European Commission proposal threatens audiovisual content in Europe and erodes cultural diversity to the detriment of European audiences.

Brussels, September 14, 2016

Today the European Commission has published its proposal for a Regulation laying down rules on the exercise of copyright and related rights applicable to certain online transmissions of broadcasting organisations and retransmissions of television and radio programmes.

Despite unanimous alerts from the film, TV and sports sectors in Europe of the unintended and negative consequences of such an approach, the proposal will erode the cultural diversity underpinning the European film, TV and sports sectors. The capacity to continue to create, finance, produce and distribute content in Europe under the proposed rules will be severely reduced to the detriment of European audiences who will be deprived of a diverse offer of content and platforms online going forward. This is also evidenced by <u>recent independent economic research</u>.

Earlier this summer, we, the undersigned organisations representing the film, TV and sports sectors in Europe, were part of a wider industry initiative in which 101 organisations and individuals representing creators and businesses in the film, TV and sports sectors throughout Europe and across the world wrote a <u>letter</u> on this topic to President Juncker. The letter urged him not to proceed with a proposal that would erode the territoriality of audiovisual rights and the ability to license on an exclusive territorial basis. The application to online services of the principles enshrined in the Satellite and Cable Directive, especially its Country of Origin Principle, will force the application of a legal regime established for satellite and cable to an entirely different environment, thereby attempting to impose cross border access in ways that will inevitably erode cultural diversity to the detriment of existing financing practices and real consumer taste and demand.

The Commission's new proposal goes against its political commitment to foster economic growth and jobs in Europe and the obligation to respect cultural diversity in Europe under the Lisbon Treaty. The proposed Regulation does not 'respect the value of rights in the audiovisual sector' as territoriality without full exclusivity has no meaning: offering less than full exclusivity will generate less income with a negative impact both on raising financing and on recoupment.

We will work with the European Parliament and the European Council to preserve the integrity of territorial exclusivity in the audiovisual sector and maintain the indispensable market incentives for the film, TV and sports industries to finance, produce and distribute audiovisual content in Europe for the benefit of all audiences. We will work to preserve Europe's cultural and linguistic diversity as a strategic asset underpinning our European identities and citizens' trust in the EU.

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