

EUROPEAN PARLIAMENT

# Working Documents

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DOCUMENT 1-1471/83

REPORT

drawn up on behalf of the Committee on Economic  
and Monetary Affairs

on the proposal from the Commission of the European  
Communities to the Council (COM(83) 661 final -  
Doc. 1-1135/83) for a Decision adopting a Community  
programme for the development of the specialized  
information market in Europe

Rapporteur: Mr F. HERMAN





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The Committee on Economic and Monetary Affairs hereby submits to the European Parliament the following motion for a resolution, together with explanatory statement:

MOTION FOR A RESOLUTION

closing the procedure for consultation of the European Parliament on the proposal from the Commission of the European Communities to the Council for a Decision adopting a Community programme for the development of the specialized information market in Europe

The European Parliament,

- having regard to the proposal from the Commission to the Council (COM(83) 661 fin,<sup>1</sup>
  - having been consulted by the Council (Doc. 1-1135/83),
  - having regard to the report of the Committee on Economic and Monetary Affairs and the opinions of the Committee on Budgets, the Legal Affairs Committee and the Committee on Energy, Research and Technology (Doc. 1-1471/83),
  - having regard to the result of the vote on the Commission's proposal,
- A. considering that the information market is one of the economic growth areas of the future, with a huge potential both to change the nature of existing jobs and to create many new jobs, to help small and medium-sized enterprises in particular and to help reduce regional disparities through lessening the adverse effects of remoteness,
- B. considering that along with the great opportunities come potential problems that will need to be overcome in such areas as copyright law, trading policy, adaptation of telecommunications and regulatory structures, privacy and data protection,
- C. considering the dangers of cultural dependency and the adverse impacts on Community job-creation of the current over-dependence of the European information market on United States information products and services, bearing in mind, in this context, that more than 50 % of the European online market for specialized information is already served by products and services of non-European origin,

<sup>1</sup> OJ No. C 328, 2.12.1983, p. 3

- D. considering the vital Community role in the development of Euronet-DIANE, and the new needs identified in the course of implementing the three-year action plans in the field of scientific and technical information and documentation.
1. Believes that there is a clear need for a coherent Community information market policy, with the central objective of ensuring the full competitiveness of the sector,
  2. Considers that such a policy should provide Community support for the development of the sector where there are obvious gaps, ensure that common standards and framework conditions are established and that competitive distortions are avoided, to ensure a coordinated Community approach on these issues in all international discussions, and to enable the complicated legal, cultural and social implications to be fully taken account of,
  3. Welcomes, therefore, as a first step in this direction the proposed extension and widening of the scope of the existing Community programmes in the field of information and documentation,
  4. Agrees that the duration of the programme should be lengthened from three to five years, but requests the Commission to furnish more details about the distribution of the proposed funding for the programmes and how the Commission intends to implement the programme,
  5. Requests the Commission to clarify how these present proposals will relate to other Community initiatives in the field of information technology, since problems of telecommunications networks and tariffs, the introduction of new value-added services, issues of standardization, legal issues such as copyright, vocational training and the promotion of awareness of the new technologies, are ones that are common to a number of current Community initiatives,

Suggests, therefore, that the Commission present an annual report to the Parliament on the progress on its proposals on new information technologies as a whole, so that the problems encountered and the priorities for Community action can be more clearly identified,

