



European Digital Media Association  
Association Européenne des Médias Numériques

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**EDiMA Press Statement on regulatory obstacles to the on-line music in Europe – European Commission has completely singularly failed to seize an opportunity to promote the development of the on-line music sector in Europe**

The development of the on-line music sector in Europe is being held back as a result of the failure of the European Commission to address regulatory obstacles across the European Union. EDiMA, the European Digital media Association, which represents on-line music providers, today calls on the Commission to urgently tackle these regulatory obstacles.

The European Commission is expected to issue a Recommendation on collective rights management next week that could have allowed on-line music providers to negotiate for pan-European licenses. Negotiations for pan-European licenses are impossible under the current regulatory regime. Instead of proposing a string legislative instrument such a directive, EDiMA understands that the Commission now plans to issue non-binding guidelines, which themselves have been watered down, and which are likely result in the maintenance of the current monopolistic and territorial regulatory regime for rights management.

The change in the Commission’s plans appears to contradict its previously stated view that *“present structures for cross-border collective management of legitimate on-line music services ... need to be improved for music to fulfill its unique potential as a driver for on-line services. Action is now required at EU level because revenue achieved with on-line content services in the US in 2004 was almost 8 times higher than on-line content revenue produced in Western Europe”*.

EDiMA believes that Commission has missed an opportunity to provide a workable solution they themselves have highlighted. By not proposing a change in the licensing regime, whereby a pan-European license could be procured by a user from any one collecting society, an option the Commission itself floated in July, the Commission has effectively denied the user community, and indeed the consumer, access to an internal market in on-line music provision. The Lisbon Agenda clearly calls on the Commission and Member States to put measures in place to enhance the competitive nature of European business – the Commission has undermined the Lisbon Agenda by proposing a weak legislative instrument which does little to subject the licensing regime or collecting rights management bodies to sensible internal market rules,. Finally, by ignoring the need for concrete change to the licensing regime, the Commission has singularly failed to provide a simple cure to piracy and its negative affect consumers, authors, composers, right holders and European business – a robust and growing legitimate on-line music market.

EDiMA has written to the European Commission asking it to delay the adoption of its initiative and to ensure that the measures it eventually proposes will tackle the regulatory obstacles and promote the development of the on-line music sector.

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**NOTES:**

In 2000 European collecting societies proposed a method through which they were prepared to provide pan-European licences for on-line music distribution, the so-called Santiago Agreement. This method was deemed to be anti-competitive by DG Competition so the collecting societies simply withdrew their proposal in 2004. DG Internal Market involved itself in the debate, with the issuing of a Communication on collective rights management in 2005 from which this expected Recommendation springs. 5 years, one statement of objections, one hearing, two Communications and a study later, legitimate on-line music providers are subject to the same licensing regime available to them in 1999, despite recognition by all parties involved that changes needed to be made to adapt the licensing regime to on-line business.

For additional information on EDiMA please call 00 32 2 926 1990 or contact Wes Himes at 0044 70 9 235 5905 see [www.europeandigitalmediaassociation.org](http://www.europeandigitalmediaassociation.org)

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