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identification (RFID) tags, the Commission has unveiled its proposals for an RFID strategy for Europe. The Commission, in particular, proposes to address the privacy concerns of citizens to boost consumer confidence and Europe's position in a market experiencing 60% growth globally. RFID is a technology which involves tags that emit radio signals as identifiers, and devices that pick up the signal and identify the tags. It has a wide range of applications and does not require direct contact or line-of-sight scanning.

The economic potential of smart radio tags can hardly be underestimated. In 2006 alone over one billion RFID tags were sold worldwide and by 2016 it might be over 500 times this number. The European market is estimated to grow from 500 million in 2006 to 7 billion by 2016. Europe is also a leading international player for RFID research and development, and its industry is strongly placed.

The European Commission will therefore:

- Create in 2007 an RFID Stakeholder Group to provide advice and assistance to the Commission in developing a European policy position concerning RFID applications. This will be carried out in association with, among others, the Article 29 Data Protection Working Party
- By mid 2007, propose amendments to the e-Privacy Directive to take account of RFID applications, as part of the EU Telecom Rules' review
- Publish, by the end of 2007, a Recommendation on how to handle data security and privacy of smart radio tags to EU Member States and stakeholders. Both the Data Protection Directive and the e-Privacy Directive set rules for processing personal data which must be respected irrespective of the underlying technologies, and the Recommendation would further clarify their application to RFID
- In association with the Stakeholder Group, analyze the economic and social effects of smart radio tags and other technologies, particularly

focusing on privacy, trust and governance, leading to an assessment of policy options and need for further legislative steps, by the end of 2008.

Stakeholders should in a pro-active way influence the process now.



EU Directive on UCITS investment funds

The European Commission has taken action in two specific areas to improve the efficiency of the EU market for retail investment funds. These funds, known as UCITS, provide consumers with access to professionally managed investments on affordable terms and now account for over 5500 billion of assets. First, the Commission has adopted legally binding guidance on whether new financial instruments can be included in investment funds. Second, it has issued guidance on how host country authorities should exercise limited scrutiny powers when UCITS are notified for sale in their country. These clarifications will ensure consistency in the authorization and marketing of investment funds across the EU. The Commission will propose a more fundamental redesign for investment funds later in 2007.

The Commission has specified, in the form of an implementing Directive, criteria for assessing whether different types of financial instrument are eligible for inclusion in UCITS funds. This measure will help to remove uncertainty as to whether UCITS can properly invest in the following financial instruments: asset backed securities; listed closed end funds; Euro Commercial Paper; index based derivatives; and credit derivatives.

EU strategy on Life Sciences and Biotechnology

In 2007, the European Commission intends to update its 2002 European Strategy on Life Sciences and Biotechnology based on an in-depth assessment of the progress made since.

The European Commission has therefore started a consultation among stakeholders which invites companies to present their assessment of the implementation and the way forward in order for the European Commission to evaluate the merits and possible shortcomings of the strategy and draw conclusions on the best ways to maximize the contribution of modern biotechnology.

Companies from the Life Sciences and Biotechnology sector should give their comments on the subject as soon as possible.

EU strategy for smart radio tags

Exactly one year after launching an extensive Europe-wide public consultation on radio frequency

The Commission proposed the implementing Directive taking into account advice from the Committee of European Securities Regulators (CESR). The proposal has received the approval of the European Parliament and of the EU Member States.

The Member States now have 1 year to implement the Directive into national law. Stakeholders therefore need to cover their interests within that period.



European Commission Communication on Mobile TV

The European Commission recently urged industry and Member States to develop a proactive European strategy. Availability of service everywhere and anytime, attractive commercial offers, interoperability of devices, spectrum availability and light regulation on licenses are all seen as vital ingredients for boosting the demand for Mobile TV in Europe with an estimated worldwide market of 11,4 billion Euro by 2009. The European Commission encouraged the setting up, in July 2006, of the European Mobile Broadcasting Council (EMBC). This first forum gathered players from the telecommunications hardware manufacturers, and the software, broadcasting and content industries. Their work, as well as discussions with the Member States, will feed in the preparation of a Commission Communication on Mobile TV due for Mid 2007.

