



Brussels, May 19th 2017

Re: Impact Assessment of the Commission's proposal for an Audio Visual Media Services Directive

Dear Minister,

We are writing to you as a coalition of industries who are committed to the establishment of a fair and proportionate legislative framework for audiovisual media services in the European Union.

The review of the AVMS Directive is one of the first tests of Europe's ambition to progress towards a Digital Single Market that benefits European businesses and citizens. Seen in this light, it sets a deeply worrying precedent.

Today, European consumers have access to a greater variety of content – across borders and devices – more than ever. While we acknowledge that industry has an important role to play in fostering the availability of quality European content, we are concerned that the Council text risks severely disrupting this dynamic sector.

The mandatory quota requirements in Article 13 para 1 disproportionately impact the smaller EU markets. Service providers may need to cut their existing catalogue or refuse new content. This robs consumers of choice and access to content that they already enjoyed. Furthermore by attacking the "country of origin" principle, Article 13 para 2 as laid out in the Council's text would fragment the Digital Single Market rather than stimulate it. The move to a "country of destination"-principle would create a disproportionate burden on providers that offer video content across borders and prevent European start-ups from growing their business and harnessing the potential of the Digital Single Market. It would also particularly disadvantage Member States with smaller audiences. In its current form, the proposed contributions to national funds will cause cross-border providers to invest less in direct investments in European works. This should be remedied by clarifying that any obligation to contribute to national funds should be proportionate and take into account any direct investments made in European works.

Moreover, through vague definitions and provisions, the draft risks undermining one of the fundamental building blocks of the digital economy and of the internet: the e-Commerce Directive. It does so in a sector-specific manner and without an open debate. It threatens fundamental freedoms – including the freedom of speech – through disproportionate requirements for service providers to restrict content which is not illegal. This approach is restrictive, rather than protective, and could lead to abusive practices. It is a step back from a competitive and consumer-friendly digital economy for Europe.

We believe an impact assessment would help guide the ongoing discussions in line with the Commission's Better Regulation guidelines. We therefore urge the Commission and the Member States to properly assess the potential effects of the proposal on the Single Market prior to the adoption of the General Approach.

Yours sincerely,

CCIA

DIGITALEUROPE

EDiMA

EMOTA



ABOUT THE SIGNATORIES:

CCIA: The Computer & Communications Industry Association is an international, nonprofit association representing a broad cross section of computer, communications and Internet industry firms. CCIA remains dedicated, as it has for over 40 years, to promoting innovation and preserving full, fair and open competition throughout our industry. Our members employ more than 750,000 workers and generate annual revenues in excess of \$540 billion. For more, please go to: www.ccianet.org

DIGITALEUROPE represents the digital technology industry in Europe. Our members include some of the world's largest IT, telecoms and consumer electronics companies and national associations from every part of Europe. DIGITALEUROPE wants European businesses and citizens to benefit fully from digital technologies and for Europe to grow, attract and sustain the world's best digital technology companies.

DIGITALEUROPE ensures industry participation in the development and implementation of EU policies. DIGITALEUROPE's members include 62 corporate members and 37 national trade associations from across Europe. Our website provides further information on our recent news and activities: <http://www.digitaleurope.org>

EDiMA is the European trade association representing online platforms and other innovative businesses. It is an alliance of new media and Internet companies whose members include Airbnb, Amazon EU, Apple, eBay, Expedia, Facebook, Google, King, LinkedIn, Microsoft, Mozilla, PayPal, TripAdvisor, Twitter, Yahoo! Europe, Yelp. EDiMA's members provide Internet and new media platforms offering European consumers a wide range of online services, including e-content, media, e-commerce, communications and information/search services.

EMOTA, the European eCommerce and Omni Channel Trade Association, is the European level umbrella federation representing online and distance sellers across Europe. The main mission of EMOTA is to promote eCommerce and Distance Selling and help policy makers remove any barriers to cross-border selling