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**The convergent publisher – Print media  
in the broadband economy**

*Check Against Delivery  
Seul le texte prononcé fait foi  
Es gilt das gesprochene Wort*

Publishers Forum

**Brussels, 6 December 2007**

Ladies and Gentlemen,

## **Introduction**

The last Publishers Forum took place in 2005 and this event was so successful that we decided to repeat this meeting every two years. It's thus a genuine and great pleasure to meet you again at this special event that you co-organise with the support of my *Media Task Force*. **This Forum has become a must** because it is crucial to share views with the professionals, on the extraordinary changes that publishing is undergoing. This year's programme addresses cutting-edge issues and I am convinced that the debates within the various panels will be of great interest for all of us. This year's Forum is dedicated to development of digital publishing and the impact of the digital technologies on your creative industries in the publishing sector. This is exactly the thrust of my action within the Commission.

## **Telecom Package and copyright**

I have spent the last weeks promoting the electronic communications package. This new regulatory framework is important for the written press, the book publishers and the database industry. It will ensure that those offering services on the web or wireless benefit from an open and competitive market for electronic network services. For the consumer, there will be a wider broadband access. Lower prices mean more eyeballs online and this will be positive for print online and databases. Better broadband offers also mean more user generated content, more uploading and downloading, and therefore more competition on the online content market. **Press web sites rank among the most popular on the net just after the peer-to-peer ones.**

With the telecom package, I want to support competitiveness, innovation and creativity. It is the first time that an **electronic communications package includes specific requirements for network operators and users to respect copyright law**. People don't buy technology, they acquire contents and services. Therefore, the new rules contain references concerning compliance with national measures implementing the Copyright Directive and the Enforcement Directive. Moreover, the Universal Service Directive says that Member States shall ensure that subscribers to electronic communications services or networks are clearly informed in advance of their obligations to respect copyright and related rights and of the most common acts of infringements and their legal consequences. This is a concrete legal endorsement of the role of copyright and **I hope it will send a signal across the whole industry at a critical time.**

Copyright is a cornerstone of the information and knowledge based society. This is why I introduced in the new framework an **appropriate balance between ownership and access.**

But, law cannot achieve everything alone. As you know, I am an enthusiastic follower of self and co regulation to prevent or to supplement legal provisions. I also believe that new technologies can support rights management and enforcement. Therefore, I am following the Automated Content Access Protocol (ACAP) project – as one of many projects to ensure respect of copyright - with high interest and I very much hope that companies offering search engines will cooperate with ACAP. Here we have good possibilities for a win-win situation for all stakeholders, as publishers can link content with authorisations for access and use in a form that can easily be recognised and interpreted by a search engine “crawler”, and thus helps avoid complex and costly legal disputes between content providers and search engines. Obviously, ACAP has to work on a fully open and non-discriminatory basis.

## Media literacy

The issue of search engines is also interesting in another context: media literacy. The Commission will adopt in the next few weeks a **Communication on "media literacy in the digital environment"**, where we notably deal with media literacy for online. This includes raising awareness about how search engines work and empowering users with tools to critically assess online content.

In more general terms, the Communication will address questions such as: How do the media work in the digital world? Who are the new players in the media economy? What are the benefits that new media offers? What are the dangers new media may cause?

I intend to ask Member States and other EU institutions to support the objectives and priorities set out in this Communication, for instance by organising in 2008 events devoted to the exchange of good practices on media literacy in the digital environment. The Commission will follow-up by highlighting further these good practices, including if necessary by means of a Recommendation. This issue will be a priority for the Slovenian Presidency.

## Content online

The principal drivers of online content and services are availability of diverse and rich content, responsiveness to consumer demand, reliance of networks and trust in their safety, as well as robust and effective intellectual property laws. Let's also not forget that online content and service markets have an unprecedented cross border dimension.

In this environment, most European media companies have not yet fully adapted their business models to leap-frog both national borders and traditional sectoral boundaries. **The convergent European publisher has not been born yet!** On the one hand, I can understand that the uncertainties associated with the so-called 'digital paradigm shift' block many online offerings. On the other hand, I strongly believe that this paradigm shift offers an opportunity for the publishing sector and other content sectors to increase their revenues, for instance by means of cross-fertilisation between their on-line and off-line offerings.

There is indeed a real opportunity for traditionally separate industries to work together for their joint benefit. The Commission intends to play an important role as catalyst to promote win-win situations for content providers, creators, transmission and access companies, technology providers and users. The next **Communication on Creative Content Online in the Single Market** is going to help these win-win situations develop. **With the Creative Content Online initiative, I am not imposing a model upon the market players, but starting a process aimed at facilitating business negotiations and at improving legal certainty.** In this process, I intend to work closely with the main players, including the print industry and the journalists.

