

[LV] Public Broadcasting under Discussion Again

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Public service broadcasting was the subject of heated debates in Latvia in mid-February this year when the National Broadcasting Council (NBC) dismissed the Director General of Latvia Television. The NBC is an independent administrative authority established in September 1995 in accordance with the Radio and Television Law. Its responsibilities comprise the regulation of public service broadcasters and commercial broadcasters, the administration of the state's capital share in public radio and television, as well as the approval of the public broadcasters' statutes, and the appointment of their Directors-General. The NBC consists of nine members who are elected by the Parliament and represent political organisations in Latvia. Not more than three members of the Council may come from the same political organisation.

Latvia Television is a public service broadcaster as defined by the Radio and Television Law and operates on two national terrestrial frequencies, covering the whole territory of Latvia and providing 18 hours of programming per day. It is financed by state subsidies. However, the subsidies cover only 60% of the expenditures. The remainder has to come from revenue derived from sponsorship and the sale of airtime for commercials.

The Director General was dismissed because Latvia Television has a three-sided contract by which it sold 12% of the commercial airtime at dumping prices to two advertising agencies. In order to finance the purchase of airtime, the advertising agencies each had to take out a bank loan; these were guaranteed by Latvia Television. The management of Latvia Television justified this step by the necessity to finish the budgetary year 2001 without financial losses.

The NBC classified the contract as an unlawful deed and asked the Director General to resign from his position.

Staff members of Latvia Television, especially journalists from the News Department, used the dismissal of their Director General to revive the debate on introducing licence fees for public broadcasting. Currently, state subsidies for Latvia Television merely cover the costs of the News Department and a couple of other programmes, the maintenance of the TV building, and the expenses of actual broadcasting incurred by the Radio and TV Centre (which is a separate state institution). Producers are obliged to seek additional financing for their

programmes and together with journalists they demand more support from the NBC in this regard. According to the NBC, however, politicians are very reluctant to introduce another levy, particularly before the election. Nevertheless, the NBC has requested Parliament to review the possibility of introducing a licence fee for public service broadcasting in Latvia. The incumbent Government has expressed its opinion that increasing the state subsidy is preferable to introducing a mechanism for collecting licence fees, because the latter is a costly enterprise by definition.

In the meantime the competition for the post of Director General of Latvia Television has been announced. Due to the present position of Latvia Television producers and journalists, the NBC is going to organise discussions between the most promising candidates and Latvia Television staff. The decision will be announced on 3 May 2002.