6. Further requests the Commission to provide a more detailed analysis of its experience with the existing 3-year programmes, and the response to the Commission's various calls for proposals,
7. Fully supports the extension of the Euronet-DIANE concept, and the proposed network extensions and developments in order to take account of the admission of new Member States, as well as the need to achieve compatibility of procedures, software and equipment, and to define and apply appropriate standards,
8. Emphasises the need to make information services much easier to use, through simplifying and standardising access procedures, contractual arrangements and billing and payment systems, insists, in particular, on the need to tackle linguistic problems, and to make further progress on a common command language,
9. Considers that an urgent requirement in improving the competitiveness of the Community information sector is to widen the range of data bases on offer, and repeats its request for particular emphasis to be placed on supporting the development of data bases offering statistical, commercial and economic information,
10. Underlines the importance of promoting much wider awareness of the possibilities opened up by the new information services, especially in order to help those smaller firms which could stand to gain the most from the new services,
11. Supports the adoption of the Commission's proposals subject to the above observations, and awaits the Commission's proposed complementary recommendations on information market policy as a whole,
12. Endorses the observations of the Legal Affairs Committee and expects the specific proposals to be made by the Commission to conform to the principles of confidentiality and respect for private life recommended by the OECD and the Council of Europe,
13. Instructs its President to forward to the Council and Commission, as Parliament's opinion, the Commission's proposal as voted by Parliament and the corresponding resolution.

EXPLANATORY STATEMENT

Background

1. The Commission's document comprises a communication to the Council and a proposal for a Council decision on the adoption of a Community programme for the development of the specialized information market in Europe.
2. The Commission is proposing a 5 year framework programme for the development of the specialized information market, with working programmes being established and updated on an annual basis, and with a review after 30 months. 40 million ECU of appropriations are requested. Further five years extensions of the programme would be possible.
3. The two main sets of actions envisaged concern the improvement of the information environment and market conditions (technical, linguistic, administrative, economic, legal and general policy aspects as well as promotion of awareness and training) and the reinforcement of the supply and quality of European products and services (information projects in sectoral fields and added value information services).
4. The proposed programme is a follow-up to the successful series of three-year action plans in the field of Scientific and Technical Information and Documentation, which were initiated in 1983. Compared to these programmes the new proposal would have a longer-time span, and its scope would be widened. A paper of an even wider scope dealing with the need for a Community information policy as a whole is currently being prepared, and is likely to be adopted by the Commission in the near future.



## Observations

5. The market for information is one of the growth areas of the future. The Commission cites potential growth figures for information services for the next decade of from 15 to 30% annually. Many new jobs are being created, and again the Commission quotes a recent estimate that 80% out of 2 million new jobs which have lately been created in the U.S.A. were in the areas of information and information related activities.
  
6. It is the rapid development of the so-called "new information technologies" , that convergence of telecommunications, computer and office equipment technologies, which has opened up vast new possibilities in terms of storing, transmitting and presenting information. The contents of large libraries can be stored in small spaces, can be much more easily updated and can be consulted by anyone from anywhere without a personal visit. Business and governmental decisions can be taken on the basis of much more complete information. Small firms in remote regions can at last have access to information without in-house specialists and without having to be in major cities. Specialized interests and hobbies can be much more easily catered for. A whole range of new enterprises acting as information intermediaries and as consultants can be developed. These are just some of the opportunities that are opened up.
  
7. Along with the opportunities also come problems. The possibilities opened up are still unfamiliar to most people, and much adaptation and retraining will be necessary. Problems of privacy and data protection will have to be satisfactorily resolved. Cultural identities could be threatened, and the dominance of a few major languages, and in particular English, could be greatly reinforced. Legal issues of copyright, and liability for errors will be posed in new forms. the free flow of information will raise questions of trading policy. Existing telecommunications and regulatory structures in general will prove inadequate.

