

# Liaison Office at the European Union



# Report on the impact of the activities of the European Union on sports

May 2003

General Policy	3
Referenda in the accession countries	Error! Bookmark not defined.
Sports	4
News from the institutions	4

Council report on football hooliganism in the Member States Error! Bookmark not defined

Sports Intergroup meeting on the European football transfer system	
Legal questions	8
ECJ judgement: Deutscher Handballbund e. V./ Kolpak	8
Investigation into broadcasting rights in Spain closed	9
Amendment to the Sports Boats Directive of 1994	10
Support programmes	12
Call for the European Year of Education through Sport 2004	12
"LEADER+": an example from Austria	13
Call for LIFE projects: environmental projects	14
Miscellaneous	16
Advance sale of tickets regulation for Olympic Games	16
Glossary	17

# **General Policy**

1st Referenda in the accession countries

Following Hungary, on 10th and 11th May 2003 the plebiscite on membership of the EU also took place in Lithuania. With a turnout of around 63.4%, 91.07% of the 2.64 million people entitled to vote clearly expressed their desire to join and thus led the Lithuanian referendum to a successful conclusion.

A referendum was also held in Slovakia on 16th and 17th May. There, 52.15% of those entitled to vote took part in the first plebiscite since Slovakia achieved independence. With 92.46%, the question of EU membership met with a spectacular "Yes" here too.

In June further referenda will take place in Poland (7th/8th June) and in the Czech Republic (13th/14th June).

#### **Sports**

#### News from the institutions

2nd Council report on football hooliganism in the Member States

On 5th May 2003 the Council of the European Union presented a report on vandalism at international football matches.

With a resolution in June 1997 the Council laid down the preparation of a report every year on the situation and development of vandalism at international football matches. In support of this, an annual meeting of experts is to take place for the purpose of exchanging relevant experiences and creating a network of contacts.

A further resolution was passed in December 2001, in which the first concrete measures against hooliganism at football matches were taken with the approval of a handbook on football vandalism, appropriate preventative measures, and recommendations for the international cooperation of police forces. In a third resolution in April 2002, the Council stipulated the setting-up of information centres for football vandalism in the Member States.

Under the overall control of the information centres of Great Britain, Germany, the Netherlands and Belgium, a report on the situation was produced over the period from July 2001 to July 2002. For this report, the Member States had been asked to provide an account of the situation at matches of the national team (friendly and qualifying matches) and at matches of the Champions League and of the UEFA Cup.

The number of matches, the type of offence, the number of arrests at the

respective matches, as well as age structures and type of vandalism offence

were taken into account.

for the full report: <a href="mailto:info@eu-sports-office.org">info@eu-sports-office.org</a>

3rd Sports Intergroup meeting on the European football transfer system

On 7th May 2003 the British MEP Chris HEATON-HARRIS issued an invitation to attend the European Parliament for the Sports Intergroup meeting. Within the context of this meeting the European transfer system was discussed.

#### **Background**

On 5th March 2001 Commissioners Monti, Reding and Diamantopoulou, along with FIFA President Blatter and UEFA President Johansson, concluded their negotiations on the change to the FIFA transfer system. The new FIFA transfer rules have applied since 2001. The topicality of the transfer rules has increased in the last few months as, on the one hand, UEFA and FIFA, together with the Commission, are assessing the transfer rules that came into force in 2001. On the other hand, some national football associations and the footballers' trade union FIFPro are discovering deficiencies in the rules that currently apply.

### **Sports Intergroup discussion**

Jér.me CHAMPAGNE, Deputy Secretary General of FIFA, Alex PHILLIPS, Manager with UEFA, and Theo van SEGGELEN, Secretary General of FIFPro, each reported on their experiences with the new transfer rules.

The FIFA representative CHAMPAGNE explained that the transfer rules could not solve all the problems but that the majority of transfers are satisfactorily concluded.

The UEFA representative supported CHAMPAGNE's position in his statement. SEGGELEN criticised the agreement between FIFA and the Commission with regard to the transfer rules in 2001, as it was, he believed, much more a political compromise than a good starting point for solving the problems. SEGGELEN expressed the view that the present system has not found the right balance between EU law and transfers. In the subsequent discussion with representatives of other national football associations, the transfer rules sometimes came under strong criticism.

