[RO] Unfair Competition Resulting from An Increase in Broadcasting Fees

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At the beginning of the second quarter of the year 2000 television fees in Romania were increased to 30,000 Leu (ROL, just under 3 DEM) at a time when the yearly average salary is currently 1,750,000 ROL (around 200 DEM).

Public service television in Romania has more than three and half million viewers. Under Article 43 of law n° 41/1994 on the organisation and operation of the Romanian radio and television companies of 16 June 1994 (see IRIS 1998-8: 9), public broadcasting is financed from several different sources. Alongside state subsidies consisting of television fees paid by viewers, which are charged at the same time as electricity bills, the national broadcasting institutes have their own revenues as well as other sources. Public service broadcasting is thus financed by the proceeds of advertising, sponsoring, revenue from services and recently from revenue generated by the weekly "Bingo Game". Financing from advertising is authorised by article 6 of law n° 41/1994.

This the reason why another increase of the monthly television fees has led to dissatisfaction on the part of private television companies, which have accused public service television of "unfair competition". They feel themselves to be at a disadvantage, because only public service broadcasting enjoys the benefits of state subsidies arising from subscription while being able to accept advertising. This, according the advocates of competition, has created unfair market conditions. Law n° 41/1994 on public broadcasting in Romania has been amended from time to time, yet continues to provide for advertising as additional source of revenue for public service broadcasters.

Law n° 41/1994 on the organisation and operation of the Romanian radio and television companies of the 16th June 1994 in the wording of law n° 124/ 1998 on the amendment and completion of law n° 41/1994 on the organisation and operation of the Romanian radio and television companies of 22nd June 1998.

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