8. Another issue of specific importance to the Community is the danger that the European information market will be dominated by the United States in particular. More than 50% of the European online market for specialized information is already served by products and services of non-European origin (Commission figures), and this could have severe implications for the future, particularly in terms of the cultural dependency mentioned above and in terms of the adverse impact on Community job creation.
9. There is thus a clear need for a coherent Community information market policy, that would provide Community support for the development of the sector where there are obvious gaps, to ensure that common standards and framework conditions are established and that competitive distortions are avoided, to ensure a coordinated Community approach on these issues in all international discussions, and to enable the complicated legal, cultural and social implications to be fully taken account of.
10. Your rapporteur therefore supports the proposed extension, and widening of the scope of the existing Community plan of action in the field of information and documentation and also urges the adoption as soon as possible of the Commission's complementary recommendations on information market policy as a whole. Your rapporteur would also like to make one general and a number of specific comments on the proposals that have been put forward.
11. The general comment concerns the interdependence of information market policy with other actions proposed by the Commission in the field of the new information technologies in general. For example the fate of the Commission's recent proposals in the field of telecommunications will have a decisive impact on the information market. Questions of standardisation are raised everywhere, most notably in the Commission's proposals concerning the revision of the pluriannual data processing programme, with such obvious standards problems as in the field of videotex. Legal problems as in the field of copyright are also common, as are modification of tariff structures and many others. Possible overlaps are evident, not least because the complex and rapidly changing field

of the new information technologies plays havoc with Commission (and Parliament) organigrammes and established organisational responsibilities.

12. Your rapporteur would suggest that the Commission present an annual report to the Parliament on the progress on its proposals on new information technologies as a whole, so that the problems encountered and priorities for Community action can be more clearly identified.
13. As regards specific comments your rapporteur would strongly support the extension of the Euronet-DIANE concept, and in particular the proposed network extensions and developments in order to take account of the admission of new member States. The need to achieve compatibility of procedures, software and equipment, and to define and apply appropriate standards is also of great importance.
14. A key need which is recognized in the Commission's proposals, and which is worthy of strong support, is to make information services much easier to use, more "user friendly". For a specialist in one narrow field primarily using one specific data base the problems are not so acute. But someone who wishes to conduct a rather wider search and using a variety of data bases provided by a number of different hosts is confronted with a confusing number of different access procedures, separate contractual arrangements, and billing and payment systems. There is thus a clear need to make these procedures more uniform, to make price structures more transparent, and to make further progress on a common command language.

Related to this latter need is wider Community action to help reduce linguistic barriers, through the development of services with extended multilingual capabilities, and the use of machine translation systems such as Eurotra.

15. Parliament's previously adopted resolution on scientific and technical information and documentation (OJ                    ) had strongly underlined the need to widen the range of data bases on offer, and to put particular emphasis on the development of data bases offering statistical, commercial and economic information. In this context the resolution recommended

that the words "scientific and technical" be dropped from the title and that it be shortened to a "plan of action for Information and Documentation". The CIDST report which is annexed to the Commission's proposal <sup>(1)</sup> reinforces the point which Parliament made when it states that (p.3) "there exists an international imbalance of information power" and that "a gap has developed during the last decade between the Community and the United States and Japan not only in those advanced areas of the information industry where telecommunications and computer techniques exert a determining influence, but also in the non-traditional areas of trade, commerce, economics and finance information". Strong Community incentives are thus needed in this area to encourage the development of such data bases within the Community.

One factor which deserves closer study is the degree of public support which will be necessary for the supply of information products. Obviously the primary role will and should be played by the private sector, but some public support will be needed, for instance in stimulating the supply of information products in peripheral areas of the Community such as Greece and Ireland.

16. The Commission's proposals also refer to the need for the Community to support research into, and direct encouragement of the development of new added value information services, such as document delivery and electronic publishing and increased use of videotex. It is proposed that over a third of the total appropriations for the information market programme would be allocated for Community support in this area. Here it would be helpful to know more about what the Commission actually has in mind, since several other Community programmes will have a direct bearing in this area, for example the INSIS programme, and the multiannual data-processing programmes, in particular its proposed activities on standardization. Most important of all, perhaps, will be the final shape of a Community programme on telecommunications. Fundamental questions will have to be raised, for instance about the role of PTT's, since regulatory changes will probably have to be made if the new added value information services are to develop to their full potential.