They did not work, according to a representative of the English football

Representatives from Austria brought up for discussion the FIFA rules regarding the training compensation. Together, however, it was established that the social dialogue among associations, clubs and players should be continued.

#### Legal questions

4th ECJ judgement: Deutscher Handballbund e. V./ Kolpak

On 8th May 2003, in its judgement in the case C 438/00 (Deutscher Handballbund
e. V./ Kolpak), the ECJ pronounced to the effect that the EU-Slovakia association
agreement is an obstacle to the application of a rule laid down by a sports
association, according to which Slovakian players can take part on a limited basis
only in championship games and cup ties of the national and regional leagues.

In doing so, it unreservedly followed the summing-up of the Advocate General, on which we reported in July 2002.

The ECJ argues that, although the debatable provision of the agreement did not standardise a principle of freedom for Slovakian employees, the ban on discrimination provided for in the agreement also applies to a rule that has been laid down by a sports association such as the German handball federation.

It points out that the ban on any discrimination based on nationality applies only to Slovakian employees who are already legally employed within the territory of a Member State and only with respect to working conditions, pay or dismissal. It does not apply to national rules on access to the labour market.

5th Investigation into broadcasting rights in Spain closed

The European Commission has closed its investigation into the acquisition of Spanish football broadcasting rights by Audiovisual Sport (AVS) following consultation with the other affected parties.

The background of the investigations was an agreement between the Spanish pay—TV supplier Sogecable and the telecommunications company Telefónica for the joint acquisition and use of television rights to the games of the first Spanish football league by the subsidiary Audiovisual Sport for a total of eleven seasons (until 2008). Because of the proceedings instituted by the European Commission as a result of this, the joint venture company, in which both of the above–mentioned companies initially participated at 40% and Catalonia's public television channel TVC at 20% respectively, introduced changes which facilitated access to football rights for the new digital cable and terrestrial television channels. The simultaneously granted freedom to be able to fix prices themselves for pay–per–view football matches resulted in an immediate drop in TV subscription charges. For this reason, in November 2000 the Commission abandoned the proceedings against AVS, but, because of remaining questions of competition, carried out further investigations. (We reported on these in our monthly report of November 2000.)

The ending of these investigations now announced on 8th May 2003 is directly linked to the merger of Sogecable and the Telefonica subsidiary V.a Digital. The approval of the merger by the Spanish authorities in November 2002 was given on the basis of certain conditions specified in the merger plan, through which better preconditions were created for more competition in the use of football broadcasting rights for Spanish matches. These include the responsibility of the AVS option to extend the football rights contract, making guaranteed access for other companies to these rights fairer, reasonable conditions which are free of discrimination and the merged company's relinquishment of the sole use of football rights for the new media. In addition, arbitration proceedings are planned for questions of access.

With the merger, Telefónica's share is transferred to Sogecable, which now has an 80% share in AVS, while the remaining 20% stays in the possession of TVC. The Commission announced that it intends to continue to monitor closely the behaviour of the participating companies.

6th Amendment to the Sports Boats Directive of 1994

With amendments relating to both the Single Market and environmental protection concerns, the European Parliament and the Council approved a new directive on sports boats on 15th May 2003. After the Council and Parliament had reached agreement with the help of the mediation committee, the directive, which was first passed in 1994, could be amended. The Commission had submitted proposals in this regard as early as October 2000. The most important amendment in the environmental field is to be the gradual reduction in exhaust and noise emission from sports boats from 1st January 2005 to 1st January 2007. With the regulation regarding the use of geologically–degradable synthetic oils, among other things, the hope is to achieve a 50% reduction in environmental pollution through carbon monoxide, nitric oxides and other environmental toxins. For noise emissions, a tolerance threshold of 3 dB has been stipulated for all types of engine. Furthermore, jet skis have also been included in the new directive.

Amendments in the basic requirement of the directive are intended to promote the free trade of sports boats goods and their components in the Single Market.

The attempt of the Parliament to carry through a regular inspection in the field of sports boat engines with respect to their emission levels was, however, rejected. The Commission was placed under the obligation to submit proposals for the further improvement of the environmental acceptability of sports boats by the end of 2006 and, if necessary, to present further proposed amendments by the end of 2007.

