



Digital Britain –interim report

Preliminary observations

1. UK Music is the umbrella organisation which represents the collective interests of the UK's commercial music industry - from artists, musicians, songwriters and composers, to record labels, music managers, music publishers, studio producers and collecting societies.
2. The Interim Report refers to the UK's "inherent creative strength". We believe that this strength arises only because it is vitally underpinned by the existing mechanisms such as copyright, which ensure that the creators and those who invest in creation are remunerated.
3. We also welcome the recognition of the scale of the challenges faced by the music and other creative industries in regards to unlawful file sharing.
4. The main area of our interest concerns Section 3 – Digital Content (actions 10-13). We reserve more detailed comments on these actions pending the publication of the announced additional papers on the proposed Rights Agency (**Actions 11 and 12**). We are assured that we will be granted sufficient time to respond to the expected proposals given the importance attached to getting it right in the Interim Report.
5. **Overall:** We broadly welcome the proposal in the Interim Report to support digital networks by offering broadband connectivity and universal access. The promotion of connectivity and equipping everyone to benefit from Digital Britain must not, however, be at the expense of the creator and it is essential that appropriate measures are built in to safeguard their ability to earn from the enjoyment of their rights on the digital networks.
6. **Action 10:** We agree with the observation in the interim report that new business models are evolving in the digital world and that Government's role should consist of the "constructive contribution to the transition." There are already many initiatives underway and investments being made in developing new and sustainable business models for delivering music whilst ensuring that composers and performers as well as those who invest in creativity are remunerated. Any regulatory interference is likely to be based on the current state of the industry and technology and as such will be limiting and will stifle this evolution.

7. **Action 13:** We refer to the ongoing dialogue with ISPs to develop sustainable commercial solutions. This “intelligent conversation” between right holders and ISPs is striving to offer business models which respond to the expectations of consumers. It would be inappropriate for Government to prejudge business models which are in development in the online market.

We generally do not believe that the form of intervention proposed by the Digital Britain Interim Report, i.e. letter writing and collection of anonymised data, would provide a complete answer. It is not the ambition of right holders to sue their own consumers. Whilst the MoU, developed and signed by right holders and ISPs, presented an opportunity to develop commercial solutions, the current proposal would constitute a regressive step.

In our view OFCOM is best placed to be the independent regulator in the process addressing p2p filesharing, They have already been building the relevant knowledge and expertise in this area through their oversight of the current discussions, e.g. in the Working Group discussions following the DBERR Consultation on legislative options to address illicit P2P file-sharing. There seems little need for the involvement of a newly created agency. We reserve our further comments on this proposal for when Government publishes the expected additional paper.

8. We look forward to working with Lord Carter and Government to ensure that our collective goals and shared ambitions are met.

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