[IE] Licence Fee Income Examined

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A report commissioned by the Minister for Communications on the effect of RTÉ's licence fee on other broadcasters and on the advertising market was published on 1 December 2004. The report examined the funding of public service and commercial broadcasting and the evolution of competition in advertising in Ireland and across the member states of the EU. Interviews were also conducted with people in various organizations. The report concluded that, while the licence fee could in theory give RTÉ an unfair advantage over commercial broadcasters by providing a financial cushion, it did not do so in practice. With regard to advertising, the report concluded that, given the way advertising rates are set, it was highly unlikely that RTÉ was in a position to drive rates up or down unilaterally. Although RTÉ has a 50% share of television advertising, which is likely to be considered dominant under EC competition law, the mechanism whereby advertising rates are set makes it highly unlikely that RTÉ could abuse such market power. Besides, many advertisers and advertising agencies are substantially larger than RTÉ. Overall, therefore, the conclusion was that RTÉ's receipt of licence fee income does not have an adverse or unfair impact on the market for television or radio advertising in Ireland.

The effect of RTÉ's licence fee income on broadcasters and on the advertising market in Ireland A report for the Minister for Communications, Marine and Natural Resources, 1 December 2004

http://www.dcmnr.ie/NR/rdonlyres/B82CE699-E558-47B6-9446-7F1EDAC09CBF/0/FinalreportDecember12004.pdf

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