



Department
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Media & Sport

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Lord Boswell of Aynho
Chairman of the European Union Committee
House of Lords
London
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CMS 302245/asg
25 April 2017

Dear Tim

Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Directive 2010/13/EU on the coordination of certain provisions laid down by law, regulation or administrative action in Member States concerning the provision of audiovisual media services in view of changing market realities (9479/16)

I am writing to provide a general update on the Council working groups in the lead up to the vote on this Directive in the Education, Youth, Culture and Sport (EYCS) Council on 23 May and to respond to issues you raised in your letter to me of 12 January/33rd report from 1 March where I am able to provide updates.

On 7 April we received an updated compromise text from the Presidency following the working groups that have taken place this year (Annex 1). My officials have done an initial analysis of this proposal, considering both the initial Commission proposal and where the Presidency's compromise proposal aligns with the UK's position (Annex 2). You will see that there are three areas that do not align with the UK's view. There is wording in relation to jurisdiction which we believe could further deteriorate the Country of Origin principle, there is considerable extension to scope for video-sharing platforms, which has the potential to create burdensome regulation for business and the country of destination levies for video-on-demand services has been extended to include linear channels.

The next steps are to attend further working groups, Coreper, and an attache only meeting in the next three weeks and to ascertain what the red lines are for other Member States. My Department will continue to assess other Member States' positions but we are aware that many Member States retain flexible positions and remain under scrutiny.

We are aware that is still under scrutiny reserve and I will be writing for a waiver for the vote at the Education, Youth and Culture Council on 23 May if we decide we want to support the proposal, once the above mentioned meetings have taken place, and once we are clearer about the general position of other Member States. I will also update you if we decide to vote against the proposal when it comes to Council.



I have shared the Presidency's compromise proposal, noting that it is marked Limité and not in the public domain, and not likely to be until after the EYCS Council meeting on the 23 May. For the purposes of scrutiny, I believe it is necessary to share this, but would request that you handle the information in accordance with the agreement for sharing such texts. As our analysis makes explicit reference to this document, we would request that this assessment is treated similarly for the time-being.

If you have any questions you would like my department to address, we are at your disposal but I would appreciate if these queries could be sent before the end of this month. This is in order to ensure that a full response can be given in advance of your committee meeting prior to the EYCS Council on 23 May.

I am copying this letter to Sir William Cash Chair European Scrutiny Committee, to Les Saunders at DExEU, Eve Samson ESC, Chris Johnson EUC and to Nazmeen Chowdhury interim DCMS scrutiny coordinator.

Yours ever

A handwritten signature in blue ink that reads "Matt Hancock". The signature is written in a cursive style with a large, stylized flourish at the end.

Rt Hon Matthew Hancock MP
Minister of State for Digital and Culture