



The Electronic Retailing Association (ERA) EUROPE ( [www.eraeurope.org](http://www.eraeurope.org) ) is the only organization representing the interests of all Television, Radio, and Internet e-retailers and associated service providers in the European market. The members of ERA EUROPE are companies established in Europe – the 25 EU member states and other European countries.

ERA EUROPE is dedicated to the promotion of the highest quality standards and consumer confidence, through a Pan European industry Self Regulation program and wishes to create an environment where Direct Response Electronic Retailing can grow throughout the European Union. The program guidelines and provisions as well as our directory of member companies can be accessed on our institutional web site:

The industry representatives working within our European Government Affairs Committee and at the Board of Directors of the association have carefully reviewed the proposed amendments to the Television Without Frontiers Directive adopted by the European Commission December 13, 2005, and which is now be subject to review and revision by the European Parliament.

We welcome the overall orientation expressed in the Commission's proposals to amend the Directive, notably the ambition to have a better, more efficient regulatory framework, through clarification and modernization of rules. The principles enshrined in the proposal are wholeheartedly supported by our organisation.

However, we would like to respectfully present to the members of Parliament the following two positions:

**Position N°1:** Request for including in the preamble of the Directive two additional definitions:

- **Audiovisual Commercial Communication spots**
  - **Audiovisual Commercial Communication Windows**
- a) We read the draft, with a “legal certainty and clarity” in mind, and we believe that, in the directive as in any legal or regulatory official document, no terminology should be used, without a definition that would help a converging interpretation by all stakeholders, especially the Member-States, when the implementation of the directive will take place.
- b) We believe that as “spots” are the element subject to hourly limitations ( % of hourly Broadcasting time) it is essential that that a standard definition of the terms “**Audiovisual Commercial Communication Spot**” be included in the preamble of the Directive. We suggest that this definition be drafted with organizations representing Advertisers and the Broadcasters. We will participate in this collective work, as spots are a secondary format used by Teleshopping companies. . In our opinion the definition should express a **maximum duration, to make a clear differentiation with “windows”**.

- c) “Audiovisual Commercial Communication Windows” especially “**Teleshopping Windows**” are a vital commercial format for our industry. They have existed for 15 years, and are an essential source of revenues for the Teleshopping industry, and for broadcasters, especially small or thematic channels.

We reiterate to the Parliament our recommendation that the concept of “**Audiovisual Commercial Communication windows**” be defined in the directive preamble as an “**uninterrupted segment of Commercial Communication**” of 15 minutes minimum duration, inserted between programs

## **Position N°2**

An amendment is of direct concern to our industry and raises some serious questions within our sector. We are referring to the complete removal of article 18-a regarding “Teleshopping windows”.

a) We cannot support the immediate and total removal of daily limits for Teleshopping Windows as is stated in the European Commission proposal by deleting article 18.a. This would in our view raise some considerable risks and does not contribute to any particular objective of the Directive. Some of the consequences that in our view would result from this removal of daily limits for Teleshopping Windows are as follows:

- A very serious dilution to the revenues generated by minute within the Teleshopping Windows on channels not fully devoted to Teleshopping. As a consequence, commercial revenues of these channels will be reduced. This in turn will impact on the programme financing and thus the quality of programming and in turn audience levels.
  - i. The Teleshopping industry will not benefit from the current proposal as the vastly increased provision of Teleshopping availability will have a dramatic and detrimental impact to the average rate per minute generated making much of the time unviable...
  - ii. A further consequence is that the smaller and niche broadcasters will experience a dramatic decrease to their Teleshopping revenues which in turn will impact on the financial viability of a great number of these channels
- More importantly, this complete release and the overstock of media time for Teleshopping Windows, will allow questionable players, and rogue traders to take advantage of this opening, thus impacting the positive results already accomplished by the industry through robust self-regulation programmes and the continuous promotion of the highest standards. Overall this measure could undermine the efforts of the Teleshopping industry in Europe to create the highest standards for consumers.

b) We believe that there are clear and tangible benefits in **relaxing** daily limits on Teleshopping Windows, especially to open new possibilities of diversified revenues to small or thematic channels, hence maximising the revenue generation potential for the different players in the audiovisual sector.

- c) Therefore, we have recommended that current provisions in article 18a should be **substantially amended** in the new Directive, to extend the daily limits of Commercial Communication/ Teleshopping windows.

We have suggested that relaxing the limit **from 3 hours to 6 hours** would be a balanced and reasonable approach to this provision.

It would allow for greater flexibility (with important economic benefits for smaller or thematic channels), but would also preserve the principle of a limitation that has helped ensure the respect for basic consumer protection rules within the commercial communication sector.

Our undisputable effort to elevate consumer protection standards, whilst fostering a positive and growth-driven relation with Broadcasters and other media, led us to recommend the extension from 3 to 6 hours of the daily limit applicable to Teleshopping Windows as the **most balanced approach** to this issue. We strongly recommend that this provision be adopted for a **first phase of 3 to 5 years period** after the revision.

We are fully prepared to work with the Commission and the Parliament to conduct at the end of this initial period an **impact analysis**, which will give all stakeholders a safe base, **built on suitable and objective criteria**, to maintain this limit, extend it or remove it.

This Teleshopping industry positions has been unanimously adopted and voted in a motion of ERA EUROPE Board of Directors, January 28, 2006.

Marcel Avargues  
Executive Director  
ERA EUROPE  
May 25, 2006