## Rights of journalists

Before I say a few words on the themes chosen for this morning's panels, I want – not only as a former journalist myself, but also as the Commissioner in charge of all information society and media players – to use this appropriate opportunity to **remind Member States and employers of their obligations to protect the work of journalists, notably the right not to reveal their sources** – unless this results from the penal law – **and the right to exert their work without unnecessary restrictions.** In this context, I would like to mention that the introduction in the new "Audiovisual Media Services without frontiers" Directive of a new right to short extracts for the purpose of news coverage, which includes a right to access events.

In the recent Commission proposal on combating terrorism, I have ensured that journalists should not be accused of public provocation to terrorism when they report or investigate terrorist acts.

Still on rights and duties of journalists: I follow closely the Ethical Journalism Initiative, which is timely and opportune and a very good example of self-regulation, applied here to reporting on issues related to multi-ethnic and multi-religious communities.

### **Connecting readers to content (1<sup>st</sup> panel)**

Broadband enables users to become players and not only consumers on the creative content market. What does it change for print media?

A good editor has a "sixth sense" knowing what the readers want. The "*courrier des lecteurs*" and more generally the exchanges with the readers are necessary and enriching. Digital technologies broaden and deepen this relationship.

Reliable internal procedures for connecting readers to content are important in order to capture the widest range of views and voices from the public. In the panel, I imagine that you will notably look at the systems of readers' ombudsmen, readers' committees and reading clubs and I will listen carefully to your comments. Once extended, these systems could ensure both the flexibility and independence that the press and the publishers rightly require.

### **Multiplatform evolution in the newsroom (2<sup>nd</sup> panel)**

This deeper link between the publishers and the readers triggers an interesting phenomenon: electronic versions of newspapers can help steer news priorities in the printed versions, thanks to online readers' responses to stories. Cross fertilisation takes place and it's even possible to get online readers to buy the printed version by trailing stories selectively between online and offline editions.

Our close contacts with you enabled us to track this development quickly. Earlier this year, our *Media Task Force* officials visited *De Standaard*, the famous Flemish newspaper. The editor showed how a multi-platform news strategy works across print, internet and mobile phones. I have no doubt that multiplatform evolution in the newsroom and multimedia convergence are the future.

### **Generating revenues in the digital age (3<sup>rd</sup> panel)**

Generating revenues in the digital age is one of the biggest challenges the publishers have to face. Most new and magazine publishers are still making less than 5% of their turnover from new media. They should double their web revenues over the next year or so. Meanwhile, book publishers should keep an eye on advances in low power, flat-screen e-readers, like Amazon's recently launched "Kindle". If this kind of device makes a breakthrough like the iPod in music, there will be new markets to develop – and speedily.

The third panel is going to discuss the new challenges on the advertising market that publishers have to face with multimedia environment. The various advertising revenue models are immature as yet and great uncertainty remains regarding the model to follow. No optimal strategy exists but rather a wide range of opportunities can be tested with results likely to vary depending on specific editorial segments.

### **The need for vigilance - Car advertisements**

Ladies and gentlemen,

As you know, I am always very vigilant when the economic welfare of the publishing sector is at stake. This is one of the main tasks of the *Media Task Force*: be vigilant.

Over the last weeks, I have been following in particular the review of the Labelling Directive with great attention, specifically the forthcoming modification of the rules relating to car advertising and CO<sub>2</sub> emissions ratings. As you know, the European Parliament expressed its lack of confidence in a car manufacturers' voluntary agreement because the manufacturers were not able to propose a code of conduct in time. The Parliament therefore called on the Commission to make a proposal to amend the Directive and introduce new legal requirements for the labelling, advertising and marketing of new cars in the internal market.

My *Media Task Force* is in close contact with other Commission departments on this and I am aware that car advertising accounts for 15-20% of magazine advertisements revenues.

While we all must– as citizens, as business leaders and as policy makers – contribute to sustainable development and to respect the environment, this should be done in an equilibrated way. Notably, one should look carefully at the opportunity and efficiency of the compulsory insertion of public service messages into advertising.

And let me say something one more time: as long as I am the Commissioner in charge of media, this Commission will not propose new advertising bans!

### **Conclusion**

Ladies and gentlemen, dear friends,

This Forum is a very concrete opportunity to discuss among ourselves all these issues and ensure that the privileged partnership the Barroso Commission has built with European publishers and their representatives remain strong and that, together, we prepare the birth of the convergent publisher.

May I finish this speech with a question to the audience: which of you have their newspapers, magazines, books present on Second Life? And a second, more private question: who in this room has his / her avatar on Second Life or on another virtual community?

Many of you, dear friends, apparently are still neither convergent nor virtual publishers, I am afraid! Therefore, I am happy to welcome here Cory Ondrejka, CTO of Second Life, who will deliver today's keynote speech. The success story of this virtual community should encourage all of us to seize the opportunities of our digital environment. Cory, the floor is yours.