

# ***EOC***

**Liaison Office at the European Union**



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

**May 2005**



<b>General Policy</b>		<b>3</b>
1st	Referendum in France and the Netherlands	3
<b>Sport</b>		<b>4</b>
<b>News from the institutions</b>		<b>4</b>
2nd	Bathing water directive – Bathing water quality	4
3rd	EP for inclusion of sport into ERDF regulation proposal	5
4th	Informal meeting of ministers for sport	7
<b>Legal Questions</b>		<b>8</b>
5th	Improved access to tickets for 2006 World Cup	8
<b>Funding Programmes</b>		<b>9</b>
6th	YOUTH – Fair Play & Cultural Diversity supported by EU	9
7th	Study on sporting events and tourism	10
<b>Miscellaneous</b>		<b>11</b>
8th	Basketball Euroleague introduces full freedom of movement	11
9th	New Media (3G) Sector Inquiry and sport rights	11
10th	Private betting companies form European association	13



## General Policy

### 1st Referendum in France and the Netherlands

After the rejection of the European Constitution by 54.87% of the French and 61,6% of the Dutch populations the European Council (heads of states and governments) will meet on 16<sup>th</sup> June and discuss about the possible consequences of a failed ratification process.

If only two member states reject the Constitution they might be asked to vote again at the end of the ratification process. However the offer to opt-out, taking into account the reasons for the “no” vote (like it was done with Denmark for the Maastricht Treaty) is not very likely to happen because of the different nature of the two treaties.

At first Commission President Barroso rejected the possibility of renegotiating the Constitution. In the meantime he signalled willingness to renegotiate single aspects.

The European Constitution can only enter into force after ratification by all member states. Otherwise the Treaty of Nice – without a legal recognition for sport – will remain the political framework of the European Union.



## Sport

### News from the institutions

#### 2nd Bathing water directive – Bathing water quality

In its last plenary session in Strasbourg the European Parliament voted upon the Bathing Water Directive within the second reading and here for an exclusion of recreational activities from the scope of the directive. Some MEPs, notably from the Greens, wanted the directive to cover not only bathing water but also stretches of water where water sports are practised, such as surfing and canoeing. But their amendments were rejected. Thus the European Parliament follows the Council's position in this matter.

Nevertheless Parliament and Council still need to agree upon other issues as e.g. the introduction and definition of a new category of water quality ("sufficient quality"). Only then the new directive will be adopted. Consequently the assembly passed the report of Jules MAATEN (ALDE, NL) in a spirit of compromise, giving up some of the Environment Committee's demands in the hope of coming to an agreement with the Council (the 25 Member States). If any divergence with Parliament remains, MEPs and the Council will have to form a conciliation committee.



## Bathing water quality 2004

In accordance with the criteria of the old Bathing Water Directive, the Commission recently published the report on bathing water quality on Europe's coastlines and in its inland waters for 2004. For the first time, six of the new Member States were also included. For coastal waters, compliance with the regulations stood at 96.7%, almost the same as the figure for the previous year. For inland waters, however, the proportion of bathing areas in line with the standards fell from 92.3% in 2003 to 89.4% last year. The Commission criticises the tendency in some Member States either to remove bathing beaches with insufficient results from the list of official bathing areas or to impose bathing bans on them, instead of making sure that water quality is improved.



<http://www.europa.eu.int/water/water-bathing/report.html>

### 3rd EP for inclusion of sport into ERDF regulation proposal

On 24 May 2005 the committee on regional development (REGI-committee) of the European Parliament (EP) voted in favour of amendments 192 and 196 for the regulation on the European Regional Development Fund (ERDF). In carrying



amendments 192 and 196 sport has been included in article 6. (see article 6 below)

Article 6 of the aforementioned regulation defines the future EU-funding program “European territorial cooperation”, for which EUR 13,2 billions have been budgeted for the time period 2007–2013. By referring to sport in article 6 it would be easier to draft national and operational programs better favouring sports.

### **Continuing legislative procedure**

The EP-plenary will most likely adopt the amended ERDF-regulation during its first reading at the beginning of July 2005.

The adoption of the ERDF-regulation is subject to the codecision procedure and the Council of Ministers has to decide on the amended regulation. Does the Council of Ministers accept the regulation, it will then be signed and published in the Official Journal of the European Union. Does the Council not agree with the amendments proposed by the EP, then the Council adopts a Common Position. The legislative proposal will then enter the stage of the second reading.



#### **4th Informal meeting of ministers for sport**

An informal meeting of the European Sport Ministers, chaired by Jeannot Krecké, took place in Luxembourg on 28 and 29 April 2005.

With a very large majority, the ministers asked that gambling activities be excluded from the field of application of the draft Services Directive in the internal market. They stressed on the need to work towards a solution adapted at both national and European level to guarantee sports funding in Member states

The sport ministers reasserted the principles of free movement and non discrimination, which should be implemented in Europe. Actually, some federations restrict access to training and official competitions according to criteria based on nationality. This behaviour ensures to young people an access to their teams' highest level and provides a reserve of sports people who can play for national teams in their own countries. However, such an attitude is in contrary with the european principles of free movement and non discrimination.

Furthermore the ministers expressed their concern in the face of doping which



is still too often present in sport. However, they expressed as well their satisfaction about the creation by the UNESCO of a secretariat responsible of the implementation of the international convention against doping in sport. The ministers have chosen to adopt the zero tolerance concerning doping and hope that the convention will be ratified by the UNESCO member states before the Olympic Games in Turin in the winter 2006.