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**Support programmes** 

7th Call for the European Year of Education through Sport 2004

On 28th May 2003 the EU Commission published the call for projects to be submitted for the European Year of Education through Sport.

With EYES the Commission wants to encourage cooperation between educational institutions and sports organisations and, in addition, raise awareness of the potential of sport in the sphere of informal education.

On the one hand, common projects involving at least 8 participating countries (80 % joint funding), and, on the other, local, regional, national or transnational projects (50 % joint funding) are being sponsored. The Commission is working on the assumption that it will be possible to subsidise 185 projects – including 10 common projects.

Further information on the application procedure and the objectives of the European year are available at the following Web address:

http://europa.eu.int/comm/sport/gen\_info/whatsnew\_en.html

8th "LEADER+": an example from Austria

The application of new types of action strategies regarding the sustainable development of the infrastructure of rural areas in spheres such as the economy, tourism or the environment are the central ideas of the Community initiative LEADER+. Rural areas with a maximum of 100,000 inhabitants and a population density that must not exceed 120 inhabitants per km² are eligible for assistance.

Together with the "Tourismusverband Oetz", which is acting as a project sponsor, the local working group "Ötztal – Mittleres Tiroler Oberinntal" has launched a white—water project, which is intended to raise the profile and drawing power of the region through sports events and to improve media presence. To this end, by making small structural alterations on the course of the Ötztaler Ache river in the area of the Oetz district, and by constructing the necessary competition facilities such as time—keeping and public address system, a stretch of white water is being created, which can be continually used by professional white—water canoeists as a training stretch for the Olympic Games and world championships. The total costs of the project come to 54,135 EUR, 27,067 EUR of which is sponsored by LEADER+. The project should be completed in October 2003.

9th Call for LIFE projects: environmental projects

The European Commission is inviting the submission of proposals for the LIFE selection procedure 2003–2004. Nature projects for the protection of natural habitats, environmental projects, third-country projects for technical assistance and "co-op" projects for the exchange of experiences are being sponsored. The LIFE environmental projects should contribute, as teaching models, to the development of innovative and integrated techniques and procedures and serve the further development of environmental policy. This can, among other things, be implemented with the following measures:

- inclusion of environmental and sustainable development aspects in environmental planning policy and land utilisation planning (including in urban habitats and in coastal areas)
- · sustainable management of ground water and surface waterways
- avoidance, reuse and recycling of waste products of all kinds and rational management of waste flows.

The call is aimed at natural persons or legal entities based within the European Union or the new Member States such as Romania. Sponsorship of the projects amounts to a maximum of 30 % of the costs eligible for grants, and the remainder must be borne by the applicant and, where relevant, his/its partners. For further information concerning the application procedure please consult the DG Environment Web site.

http://europa.eu.int/comm/environment/life/funding/index.htm

Miscellaneous

10th Advance sale of tickets regulation for Olympic Games

A European Commission investigation came to the conclusion that the advance sale of tickets regulation for the 2004 Summer Olympics in Athens does not contradict EU competition rules. In the regulation announced by the organising committee ATHOC, various channels of distribution are provided for the sale of tickets to inhabitants of the European Economic Area (EEA). For the first time, people who live in the EEA and are interested in doing so can order tickets over the Internet. Tickets are, however, also available from the National Olympic Committees or the distributors appointed by them.

ATHOC presented the advance sale of tickets regulation to the EU Commission for checking against Community law, as ticket sales regulations for sports events have already been the subject of Commission investigations several times. On the occasion of the 1988 football world championship in France, the Commission established that the French organising committee was abusing its monopoly position and was operating a sales system that gave preference to consumers within France and discriminated against other EEA consumers (outside of France).

# Glossary

#### **Sports Intergroup**

The Sports Intergroup is an informal institution of MEPs. Its purpose is the exchange of opinions between MEPs and representatives of the world of sport. There are around six meetings a year on various topical themes relating to sports.

#### **Symbols**

You'll find further information on the Internet here.

Clarifications of this key word are provided in the glossary.

Please contact the EU Office of German Sports.