



## **EFADs' open letter to Members of the European Parliament (MEPs)**

**The European Film Agency Directors (EFADs) strongly encourages all MEPs to support the EP Legal Affairs Committee's mandate on the European Commission's "SatCab" Proposal.**

Dear Member of the European Parliament,

**On behalf of the European Film Agency Directors association (EFADs) we are writing to you to express our strong and unequivocal support for the Legal Affairs Committee's mandate on the European Commission's "SatCab" Proposal** (*"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"*). This mandate was adopted by a large majority of the Legal Affairs committee and supported by many associated European Parliamentary committees (in particular CULT, ITRE and IMCO).

**We respect the European Parliament's unique role as a co-legislator directly elected by EU citizens. We also trust that it will continue to exercise its independence and strongly support both the ability of audiences across the EU to enjoy audiovisual works and the creation, production, financing and circulation of diverse audiovisual works in Europe.**

The EFADs believe that the European Commission's "SatCab" proposal, does not strike any such fair balance. This proposal, in conjunction with the DG Competition case regarding cross-border pay-TV services, poses potentially very serious threats to cultural diversity across Europe. This view is shared by a very wide group of creators, producers, broadcasters in the audiovisual sector. The Proposal risks endangering the financing and distribution model of European audiovisual works:

### **The risks:**

- 1. The country of origin (COO) principle for licensing will make it more difficult to finance films, series, documentaries and in particular all our European co-productions.** This is because it would enable one license to be bought (for a feature film or other audiovisual work) for one Member State that was then valid for the remaining 27 Member States. On average, more than 40% of films produced in the EU are European coproductions and heavily rely on territorial exclusivity (pre-sales and pre-financing territory by territory). Moreover, [research](#) has confirmed that the Commission's proposal is likely to result in up to 48% less content made (and in some scenarios even more would be at risk).
- 2. It will also lead to less remuneration for all creators involved because channels will be able to exploit widely works without having to remunerate them accordingly.**

3. **It will lead to less circulation of European works** – because very few broadcasters will be interested in acquiring a work and showing it to their local audience when this work has already been made available online in that same territory by another broadcaster.
4. **It will dramatically reduce the sales revenues generated by exports of these works in the different territories.** The capacity to recoup investments will be affected as well as additional remuneration for creators. Research shows that the Commission's proposal is likely to result in up to €8.2bn annual producer revenue loss.

**There are other solutions:**

1. **Contrary to certain statements, applying the COO only to news and current affairs will make an important difference.** It responds, in a very precise and appropriate way, to the request of broadcasters which is mentioned in the impact assessment ([see footnote 70](#)). It will make it easier for them to clear the rights of all their numerous AV archives and news programmes.
2. **It is already possible, within the current copyright framework, to make ancillary broadcasting services available on a pan-European basis.** Plenty of content is already accessible in catch up online because broadcasters choose to clear the rights for it (news, entertaining programmes, documentaries, TV series) and therefore do not geo-block it.
3. **The Portability Regulation will soon deliver major consumer benefits and strikes the right balance by providing enhanced consumer access without undermining the financing model of European film.**
4. **Other initiatives at European and national level fostering co-productions and the circulation of European works across all platforms are ongoing in the context of deep changes in the sector.** MEDIA is playing a key role in this respect and EFADs members have launched initiatives to support a broader availability of films, series and documentaries across all forms of distribution so that they can reach an audience in a larger number of countries. The EFADs support initiatives that focus on availability, visibility and promotion of European audiovisual works so that a meaningful audience can be built for these works in all territories.
5. **[The revision of the Audiovisual Media Services Directive \(AVMSD\) is also key.](#)** If the quota and prominence obligations for on-demand services are adopted, there will be more European works available and promoted online to the benefit of audiences.

**We count on your strong support for the Legal Affairs Committee's mandate on this Proposal.** It is essential to ensure cultural and linguistic diversity continues to flourish in the European Audiovisual Sector to the benefit of all EU citizens and residents.

We remain at your disposal for any questions you may have,

Kind regards,

Peter Dinges, President of the European Film Agency Directors (EFADs)