Interoperability among Mobile TV platforms and enabled devices is crucial for large scale take-up by European consumers. The Commission has already invested some 40 million in Mobile TV-related research and supported the emergence of the open Digital Video Broadcasting (DVB) standards, which also cover mobile broadcasting. It is widely recognized that the business model for Mobile TV will combine telecommunications technologies such as 3G and broadcasting technologies such as DVB-H. Only broadcasting technologies have the necessary capacity to support large scale

consumption of Mobile TV. Spectrum availability is also essential for the deployment and large scale take up of Mobile TV. Whereas the Commission has already indicated that the L-band could be a solution suited to most EU countries in the short term, the potential of other frequency bands such as the S-band and the UHF band is also being explored. It is the switchover from traditional analogue to digital broadcasting that will free-up premium spectrum in the UHF band. The Commission is working with Member States in the Radio Spectrum Policy Group to define an EU-wide approach to capitalizing on the digital dividend, and for re-using spectrum for innovative services such as Mobile TV.

This will be set out in a Commission Communication later this year which should be the basis for multimedia companies to cover their interests.

Green Paper on Urban Transport

Urban transport is an increasingly high profile policy area in Europe. Some 80% of Europeans live in an urban environment. Urban transport is oil-dependent and produces some 40% of all CO₂ emissions from road transport and up to 70% of other pollutants from transport.

Public consultations carried out by the European Commission have revealed a strong interest in a greater EU contribution in the field of urban transport policy. For this reason the European Commission announced in the mid-term review of the Transport White Paper (Keep Europe moving – Sustainable mobility for our continent. COM(2006) 314 of 22 June 2006) in June 2006 that it would publish a Green Paper on Urban Transport in 2007 to identify potential European added value to actions taken at local levels. The Green Paper on Urban Transport will be published in the second half of 2007.

All stakeholders in this issue should therefore comment on the initiative then as soon as possible.

EU strategy against CO₂ car emissions

The European Commission on 7 February 2007 proposed a comprehensive new strategy to reduce carbon dioxide (CO₂) emissions from new cars and vans sold in the European Union. The new strategy, together with a revision of EU fuel quality standards proposed last week, further underline the Commission's determination to ensure the EU meets its greenhouse gas emission targets under the Kyoto Protocol and beyond. The strategy will enable the EU to reach its long-established objective of limiting average CO₂ emissions to 120 grams per km by 2012 - a reduction of around 25% from current levels.

The main measures it is proposing in the strategy are as follows:

- A legislative framework to reduce CO₂ emissions from new cars and vans will be proposed by the Commission by the end of this year or at the latest by mid 2008.
- Average emissions from new cars sold in the EU-27 would be required to reach the 120g CO₂/km target by 2012. Improvements in vehicle technology would have to reduce average emissions to no more than 130g/km, while complementary measures would contribute a further emissions cut of up to 10g/km, thus reducing overall emissions to 120g/km. These complementary measures include efficiency improvements for car components with the highest impact on fuel consumption, such as tires and air conditioning systems, and a gradual reduction in the carbon content of road fuels, notably through greater use of biofuels. Efficiency requirements will be introduced for these car components.
- For vans, the fleet average emission targets would be 175g by 2012 and 160g by 2015, compared with 201g in 2002.
- Support for research efforts aimed at further reducing emissions from new cars to an average of 95g CO₂/km by 2020.
- Measures to promote the purchase of fuel efficient vehicles, notably through improved labeling and by encouraging the Member States that levy car taxes to base them on cars' CO₂ emissions.
- An EU code of good practice on car marketing and advertising to promote more sustainable consumption patterns. The Commission is inviting car manufacturers to sign up to this by Mid 2007.

The Commission's Communication is addressed to the European Parliament and the Council of Ministers. The Commission will await their responses and implement the strategy based on these. Before proposing the legislative framework the Commission will consult widely with stakeholders on its design and undertake a thorough impact assessment. Car producers and respective component producers, however, who have not been involved in the process so far yet, should start covering their interests immediately.

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