



European network of independent distributors

Mrs Aviva Silver
Head of Unit A2, DG INFSO
European Commission
BU33 02/10
B-1049 Brusells
Belgium

Subject: MEDIA selective support for distribution

Dear Madam,

The members of Europa Distribution want to bring an important issue to the MEDIA Programme regarding the Selective support.

The Guidelines published in December 2007 stipulated: *"Any MEDIA grant shall remain the exclusive property of the beneficiary. Community Law and the general conditions of any eventual contract offered to a distributor clearly lay down the fact that the Community Contribution (Grant) "shall be used by the Beneficiary solely, exclusively and directly in discharging eligible expenses incurred"* (Last Paragraph of the Chapter 11 / Publicity).

Nevertheless, in practice, the habits from the past still seem to be dominant in the negotiations: the sales agents require that the support given to the distributor (i.e. the non returnable sums) is included in the royalty statement for the benefit of producers.

However, the Media selective support was originally built to strengthen the distributors who are doing a regular work on European movies.

This support has become especially important in the last few years because European distribution clearly appears today to be the film industry's weak link. Distributors all face the same problems: a decline in attendance, an unprecedented inflation in the number of films and prints, and a decrease in the amount of time the most challenging movies play in theatres. Moreover, vertical and horizontal integration has been on the rise over the past few years. This growing integration has inflated promotion costs, which undermines independent distributors. As a result, the diversity of film itself is at stake.

As a result, film distribution suffers today from the following paradox: never has the distributor's role been more important, yet never has his position been more vulnerable.

For all these reasons, it is necessary that MEDIA finds a way to make sales agents respect the Guidelines: as stipulated in the Guidelines, the MEDIA Selective support should stay for the exclusive benefit of the distributors in order that they can go on working on European arthouse movies.

We thank you in advance for your consideration of this matter.

Very best regards,

Adeline Monzier, Manager of Europa Distribution