

# 10 October 2007: Remuneration of press distributors

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## **The Conseil de la concurrence considers that the new complementary remuneration system proposed by NMPP meets the competition concerns**

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In a decision of 9 October 2007, the Conseil de la concurrence has accepted the commitments taken by Nouvelles Messageries de Presse Parisienne (NMPP) and by Société Auxiliaire pour l'Exploitation des Messageries Transport Presse (SAEM-TP), consisting in adopting a new complementary remuneration system for press distributors. The Conseil has thus closed the litigation procedure started against them.

Following a referral in September 2005 submitted by Messageries Lyonnaises de Presse (MLP) and Agora Diffusion Presse (Agora), on 24 February 2006 the Conseil had ordered interim measures before reaching a decision on the merits. The measures had suspended the implementation of new interprofessional agreements concluded with press distributors (see decision [06-MC-01](#) and [press release of 24 February 2006](#)).

### **The Conseil's competition concerns : risk of eviction from shelf space of newspapers not owned by NMPP or SAEM-TP**

Certain qualification criteria of the remuneration plan envisaged by NMPP and SAEM-TP were likely to lead to a discriminatory handling of distributors. Moreover, the general economics of the new system, while accumulating several loyalty based criteria, was likely to evict the only other competing press distribution service (MLP) of the market.

Given the overload of press corners and shelf space, it is not possible to expose all the newspapers. Therefore the setting-off of newspapers from the two major distributors -NMPP and SAEM-TP [1] - to which the distributor would be encouraged by a complementary remuneration can be done only to the detriment of other distributors' newspapers.

**NMPP and SAEM-TP proposed a new satisfactory remuneration system : the eligibility criteria and the calculating methods are now likely to ensure the respect for the neutrality principle**

The complementary remuneration is now partly acquired in relation to the publications' display area (shelf space in meters), all distributors included, which is available to distributors. The other criterion is the biannual turnover volume made by all press distributors (NMPP, TP et MLP). The system is thus not likely any more to encourage distributors to concentrate their efforts on the display of NMPP and SAEM-TP newspapers.

[1] Both press distributors hold together 85% of the press distribution market.