

egta takes note of the Commission's proposal to revise the current rules on television advertising

Brussels, 13 December 2005 – Over recent years, egta, the association of television and radio sales houses, has been calling for a modernisation of the television advertising rules and takes note of the Commission's proposal to revise the 1989 'Television Without Frontiers' directive.

Although the Commission seems to acknowledge the need to streamline the existing regulatory framework on advertising, this proposal falls short of expectations and does not address the real challenge of the right of EU citizens to have free access to a wide variety of television programmes. *"Advertising is and will remain the primary source of financing for free-to-air television broadcasters. It is important to design a regulatory framework that will neither damage the present revenue stream nor hinder the development of new forms of advertising otherwise the financing of audiovisual content will be under serious threat in the years to come,"* said Michel Gregoire, Secretary General of egta.

Among the proposed changes to the rules on television advertising, egta supports the modernisation of the provisions on teleshopping, the preservation of current qualitative rules on television advertising in a linear environment and the legalisation of product placement with identification requirements.

However, egta is seriously concerned by two proposed provisions that mark significant steps backwards as compared to the 1989 legislation whereas the television advertising market has changed.

1 - The stringent rule governing the insertion of advertising breaks within the broadcasting of cinematographic works, TV films, news and current affairs programmes and children programmes (article 11) will have damaging effects on the financing of such programmes. Without more flexibility, not only sales houses cannot optimize the planning of advertising breaks but they also cannot improve the viewing quality to the benefit of citizens.

2 – The maintenance of "isolated spots" as an exception (article 10) leads to long tunnels of advertising, which are not satisfactory both for advertisers and viewers. Egta believes this archaic provision should be removed if one wishes to maintain the present revenue stream and the sustainable financing of free-to-air broadcasters.

For egta, the proposal to revise the current rules on television advertising is a very limited step in the right direction. Egta calls on Members of the European Parliament and governments of EU Member States to seek significant improvements to this text in order to meet tomorrow's challenges. In this process, egta will continue to strive for a coherent regulatory framework along the lines it expressed during the consultation process. An industry position paper is available on egta's website at: <http://www.egta.com/pages/position%20paper%20TVWF.pdf>

What is at stake here, beyond ensuring the ability of many European media to remain vibrant, is the role to be played by the latter in achieving the Lisbon goals of a competitive knowledge-based economy.