

## [BA] Agreement Reached over Subscription Fee

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The public service broadcasting stations, consisting of one state-level broadcaster and two entity-based broadcasters, finally agreed on an appropriate way of collecting the subscription fee, officially named "subscription tax". The fee is based on the possession of radio and TV sets. This form of license fee funding should in opposite to a system of funding from the state budget ensure that broadcasters remain independent of political influence and control.

Despite that, the Model Law on Public Service Broadcasting is still in its pending stage (see IRIS 2004-1: 9), an arrangement dealing with the subscription tax has been reached by both entities – the Federation of Bosnia-Herzegovina and Republika Srpska. Starting from February 2004, the subscription fee of BAM 6 (local currency unit, equal to EUR 3) will be included in the telecommunication bills of fixed phone lines without the option of separate payment. This solution should substantially improve the problematic financial situation of all of three public broadcasters, as the rate of paid phone bills is very high (close to 95 percent). Before, the fee had been collected via electricity bills and the number of households paying the tax fell below 30 percent (see IRIS 2003-4: 6). The level of non-payment represent a real threat for the three public broadcasters which are facing economic and financial collapse.

The Asocijacija elektronskih medija (Association of Electronic Media AEM) recently issued a press release requesting 20 percent of the paid subscription fee to be re-allocated to commercial broadcasters as their programming also would be public oriented and as such practice has already been applied in many Western European countries. Besides, the current Law on Public Service Broadcasting, which has been imposed by the High Representative (see IRIS 2002-6: 7), prescribes that public broadcasters are obliged to fill at least 10 percent of the total broadcasting time with programs bought from commercial broadcasters. The last (fourth) line of Article 23 of the Law reads that such obligation will be in place for two years after the entering into force of this law, i.e. until 24 May 2004.

***Press release of the AEM of 13 February 2004***