The conclusions of a study carried out on behalf of the Commission on young people's sedentary lifestyles were also presented. Obesity is the consequence of three major causes: genetic predisposition, bad eating habits and a lack of physical activity. Its results enhance the necessity to promote physical activity and sport among young people.

## **Legal Questions**

### **5th Improved access to tickets for 2006 World Cup**

Following discussions with the European Commission, FIFA has agreed to modify its arrangements for ticket payments for the next stages of ticket allocation for the 2006 World Cup in Germany. More payment methods will now be accepted in the second phase of ticket sales which began on 2 May.





Fans based in non-Eurozone countries in the European Economic Area (EEA) who do not have a MasterCard product or a German bank account can now pay for tickets by making a domestic bank transfer in their local currency.

Previously, some fans outside the Eurozone were faced with the high costs of making cross-border bank transfers into Euros.

Under the new arrangements, FIFA and the German Football Association (DFB) will open bank accounts in the 16 non-Eurozone countries within the EEA and will accept payments in the local currency. FIFA and DFB have informed fans of the new improved arrangements on their official website



<http://fifaworldcup.yahoo.com>

## **Funding Programmes**

### **6th YOUTH – Fair Play & Cultural Diversity supported by EU**

From 6th–13th August 2005, young people from Germany, France, Turkey and Austria will spend a week in Vienna considering the "cultural diversity of Europe" and its connection with "Youth, Fair Play & Sport". Initiated by ASKÖ (Austrian Association for Sport and Physical Culture), the project is supported by the EU YOUTH action programme. As regards content, this youth meeting



plans discussions on fair play, racism and discrimination. But sporting activities, such as orienteering for example, are not to be overlooked either.

"Fair Play & Cultural Diversity" is a follow-up event of the "Youth, Sport & Fair Play" seminar, which was held in September 2004 in Vienna. The initiatives begun at that time concerning fair play in youth sport are to be successfully continued at European level.

## **7th Study on sporting events and tourism**

The invitation for tenders for the study entitled "The impact of cultural and sporting events on tourism-oriented SMEs", announced in the March 2005 monthly report, has now been published.

The European Commission Directorate-General Enterprise and Industry wants to examine the social, economic and environmental effects of cultural and sporting events on the place where those events are held and on local enterprises.



<http://europa.eu.int/comm/enterprise/calls/calls.html>



## Miscellaneous

### **8th Basketball Euroleague introduces full freedom of movement**

At its last general meeting, Euroleague, the association of European basketball leagues, resolved to abolish foreigner quotas for team selections. The new ruling will apply as from the forthcoming 2005/2006 season.

Hitherto, teams were able to select only two players from non-EU States or States that have concluded an association or cooperation agreement with the EU. As from next season, there will no longer be any difference between Bosman A, Bosman B, Cotonou and non-EU foreigners.

### **9th New Media (3G) Sector Inquiry and sport rights**

On 27 May 2005, the EU-Commission presented preliminary results of the sector inquiry on new media and sport rights. With an opinion poll, the EU-Commission asked stakeholders in this area like sport organisations, TV-stations and mobile operators to comment on how they sell/ acquire sport rights.

In principle, the EU-Commission considers practices of selling sport rights not in conformity with EU-law if e.g.



- there is no open tender
- rights are bundled (TV-rights as well as internet and mobile rights are sold only in a package)
- there is excessive exclusivity (duration of three years are usually acceptable)
- there is an automatic renewal of the contract

Additionally, the EU-Commission thinks that the access to sport rights for the new media has to be open, because sport as a premium content is essential and a driving force for the successful market introduction of the new media (internet, UMTS<sup>1</sup>-mobile telephony).

During this inquiry the following problem areas have been identified so far:

- Lack of access to sports content for mobile operators: There are notable examples of sport for which separate sport rights have not been provided to mobile operators. On the one hand this is done through excessive pricing and on the other through the refusal to sub-license rights by TV operators when the mobile rights and the TV rights were purchased together in a bundle.
- Bundling of rights: Sport rights are partly offered in a bundle (e.g. TV, internet and mobile rights are sold only together). The purchasers of



bundled rights are generally financially strong TV operators. Access to these rights is then often foreclosed for mobile operators.

- Collective selling: Some mobile operators complain about the practice of collective selling as it shrinks their chances to acquire sport rights.
- Coverage restrictions: Coverage of 3G (UMTS) sport content can be restricted with regard to length (e.g. only highlights or short clips) and with regard to timing (embargoes leading to only delayed transmission for instance).

The 3G-sector-inquiry is still on going. Further comments can be submitted until 1 July 2005 to [comp-sector-inquiry-3g@cec.eu.int](mailto:comp-sector-inquiry-3g@cec.eu.int) with a copy to [competition@eftasurv.int](mailto:competition@eftasurv.int).

## **10th Private betting companies form European association**

Nine private betting operators from four European countries, operating in Germany among others, have formed the European Betting Operators' Association (EBA) in Brussels.

The possible, forthcoming liberalisation of the sports betting market in Europe,

---

<sup>1</sup> UMTS stands for Universal Mobile Telecommunications System and refers to the third generation



as the EBA sees it, and the associated break-up of the State betting monopoly are cited as the background to this.

The association members promised to take part in the early warning system planned by the DFB (Deutscher Fußballbund) as a result of the referee scandal.



<http://www.vewu.com>