

[EE] Amendment of the Broadcasting Law

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On 18 June, the Parliament of the Republic of Estonia approved the amendment to the Broadcasting Law, which entered into force on 1 July 2008. One of the most important provisions of the amendment is the establishment of 1 June 2010 as the date when the analogue television network will shut down. The other important points are linked to the broadcast licenses of private channels. The central provisions of the Act to amend the Broadcasting Law are connected to creating more advantageous conditions during the switch-over from analogue terrestrial broadcasting to digital broadcasting for the private channels Kanal2 (owned by Norwegian media concern Schibsted) and TV3 (owned by Swedish Modern Times Group).

The previous amendment to the Broadcasting Law, which was passed in the beginning of 2002, established the division of Estonia's commercial television landscape between two national private television channels. The amendment ended advertising on public service broadcaster Estonian Television as of 1 July 2002. It also limited the number of national private channels' broadcast licences to two. According to the current Broadcasting Law, national and international broadcast licences in an analogue television network are charged with a licence fee. At the time of the law's adoption, the national broadcast licence fee was set at EEK 15 million per year. With the 2003 amendment to the Broadcasting Law, the broadcast licence fee increased to EEK 20 million as of 1 January 2005. Every following calendar year added EEK 1.25 million. In 2008, each private channel paid the state EEK 23.750 million for its broadcast licence. In 2009, the fee for the nation broadcast licence would have been EEK 25 million and EEK 26.25 million in 2010.

The current amendment to the Broadcasting Law annulled the broadcast licence fees as of 1 January 2009. This means that for the period from 1 January 2009 to 1 June 2010 the state has given private channels a tax release amounting to a total of EEK 76,250 million. This kind of media-related political decision strengthens the position of the private channels even more. At the same time, it is important to note that for years the state has not guaranteed sufficient financing for the development of public service broadcasting. This was the case despite the publication of the document "Joint development agenda of the Estonian Television and the Estonian Radio for 2006-2008", which was approved by Parliament in

2005. This document defined and set the necessary financing for the development of public service broadcasting from 2005 to 2008. Year after year, the allocation of the 50 million EEK necessary for launching the second channel of Estonian Television has been postponed.

In the explanatory note to the law, the Ministry of Culture based the cancellation of the broadcast licence fees of the private channels using analogue transmission on the greater technical resources required by terrestrial digital broadcasting (with the possibility of the channels' multiplication) and the new situation in the advertising market caused by the multitude of (private) television channels. The amendment guarantees the equal treatment of private television channels broadcast by terrestrial analogue broadcasting and terrestrial digital broadcasting. The broadcast licences for the use of the terrestrial digital broadcasting television network are free of charge.

§ 1 section 7 of the Act deals with the differences in the television network between the current holders of the broadcast licences. The licences of the television organisations currently operating under the valid national analogue television broadcast licences shall expire on 1 October 2009. As analogue broadcasting will only be possible until 1 June 2010, the legislator did not consider it plausible to follow the dictates of the law and announce a new call for tender to issue short terms licences for analogue television broadcasting. Due to this, the law's implementation shall, by way of exception, extend the validity of these broadcast licences until the end of analogue transmission on 1 June 2010.

As a serious concession to the wishes of the owners of Kanal2 and TV3, the amendment also exceptionally issues, without competition, national television broadcast licences for digital broadcasting for the new five year period from 1 June 2010 (from the beginning of the termination of analogue broadcasting) until 1 January 2015 for both currently aired national private television channels.

In addition to the media-related economic-political decisions, the amendment specifies the conditions for retransmission in the free access broadcasting network for the television programmes working on local and regional or temporary broadcast licences. It also restricts the programmes transmitted under conditional access broadcast licences from being retransmitted in the free access broadcasting network.

Additional requirements for the issue of licences for the cable transmission network were added. These involve the submission of information on the planned programme and investment programme, as well as the source of monetary funds and financial guarantees when applying for the licence. These requirements help make the data presented in the application more transparent and allow for more information during the evaluation of the application. At the same time, the easier and more flexible order for issuing these licences is still preserved, as they are

issued without competition.

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