forums, which allow them to develop two-way, interactive relationships with readers. User-generated content takes the form of blogs, messages, forum entries, photos, videos and social networks, all of which contribute to the attractiveness of newspaper websites.

In this area, the E-Commerce Directive (Directive 2000/31/EC) provides a safe harbour for a publisher if he acts as a host for user-generated content. The balanced approach provided by the current Directive is indispensable for newspaper publishers because it prevents them from being liable for the content that they cannot control. However, this does not exempt publishers from their core responsibility for the editorial content they publish on their newspaper website: they can exercise a control on this content and react appropriately if this content infringes the law.

ENPA Recommendation:

It is essential that the E-Commerce Directive maintains an effective right of information to identify the infringer, as a necessary precondition to enforce copyright in the digital sphere. In enforcement cases, only a judge can decide on whether content is lawful or not, as the judicial authority can balance the different rights and freedoms concerned, including freedom of expression.

The E-Commerce Directive should maintain a safe harbour for publishers as regards user-generated content posted by users on newspaper blogs and other fora.



8 NET NEUTRALITY: fair competition among all digital players

The EU Digital Agenda noted that very fast internet is essential for the economy to grow strongly, to create jobs and prosperity and to ensure citizens can access the content and services they want. ENPA therefore believes that in a market where access to information is also connected to the speed of news delivery to the users, it is essential that networks provide for fair treatment and non-discrimination among different content providers.

Newspaper publishers believe that net neutrality is one of the indispensable conditions for the proper functioning and evolution of the Information Society, to the benefit of all industries and users. Technology platforms, internet service providers (ISPs) and telecom operators should offer their services on a non-discriminatory basis.

ENPA supports the principle of net neutrality, since allowing network providers to offer preferential treatment for certain internet traffic would challenge the essentially democratic and innovative nature of the Internet. Whilst recognising the need for network operators to conduct basic traffic management in order to optimise the customer experience, ENPA believes that there should be no discrimination among different content providers.

In the absence of net neutrality, visitors to newspaper websites whose publishers are unwilling or unable to pay for the premium delivery of content, may experience a decline in service quality. These users are likely to migrate elsewhere, resulting in lower visitor numbers and reduced advertising revenues, thereby undermining a nascent business model and the diversity of media on the Internet

Moreover, in a converging media landscape, technology platforms, ISPs and telecom operators are increasingly involved in the production and dissemination of content and in the advertising market. This could lead to a temptation to favour their own content-related activities when it comes to providing a better quality of service in terms of speed of delivery to the users. Such a situation could discriminate against other content providers, including newspapers.



ENPA Recommendation:

Newspaper publishers call on the EU institutions, technology platforms, internet service providers and telecom operators to ensure net neutrality, fair competition and non-discrimination among different content providers and different services delivered via the Internet in the fixed and mobile environment.



PUBLIC SERVICE BROADCASTERS: should not distort digital market 9

European citizens deserve to benefit from a vibrant media landscape that offers an enormous range of news and information sources. In a multi-platform world, content provided by public service broadcasters and financed by state aid co-exists with the commercial offers of a free and independent press sector.

A key challenge for regulators today, at both EU and national level, is to ensure that the digital offers of public service broadcasters (PSBs) do not distort competition to the detriment of the digital services offered by the independent press sector. This issue is all the more critical at a time when publishers are investing heavily to develop new business models capable of sustaining the newspaper business and employment, including paid-for-offers in the digital environment.

In the EU 27, state aid to broadcasting is estimated as being worth at least 22 billion EUR per year. The European Commission's Communication (2009) which set out the principles to be followed in the application of Articles 107 and 106 (2) of the Treaty on the Functioning of the EU (TFEU) to State funding of public sector broadcasting, helped to clarify the remit of broadcasters. Yet these principles are not always adequately reflected in the operation of PSBs at national level.

Public service broadcasters today are rapidly expanding their activities into the digital arena. The websites, tablet applications and mobile services offered by newspapers are now very often competing with "free" online press-like written content and services provided by PSBs. Publicly-funded content is given out for free and is being used to attract users. This situation seriously undermines the ability of newspapers to monetise their content online.

Moreover, public service broadcasters in some countries also have commercial activities and compete with newspapers for crucial advertising revenue. Public money is used to create attractive offers to advertisers, which in turn distorts the advertising market for newspapers. There is unfair competition in the advertising market, with PSBs bundling offers to advertisers across television, print and digital platforms.

All Member States now have a major role to play in order to better define the remit of the publicly funded broadcasters in national legislation, to prevent serious distortion in the media market. PSBs must act in accordance with EU Competition laws: by competing fairly with other players in the marketplace. The relationship between the public service and commercial activities of PSBs should be clarified.

ENPA Recommendation:

The digital activities of Public Service Broadcasters should be subject to a public value test and a sector impact assessment through independent bodies. In addition, the public service remit of PSBs should be clearly defined and rigorously applied to avoid distorting the digital market for the independent press sector.



10 MEDIA LITERACY: newspapers as an essential educational tool



It is of utmost importance that newspapers are taken into account in any discussion or policy aimed at improving media literacy skills throughout Europe. The European news media not only promote reading proficiency by aiding in the development of necessary literacy skills, but the authoritative range of information provided daily is also indispensable to European citizens who wish to inform themselves about the important issues facing society today. Newspapers and news media have the ability to reach broad audiences on a daily basis, providing individuals with the necessary information to be fully engaged citizens who contribute to democratic debate and fulfil their role in an open society.

The European Commission has noted that over half of Europeans (250 million people) use the internet every day, but a substantial 30% of the population has never used it. ENPA therefore appreciates the goal of the EU Digital Agenda to ensure that everyone, young or old and from every social background, can obtain the knowledge and skills they need to be an active part of the digital era.

These skills are important for the newspaper readers of the future, since public and political debate increasingly takes place in the digital, as well as the print, environment. In this context, however, we would also stress the need to link digital literacy to media literacy.

The 2009 Commission Recommendation on media literacy recognised the valuable role of publishers in promoting media literacy, both in the print and increasingly in the digital environment. ENPA believes that newspapers have a fundamental role to play in developing media literate and socially engaged citizens who have an understanding of local, national and global events.

Technology and broadband development has resulted in consumers having access to an ever-increasing amount of content, data and information. The aim of media literacy should therefore be to equip people of all ages, not only the young, with the skills required to analyse and evaluate this content, across all platforms. There is also a need to educate readers about the vital function of newspapers in democratic society.

The newspaper industry across the different markets in Europe has been active for many years at national level in specially developed “Newspaper in Education” programmes. In fact, programmes for the formation of media literate citizens are incomplete without news media components. Educational initiatives should also include awareness-raising of the importance of copyright and the value of content.



ENPA Recommendation:

European citizens should be equipped with the skills needed to process and critically evaluate the ever-increasing amount of content they access on the Internet. EU and national institutions should recognise the important role that newspapers play in media literacy and promoting democratic debate in the digital environment.

About ENPA

The European Newspaper Publishers' Association (ENPA) is an international non-profit association, advocating the interests of the European newspaper publishing sector towards different European and international institutions. ENPA promotes the interests of newspaper publishers on all platforms, from printed editions to the digital environment.

Newspaper companies are linked to ENPA through its 29 member associations. ENPA represents over 5,200 national, regional and local newspaper titles. These daily, weekly and Sunday titles are published in 23 European Union Member States as well as Norway, Switzerland and Serbia.

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