

Mr. José Manuel Durao Barroso  
President of the European Commission  
Mrs. Neelie Kroes  
European Commissioner for Competition

European Commission  
B-1049 Brussels  
Belgium

Brussels, July 10 2007

Dear President Barroso,  
Dear Commissioner Kroes,

We are writing to convey our concern in relation to the CISAC case (COMP 38.698) and the proposed commitments which raise substantial issues as regards application of competition law and internal market rules, cultural diversity, and the relationship between smaller and larger representatives of right holders.

We urge you to not accept the settlement proposals which -- instead of remedying the consumer harm identified by the European Commission in its Statement of Objections of January 2006 -- would undermine the current system of licensing the global music repertoire as a single package and lead to a costly, inefficient and fragmented licensing system for music rights. Such fragmentation would result in regional and national linguistic repertoires either not being played or paid. Cultural diversity would suffer immediately and directly.

The proposed remedies would also lead to the disappearance of many smaller authors' rights societies and would therefore eliminate important competitors in the market for rights licensing. This is hardly an objective of competition proceedings.

Conversely, a system of one-stop shopping for the global repertoire -- such as pursued by the Commission in a series of competition cases since 2001 -- would allow for the development of a sound competitive environment with many competitors and a diverse and attractive content offer; it would also enable cultural diversity to flourish and ensure that all European music gets equal playtime and remuneration on European airwaves and networks.

The Commission can achieve this by demanding that the collecting societies amend their proposals to provide for an economically meaningful licensing system, including guarantees that the remedies in this competition case are not undermined by withdrawal of repertoire while they are in effect.

If CISAC cannot offer such a solution, the Commission must adopt a decision finding an infringement of EC competition rules.

Yours sincerely,