Press release

PRESS DISTRIBUTION

Arcep consults the press distribution sector's stakeholders on changes to newsagent remuneration conditions

Paris, 23 June 2023

Today, Arcep is publishing two public consultations on newsagent remuneration conditions:

- The first, which is open until mid-October, seeks to obtain the sector's stakeholders' assessment of the current remuneration conditions for newsagents, and their views on the changes to be made over the medium term:
- The second, which is open until mid-July, seeks to obtain the sector's feedback on a short-term adjustment to markup thresholds, based on newsagents' revenue.

Newsagents: a vital link in the press distribution chain, weakened by the decrease in single-issue sales

The newsagents network is an essential distribution channel for daily newspapers and periodicals in France. According to the Alliance for press and media figures (ACPM), single-issue print media sales at a newsagent represented 24% of the copies bought in France in 2022¹. Meanwhile, the number of press retailers has been decreasing steadily for several years (26% of points of sale disappeared between 2012 and 2022). This is a source of concern for public authorities, as reflected in the preparatory work for the Law on Modernising Press Distribution of 18 October 2019.

The structural decline in business volume from which single-issue sales have been suffering for years (32% decrease in cover price sales² between 2014 and 2021) results in a decrease in newsagents' remuneration and an overall weakening of the entire sector.

Arcep is empowered to make changes to newsagents' remuneration conditions, which today result from decisions from the Board of Governors of press distribution companies adopted in 2011 and 2014

The Act of 18 October 2019 on modernising press distribution gave Arcep the power to set newsagents' remuneration conditions, after having obtained the opinions of their representative trade organisations. Up until then, this authority had been given to the Board of Governors of press distribution companies ("CSMP"), which established the current remuneration of press points of sale in two decisions, adopted in 2011 and in 2014³.

Pursuant to this Law, Arcep plans on establishing a framework within which stakeholders will be able to determine newsagents' remuneration

Arcep concluded that work needed to be done on changing newsagents' remuneration conditions.

More specifically, the Authority plans on establishing a framework (general rules and principles) – in keeping with the regulatory objectives set by the Bichet Act and the principles of competition law – within which the sector's stakeholders will need to conduct their business negotiations.

¹ ACPM, 33rd Observatoire de la presse et des médias/ Press and Media Observatory, April 2023

² Copies sold for the full price indicated on the publication's cover

³ Cf. CSMP Decisions No. 2011-01 and No. 2014-03

Before establishing the framework for these discussions, Arcep is querying the sector's stakeholders on medium-term changes to newsagent remuneration conditions and on a proposed, targeted short-term measure

Arcep is consulting the sector on its assessment of the current rules and the changes to them that it has deemed advisable, in a public consultation titled "Changing newsagent remuneration conditions". Responses to this public consultation are to enable Arcep to establish a framework within which the above-mentioned negotiations would take place.

However, given the time needed to complete this work, a second public consultation titled "Review of the thresholds applicable to the markup tied to newsagents' revenue" proposes a short-term adjustment to the current remuneration system to address a problem that the Authority believes requires urgent action: the decreased rate of newsagents' remuneration due to the overall decline in the single-issue sales market.

Associated documents:

- Public consultation document on changes to newsagent remuneration conditions;
- <u>Public consultation document on a review of applicable markup thresholds, tied to newsagents'</u> revenue

Arcep at a glance

The Regulatory Authority for Electronic Communications, Postal Affairs and Print Media Distribution (Arcep), a neutral and expert arbitrator with the status of independent administrative authority (IAA), is the architect and guardian of internet, fixed and mobile telecoms and postal networks in France.

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