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(1) Annex 4. Committee for Information and Documentation on Science and Technology CIDST/565/83

17. A further crucial area for Community activity, which is not merely specific to this programme, is the promotion of much greater awareness of the possibilities opened up by the new information services, and activities in the field of training. Such actions would greatly help in stimulating the development of a Community information market. They are particularly needed in the case of small and medium size enterprises. Larger firms tend to have in-house specialists, including their own experts on information systems. Smaller firms usually lack such specialists, and yet, if they were helped to make much fuller use of the new information services, it is they who would perhaps stand to gain most from the new developments. This should be a central priority of the programme.
18. A final area for action which overlaps with other Community actions is the need for in-depth study of the range of legal problems opened up by the development of new technical possibilities and new services, notably in such difficult areas as copyright law. Traditional legal concepts do not always meet new needs, and your rapporteur would, therefore, support the Commission's proposals for more systematic and formal investigation of these problems within the Information Market policy framework.

### Conclusions

19. Your rapporteur would, therefore, support the general lines of action put forward by the Commission in its specialized information market proposals. He would, however, like the Commission to :
- (i) clarify how these present proposals will relate to other Community initiatives in the field of information technology;
  - (ii) provide a more detailed analysis of progress made under the existing 3 year programmes, the problems that were encountered, and the response to the Commission's various calls for proposals;
  - (iii) furnish more detail about the distribution of the proposed funding for the programme, whether overall funding will be adequate, and how the Commission intends to implement the programme.

Your rapporteur feels that these clarifications by the Commission are necessary in order to better evaluate the proposed wider programme to establish a Community information market policy. He would like these clarifications as quickly as possible, as he is convinced of the urgent need to make progress at Community level in many of the problem areas that have been identified.

OPINION

of the Legal Affairs Committee

Draftsman: Mr MEGAHY

At its meeting of 25 and 26 January 1984, the Legal Affairs Committee appointed Mr MEGAHY draftsman.

At its meeting of 21 and 22 February 1984, the committee considered the draft opinion and adopted it unanimously.

The following took part in the vote: Mrs VEIL, chairman; Mr MEGAHY, draftsman, Mr GONTIKAS, Mr JANSSEN VAN RAAY, Mrs MACCIOCCHI, Mr OUZOUNIDIS and Mr SIEGLERSCHMIDT.

## Introduction

1. The importance of the market in information, as one of the few consistent growth sectors in the current economic climate, can hardly be doubted. It appears that, notwithstanding the creation of the Common Market in goods and services by the EEC Treaty, Member States are pursuing their own individual information policies; the resulting fragmentation of the market with its attendant duplication of research and development gives rise to a considerable danger that the Common Market in information will be exploited by American (and perhaps Japanese) firms, who can benefit from economies of scale, rather than by the numerous European companies in this field.

2. It is obviously undesirable to let this situation continue. Not only will a large number of valuable opportunities for job creation in Europe disappear, but the Member States of the Community could find themselves increasingly dependant, both technologically and culturally, on third countries.

## Previous Community Action

3. In its resolution of 24 June 1971<sup>1</sup>, the Council had recognized that the establishment of a European information and documentation network was "a matter of urgency". Three successive three-year plans (1975 - 77, 1978 - 80, 1981 - 83)<sup>2</sup> were adopted as a response to the Council's preoccupations. These plans have enabled the taking of a number of important Community initiatives concerning the information market, in particular the creation of a Community telecommunications network (Euronet) and an information services network (DIANE); the Commission has also supported a large number of smaller projects in this area.

## Current Commission Proposals

4. The current proposal for a Council decision and the attached Communication on a Community programme for the development of the specialized information market in Europe<sup>3</sup> constitute a logical follow-up to and an extension of previous Community activities. A five-year programme for the development of the specialized information market is proposed, "specialized

<sup>1</sup>OJ No. C 122, 10 December 1971, page 7

<sup>2</sup>OJ No. L 100, 21 April 1975, page 7; OJ No. L 311, 4 November 1978, page 1; OJ No. L 220, 6 August 1981, page 29

<sup>3</sup>For the use of 'Europe' rather than 'European Community', see Article 6 of the proposed decision.



information" being described<sup>1</sup> as "higher level information for professional use in sectors such as science and technology, social, cultural and economic development, trade and industry, business and finance, marketing etc," with an international character. The Commission gives notice of its intention to produce a separate communication at a later date on the broader issues of information flow and information market policy in general.

