[FI] New Legislation on Communications Market

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On 14 June 2002, the Laki telemarkkinalain muuttamisesta (Act on the amendment of the Telecommunications Market Act), the Laki televisio- ja radiotoiminnasta annetun lain muuttamisesta (Act on the amendment of the Act on Television and Radio Operations), the Laki valtion televisio- ja radiorahastosta annetun lain muuttamisesta (Act on the amendment of the State Television and Radio Fund), the Laki Yleisradio Oy:stä annetun lain muuttamisesta (Act on the amendment of the Act on the Finnish Broadcasting Company) and the Laki viestintähallinnosta annetun lain muuttamisesta (Act on the amendment of the Act on Communications Administration) were ratified. The Acts entered into force on 1 July 2002.

The changes that have now been made represent the first phase of the reform of legislation concerning the communications market. Some of the changes relate to the goal of promoting the development of digital television, as originally proposed by a working group representing the main political parties and appointed by the Ministry of Transport and Communications. A draft bill representing the second phase of the reform has been published for consultation. The government bill is expected in August 2002. This second phase will, for example, implement the EU regulatory framework for all electronic communications.

The changes that are in effect as of 1 July 2002 include the following:

- the regulation concerning telecommunications networks and digital television and radio distribution networks has been made uniform;

- the digital television and radio distribution networks have been opened up to Information Society services;

- instead of the present operating licences for digital broadcasting, there will be separate network licences and programme licences;

- the regulation concerning the digital radio and television networks has been moved to the Telecommunications Market Act, the name of which has been changed to the Communications Market Act;

- the regulations on radio and television programme operations remain in the Act on Television and Radio Operations and have not been changed;

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- the holders of network licences are obliged to provide the distribution capacity needed by the Finnish Broadcasting Company and the holders of programme licences;

- the operating licence fee paid by the commercial television companies has been cut by 50%;

- no operating licence fee will be imposed on digital television operations during the ongoing licence period (i.e., until 31 August 2010);

- the operating licence fee for commercial radio companies has been abolished altogether (previously, it was supposed to come into effect on 1 January 2004);

- new elements have been specified in the public service remit of YLE, the Finnish Broadcasting Company. It has now been stated that the remit includes special and additional services and that they can be offered by means of different communications networks. If such material is offered by means of networks other than radio and television networks, separate accounts must be kept for these operations;

- all advertising on YLE's channels has been forbidden (previously, exemptions could be granted by the Valtioneuvosto (Council of State (the Government)), which happened on a small scale, for instance during the transmission of the Olympic Games, etc.);

- the percentage of transmission time on all terrestrial television channels (except local television stations) required to be reserved for programmes produced by independent production companies has been increased from 10% to 15%;

- the duties of the Viestintävirasto (Finnish Communications Regulatory Authority, FICORA) (see IRIS 2001-8: 14) have been increased.

The assets of the State Television and Radio Fund are used for financing the activities of YLE. The main source of revenue for the fund is the television licence fees paid by households. The other source is the operating licence fees. To compensate for the decline in the latter, increases are to be made annually in the television licence fee, beginning in 2004. Decisions on the amount of the television licence fee are not made through legislation but by the Council of State, based on proposals made by YLE's Administrative Council, elected by Parliament. The changes made through legislation concerning the operating licence fee were proposed by the working group. At the same time, the working group suggested that increases be made in the television licence fee. The group suggested that the increase in 2004 should take account of the costs of developing new content services and the rate of inflation since the last increase. From the beginning of 2005, the television fee would be raised annually to meet the inflation rate and an

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increase of 1% would be added to cover the costs of overlapping analogue and digital broadcasting and the development of content services. This increase of 1% would remain in force until the overlapping analogue and digital operations cease. Until these changes occur, the gap in YLE financing will be covered by the income received when YLE sold 49% of its subsidiary Digita to Télédiffusion de France, S.A. (TDF). Digita owns the national radio and television transmission networks.

On 16 June 2002, three licences for digital television networks and two licences for digital radio networks were declared open for application by the Ministry of Transport and Communications. Restrictions on the amount of capacity used for data transmissions will be abolished in the licences. Applications were also invited for three digital television programme licences. The licences are given free of charge. Decisions on the granting of the licences are made by the Council of State and are expected in the autumn of 2002.

Laki telemarkkinalain muuttamisesta

http://www.finlex.fi

Act on the amendment of the Telecommunications Market Act of 14 June 2002

Laki televisio- ja radiotoiminnasta annetun lain muuttamisesta

http://www.finlex.fi

Act on the amendment of the Act on Television and Radio Operations of 14 June 2002

Laki valtion televisio- ja radiorahastosta annetun lain muuttamisesta

http://www.finlex.fi

Act on the amendment of the State Television and Radio Fund of 14 June 2002

Laki Yleisradio Oy:stä annetun lain muuttamisesta

http://www.finlex.fi

Act on the amendment of the Act on the Finnish Broadcasting Company of 14 June 2002

Laki viestintähallinnosta annetun lain muuttamisesta

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