

## [CH] Radio and TV Licence Fees Raised

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The Swiss Bundesrat (Council of Ministers) decided in early May 2002 to raise radio and TV licence fees by 4.1%, only partly meeting the demands of the public service broadcaster SRG, which had requested a 5% increase. The rise in fees was granted largely in response to a ruling issued by the Bundesgericht (Federal Appeal Court) in January 2001. The Court had ruled that the exemption system used by the federal authorities at the time was "unfair" and therefore unconstitutional. In June of that year, the Council of Ministers amended the Radio- und Fernsehverordnung (Radio and Television Ordinance) in accordance with the aforementioned ruling (see IRIS 2001-7: 7). In future, any person receiving an old-age or disability pension and supplementary benefits will not need to pay the licence fee, as long as they request such an exemption. For 2001 and probably 2002, the resulting Zug fall in licence revenue may be offset by the remaining surplus from the radio and television accounts (1993 to 1997) of the former Telecom PTT.

The Council of Ministers believes that, under the new arrangements, around 114,000 additional households will be exempt from the licence fee by 2004, thus cutting the SRG's income by around CHF 47 million (approx. EUR 31.7 million) per year. In the short term, such a shortfall cannot be offset either by advertising revenue or by other cost-cutting measures. Unlike the SRG, which had called for a 5% rise, the Government thought a 4.1% increase was reasonable. This decision was supported by the pricing watchdog, whose main role is to monitor price fluctuations and prevent prices becoming over-inflated because of insufficient competition. The authorised increase only serves to compensate for the loss of revenue created by the aforementioned exemptions, granted for social reasons. The SRG must take costcutting measures to counteract last year's fall in advertising revenue and the resulting operating loss.

### ***Pressemitteilung des Bundesrats vom 1. Mai 2002***

[http://www.admin.ch/cp/d/3ccfacbd\\_1@fwsrvq.bfi.admin.ch.html](http://www.admin.ch/cp/d/3ccfacbd_1@fwsrvq.bfi.admin.ch.html)

*Press release of the Federal Council (Government) of 1 May 2002*

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