



## PRESS RELEASE

### INDUSTRY LEADERS ASK COMMISSION PRESIDENT TO EXPLAIN SCRAPPING OF COPYRIGHT LEVY REFORM

**Brussels, February 13, 2007** -- Ten global CEOs, representing Europe's technology and on-line media industry, wrote to José Manuel Barroso, President of the European Commission, expressing their concern and disappointment with his decision to scrap the Commission's planned reform of the copyright levy system in 22 Member States of the European Union.

The Commission has held several consultations with the Members States and relevant stakeholders over the past two years in order to determine the nature and extent of the problem. It conducted what it has officially termed a "...rigorous impact study..." which concluded that the body of evidence of market distortion and unjust levying of consumer devices was sufficiently substantial to merit the adoption of a Commission Recommendation. The Recommendation was to be adopted by the Collège of Commissioners on December 20 last, but was pulled from the agenda at the last minute.

While major European collecting societies - such as SONT in the Netherlands and SACEM in France - are under close scrutiny from their national governments for their lack of transparency and their failure to fully redistribute the copyright taxes they collect in the name of authors and creators, industry CEOs are requesting President Barroso to clarify his rationale for pulling the plug on one of the key EU initiatives aimed at improving the competitiveness of the European economy and creating growth and jobs.

The letter signed by CEOs of companies that are major employers in the EU states that: *"Industry's confidence has been shaken by the sudden withdrawal of the proposed reforms and we look to you [President Barroso] to personally lead the way forward..."*.

#### **For further information please contact:**

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#### **Notes to Editors**

##### ***What are copyright levies?***

Copyright levies are fees intended to compensate rights holders for the economic harm done by legal private copying; similar to a tax, yet their amounts are not statutorily decided. They are not intended to compensate for illegal copying, and should not be perceived as a "piracy tax" on European consumers.

Copyright levies were first collected on cassette recorders and blank cassettes in 1961.

They were applied to video cassette recorders and blank video cassettes in the early 1980s.

Today, they are applied to various types of digital devices as well as reprographic equipment such as copiers and multifunctional printers; and proposals are underway in several countries to extend copyright levies to new devices such as PCs, mobile phones and digital cameras. They are not royalties designed to compensate artists for sale of their works. Copyright levies are not designed to compensate artists for piracy. The only European countries which do not apply copyright levies to devices and recordable media are Cyprus, Ireland, Malta, Luxembourg and the UK.

A **Recommendation of the European Commission** is a legal instrument of the European Union, addressed to Member States, which urges Member States to comply with existing legislation (in this case the 2001 Directive on Copyright in the Information Society) or expresses a view on how legislation should be implemented. It is a so-called instrument of “soft law”, and while non-binding in nature, can be cited in domestic legal proceedings as an indication of how European law should be interpreted.

**About the Copyright Levies Reform Alliance**

*The Copyright Levies Reform Alliance is comprised of the Business Software Alliance (BSA), European American Business Council (EABC), European Digital Media Association (EDiMA), European Information and Communications Technology and Consumer Electronics Association (EICTA), Recording-media Industry Association of Europe (RIAE), and the European Semiconductor Industry Association (ESIA)*

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