5. While the present communication sets out in some detail the objectives and the scope of the Community programme, the Council decision proposed would simply provide the legal and financial means to its implementation. The proposal is brief and provides:

- a definition of the programme (Article 1 and Annex I),
- the budgetary allocation (Article 2),
- for Commission supervision with the assistance of the Scientific and Technical Information and Documentation Committee (STIDC) (Articles 3 and 4),
- for the obligation on the Commission to disseminate "knowledge resulting from the programme" (Article 5),
- power for the Community to conclude any necessary agreements with third countries (Article 6),
- for the review, evaluation and possible extension of the specialized information market development programme (Article 7).

#### Legal Aspects

6. As the communication notes (paragraph 4.1.5, page 14), the development of this market gives rise to a number of legal problems, in particular the question of copyright and the distribution of royalties; it may also give rise to questions regarding the protection of individual privacy. While such matters are of particular interest to the Legal Affairs Committee<sup>2</sup>, the Commission is currently only at the stage of identifying these problems. It may be that measures at Community level will be appropriate in order to harmonize existing or forthcoming regulations in the field of information market policy; it is at this later stage (consultation of the European Parliament on proposed legislation) that the Legal Affairs Committee may usefully intervene on these legal problems.

<sup>1</sup> COM(83) 661 final, page 1, footnote 1

<sup>2</sup> See, for example, the SIEGLERSCHMIDT report (Doc. 1-548/81) and the BADUEL GLORIOSO opinion (attached to the HERMAN report, Doc. 1-1312/82)

## Conclusions

7. The Legal Affairs Committee
  - a) welcomes the proposed programme for the development of the specialized information market in Europe,
  - b) reserves its position on the legal problems to which the implementation of this programme could give rise, pending the identification by the Commission of these problems and the proposing of measures to their solution.

O P I N I O N

of the Committee on Energy, Research and Technology

Draftsman: Mr PURVIS

On 25 January 1984, the Committee on Energy, Research and Technology appointed Mr PURVIS draftsman of the opinion.

The Committee considered the draft opinion at its meetings of 1 February and 22 February 1984. It adopted the draft opinion on 22 February 1984 unanimously.

The following took part in the vote: Mr GALLAGHER, acting-chairman; Mr SELIGMAN, vice-chairman; Mr PURVIS, draftsman; Mr ADAM, Mr CALVEZ (deputizing for Mr GALLAND); Mr FLANAGAN, Mr FUCHS, Mr LINKOHR, Mr MARCHESIN, Mr ROMUALDI (deputizing for Mr PETRONIO), Mr VERONESI, Mrs VIEHOFF (deputizing for Mrs LIZIN)

## I. INTRODUCTION

1. The Community programme for the development of the specialised information market in Europe which is the subject of the present Commission proposal has been conceived as an immediate follow-up to three successive three-year Community plans for the information market (1975-1977, 1978-1980 and 1981-1983).

2. The most recent of these earlier plans was the subject of a report drawn up on behalf of the Committee on Energy and Research<sup>1</sup> by Mr BEAZLEY<sup>2</sup>. This was adopted by Parliament on 8.5.1981<sup>3</sup>. The Resolution concentrated on issues relating to the Community telecommunication network, EURONET, and the Community network of data bases, DIANE.

3. The objective which the Commission has now identified is that of developing the specialised information market in the Community. The new programme is intended to cover "the practical issues and recognised needs in specific areas of the information market".<sup>4</sup>

4. The Committee on Energy, Research and Technology notes that the Commission intends to complement the present proposal with a later Communication on information market policy, covering the more general aspects of the whole information market.

