





Mr Zdravko Počivalšek The head of Ministry of Economic Development and Technology Kotnikova 5, Si - 1000 Ljubljana gp.mgrt@gov.si

Brussels, 6th July 2017

Dear Mr Počivalšek,

Since the presentation by the European Commission of its proposal for a Directive on Copyright in the Digital Single Market on 14 September 2016, the Council's Intellectual Property Working Group and European Parliament's committees have discussed many aspects of the text.

The provisions proposed by the Commission represent a step forward in rebalancing the EU copyright regime towards fairer terms for authors and performers. However, in order to turn the promise of fair remuneration for authors into a practical reality, the Commission's proposals need to be significantly strengthened, notably by allowing these provisions to be used collectively.

In addition, a new issue, equally essential to stabilize the working lives of European audiovisual creators, has appeared in every committee in the European Parliament: an unwaivable right to remuneration for audiovisual authors for the on-demand exploitation of their works. It received support from across the political and geographic spectrum.

Audiovisual authors such as screenwriters and directors face income instability, weak bargaining power and high-risk during the unpaid development stage of new projects: sharing in the economic success of their work is absolutely necessary for creators to have a viable income stream, allowing them to keep on investing their creative energy in the development of new projects.

Sustainable remuneration for audiovisual authors must therefore include payments for the work done at the production stage, as well as exploitation based-royalties. The latter is particularly difficult for authors to negotiate and enforce in an individual contractual relationship: noboby knows the value of the work and rights at the contract signature stage, and individual freelance authors are in a systemic weak bargaining position which deprives them of contractual freedom.

That is why the audiovisual authors' community is counting on the establishment of an unwaivable right to remuneration which, for the first time across Europe, would systematically link their royalties to the on-demand exploitation of their works, wherever that may occur within the Digital Single Market.

This legal tool is already in place in a number of EU Member States such as Spain, Italy and to a certain extend France and Belgium, where it has guaranteed authors fair remuneration and had no negative impact on the value chain. On the contrary, it is an invaluable tool to nurture the creativity, diversity and financial independence of European authors who are evolving in very competitive markets.

Europe's competitive advantage within the cultural and creative industries as well as the continued demonstration of our continent's cultural diversity depends on its creators being able to make a living from their work and to be rewarded when their works are a success. Distribution channels and business models may change but the underlying fairness of an authors' revenues being linked to the success of their creation should be a constant.

We therefore count on your support for the introduction of an unwaivable right to remuneration to audiovisual authors for the on-demand exploitation of their works in the European Directive on Copyright in the Digital Single Market.

We remain at your disposal for any further information.

Yours sincerely,

Pauline Durand-Vialle CEO FERA

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David Kavanagh Executive Officer FSE

Cécile Despringre Executive Director SAA

FERA - Founded in 1980, the Federation of European Film Directors contains 39 directors' associations from 29 countries. It speaks for approximately 20,000 European screen directors, representing their cultural, creative and economic interests both in Brussels and in the Member States. <u>www.filmdirectors.eu</u> @Film_directors

FSE - The Federation of Screenwriters Europe is a network of national and regional associations, guilds and unions of writers for the screen in Europe, created in June 2001. It comprises 25 members from 20 countries, representing more than 7,000 writers in Europe. <u>www.scenaristes.com</u> @ScreenwritersEU

SAA - Founded in 2010, the Society of Audiovisual Authors (SAA) is the association of European collective management organisations representing audiovisual authors. Its 31 members in 23 countries manage rights for over 120,000 film, television and multimedia European screenwriters and directors. <u>www.saa-authors.eu</u> @saabrussels