WRITTEN QUESTION E-2881/02
by Theresa Villiers (PPE-DE)
and Charles Tannock (PPE-DE) to the Commission
(14 October 2002)

Subject: Selling of Irish newspapers

1. Is the Commission aware that in the Republic of Ireland, newsagents have to pay carriage charges to receive and sell all United Kingdom national newspapers but that no such charges are payable on leading Irish titles including the Irish Independent, the Irish Times, and the Irish Examiner (though in the case of the latter only in the province of Munster)?

2. Is the Commission aware that these carriage charges have been rising well ahead of the RPI?

3. Is the Commission also aware that in north Donegal, United Kingdom and Northern Irish newsagents, Menzies and WNS, control newspaper distribution with territorial exclusive arrangements which allow them to impose carriage charges and to invoice in the pound sterling rather than euros?

4. Is the Commission further aware that to obtain distribution of their titles in the United Kingdom, the Irish newspaper publishers sign exclusive distribution arrangements which mean that to obtain supply, British and Northern Irish newsagents have no choice of supplier and have to pay carriage charges, often involving the unnecessary duplication of delivery, which have also risen well ahead of the RPI?

5. In the light of the above, will the Commission investigate whether the system of exclusive geographical territories and carriage charges constitute illegal and unacceptably restrictions on the trade in English language newspapers between the different parts of the United Kingdom and the Republic of Ireland?

6. Do these practices restrict the creation of a single market and pan European Union products, thus reducing cultural exchange?

7. Do they reduce the availability of the press particularly in rural and social excluded urban areas, thus reducing social welfare?

8. Do they also constitute an illegal transfer of wealth from small independent business people to large commercial organisations, the agreements between which constitute cartels?

Answer given by Mr Monti on behalf of the Commission
(27 November 2002)

The Commission is aware of the practice of carriage charges in distribution systems for newspapers in the Member States, including the United Kingdom, but it has no specific information on the current functioning and effects of this system in Ireland.

Exclusive distribution systems as referred to by the Honourable Members, if based on agreements between publishers, wholesalers and newsagents, may be relevant under the Community competition rules, as laid down in Article 81 of the EC Treaty. In this context, the Block Exemption Regulation (EC) No 2790/1999 is particularly relevant. In that regard, it is also useful to recall that the European Court of Justice in its BINON judgement of 1985 explicitly recognised the efficiencies brought about by contractual newspaper distribution systems — in the case at issue a selective distribution system — while subjecting their admissibility pursuant to Article 81 of the EC Treaty to certain conditions, such as the need for non-discriminatory selection of the distributors on the basis of objective and qualitative criteria.

The situations described by the Honourable Members have not been the subject of a notification or a complaint to the Commission with regard to Community competition rules. Nor has the Commission currently any evidence that the differences in the wholesale price for Irish and British newspapers in Ireland or the obligations under exclusive distribution arrangements entered into by Irish newspaper publishers in the United Kingdom are the consequence of behaviour contrary to Community competition rules. It should also be noted that carriage charges specifically foreseen for printed products imported from...
the United Kingdom into Ireland or vice-versa may be designed to cover additional transport and distribution costs incurred by the wholesaler. The British office of fair trading is currently reviewing whether the carriage charges actually reflect the commercial and economic distribution costs of newspaper wholesalers.

The Commission is following closely the evolution of cross-border pricing for newspapers and magazines within the Union in the light of Community competition rules, has established contact with the Irish and British competition authorities with a view to further assessing the matter.


(2003/C 161E/053)

WRITTEN QUESTION E-2894/02
by Jens-Peter Bonde (EDD) to the Commission

(14 October 2002)

Subject: Bookkeeping in the Commission

1. Which DGs have signed their accounts without reservation, and which DGs have made reservations to the accounts?

2. Which DGs have double entry bookkeeping for all their transactions?

3. Which DGs use Excel spreadsheets for their bookkeeping?

4. By what date does the Commission expect double entry bookkeeping to be established in the various directorates and agencies?

5. When will there be a centrally kept bookkeeping system that includes the transactions from every DG and the decentralised agencies and bodies?

Answer given by Mr Schreyer on behalf of the Commission

(2 December 2002)

1. Each Directorate General (DG) in the annual activity report makes a declaration on the sound financial management of the available resources and the regularity and legality of the underlying transactions, not simply on the accounts. The DG for the Budget expressed two reserves in his 2001 declaration, one on the synchronisation, consistency and security of data for the financial information and one on the imperfect reflection of the complete situation of the assets and liabilities in the financial position. Both matters were already cited in the 2001 Working Paper as matters needing improvements. Modernisation measures have been taken since then, such as introducing new elements in the financial statements (registration and depreciation of fixed assets, value adjustments for entitlements, pension rights, entry of carryovers as charges and debts for the financial year), improvements in accounting information system (synchronisation and quality assurance, system interface, security access update and review, system failure tests, invoice register, etc.).

2. All transactions registered by DGs in their budgetary management tool are booked in the central accounting system (SAP R/3) on a double entry book keeping basis:

- Si2 is the budgetary management tool for the authorising services (DGs). Transactions are introduced by the Directorates General in Si2, either directly, or indirectly via transfer from local computer systems, through a standard interface. All transactions must be validated in Si2 by the authorising officer before transfer into R/3;