## II. COMMENTS AND CONCLUSIONS

5. The Committee regrets, however, that the proposal was only ready for submission to the Council and Parliament in the same month that the preceding programme expired, December 1983.

6. It considers that the proposal for a five-year programme with an estimated global cost of 40 million ECU is modest. In this connection the Committee takes note of the fact that the discussions with representatives of the Member States, as well as professional organisations and private enterprise, clearly indicated to the Commission that the Community as such was expected to play "a central role in improving the information environment".<sup>5</sup>

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<sup>1</sup> This has since become the Committee on Energy, Research and Technology

<sup>2</sup> Doc. 1-182/81

<sup>3</sup> OJ C144, 15.6.1981, p101

<sup>4</sup> p5 of the Communication

<sup>5</sup> p3 of the Communication

7. Therefore, accepting the indicated global figure proposed by the Commission, considers that this should be spent on the following priorities:

- (a) Staff resources (whether directly or indirectly employed) sufficient simultaneously and effectively to:
  - draw up a practical system plan of the proposed Community system and of its external links,
  - draw up a critical path programme for its implementation,
  - identify incompatibilities and other problems which must be solved with schedules and responsibilities for their resolution,
  - monitor implementation and firefight difficulties.
- (b) Initial funding of data base start-ups with, where possible, provision for claw-back once they are commercially viable.
- (c) Provision of data bases which are considered essential but which are not likely to be provided by commercial or other entities. This should be a last resort and must be justifiable as indispensable.
- (d) Underwrite the risk element in desirable hardware and software research experiments.

The funds are wholly insufficient for, and in any case it is not desirable that, the Commission itself provides the physical interlink facilities.

8. Although the title refers to "the specialised information market", there should be no restriction on the range of subjects covered by eligible data bases which would be interlinked in the system. The prime consideration should be satisfying market demand as the system's attraction to potential users will be in its wide rather than narrow range of information provided.

9. The overall system concept should be "distributed" rather than "centralised" with interface problems being solved at the local level where possible but with full consideration of the Community and international context. The main thrust of Commission involvement should be to ensure this context is always taken into account and that all assistance is provided in solving such interface problems.

10. There should be no preconceptions as to the form of the entity providing any central interface facility between the Member State networks. This may be a public agency, a commercial enterprise or a cooperative agency of commercial and/or public operators. The only considerations should be the system's effectiveness and timely implementation.

11. As the system must be amenable to non-expert use, and attractive to the widest possible public, it is essential that user-friendliness be a prime consideration including:

- computer terminology and language,
- pricing of data base access and line use,
- billing,
- compatibility of hard and software

12. No preconditions should be set regarding language capability where these could adversely affect the system's commercial prospects. A glossary data base might, however, be an interesting data base in the system.

13. The Commission should review its EUROTRA automatic translation system in the light of these developments.

14. Pressure must be maintained by Member State governments on the PTTs to cooperate fully and to bury nationalistic considerations in systems design and procurement.

15. The implementation of such a Community-wide system with standard line charges throughout will be in itself the best way of removing disparities in the remoter and less-developed parts of the Community, thus providing them also with a basis for participating in the full economic and technological potential of access to massive information resources.

16. While the Commission should have responsibility for review of the programme, such review should draw on objective external opinion. The Committee on Energy, Research and Technology therefore calls for the following amendment to Article 7.1:

"The Commission shall review the programme after 30 months incorporating in such review attributed external and objective comment thereon. The Council and the European Parliament shall be informed of the results of this review".

17. Consistent with the Parliament's repeatedly expressed position the S T I D C should be purely advisory with the Commission wholly responsible for all decisions and management. The Committee on Energy, Research and Technology therefore calls for the following amendment to Article 4:

"The Commission, while being wholly responsible for all decisions and management of the programme, will be advised by the S T I D C, whose duties ..... (rest unchanged)".

18. Subject to the above comments and suggested amendments, the Committee on Energy, Research and Technology welcomes the Commission proposal and recommends its approval.

