

PRESS RELEASE – FOR IMMEDIATE RELEASE

DIGITALEUROPE condemns the proposals of the ‘Mission Lescure’ to create new taxes on consumers

Brussels, 14 May 14 2013: The Mission Lescure fails to present recommendations fit for the digital age and chooses to safeguard the outdated private copying system which benefits a handful of rightholders to the detriment of consumers.

The report ignores the reality of the current economic crisis across Europe, as it proposes to impose a double-taxation on consumers. Firstly, the report suggests extending the scope of the archaic private copying system to cloud computing uses and, secondly, the creation of a new tax on “connected terminals” in order to subsidise yet again the French cultural industries.

Rightholders are already remunerated by consumers based on what they pay to access cultural content on the legal platforms put in place by the digital industries. As a matter of fact there would be a triple compensation: first as part of the license to have access to the contents legally offered by digital service, second as part of the levy that is already paid on access devices (tablets, mobile phones, etc.) and third in case the additional tax is implemented. Instead of encouraging the development of such platforms, the Mission Lescure proposes to increase levies on new technologies in France, which already are the highest in Europe.

The Lescure proposals would not comply with European jurisprudence. They are also in total contradiction with the recommendations put forward by European mediator Antonio Vitorino on the issue of private copying. The Vitorino report, which is to be discussed by the EU Member States during the EU Competitiveness Council on 29 May, proposes to reform the private copying levy system in Europe by suggesting, for example, that private copying levies should not be imposed on licensed content. In spite of the justifications presented by French professional associations and DIGITALEUROPE during the auditions with Mr. Lescure, it clearly appears in the Mission’s report that the idea of unleashing the potential of both cultural and digital industries through modern services has been discarded.

Peter Olson, President of DIGITALEUROPE, noted ‘...the Lescure report recognises that the private copying levy system has shifted from being a compensation scheme to a remuneration scheme which has less and less to do with private copying. Against all logic, Mr. Lescure proposes to keep the current French private copying Commission, where a majority of rightholders’ organisations decide on this remuneration over a minority or industry and consumer representatives.’

DIGITALEUROPE supports the views expressed by French industry associations who strongly oppose the Lescure proposals, and calls on the French government to fully associate them in the necessary debate on the reform of the obsolete system.

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