

[HU] Regulatory Authority Rejects Proposal to Decrease Fees Paid by the National Television Broadcasters

IRIS 2009-4:1/18

Mark Lengyel
Attorney at law

On 11 February 2009 the *Országos Rádió és Televízió Testület* (National Radio and Television Commission, ORTT) decided to reject the proposal of MTM-SBS and M-RTL, the operators of the two national terrestrial television channels, to the decrease of their broadcasting fees.

In accordance with the rules of Act I on Radio and Television Broadcasting of 1996 (Broadcasting Act) broadcasters are required to pay an annual broadcasting fee. In the case of terrestrial broadcasters the amount of this fee is defined by the broadcasting contract concluded between the respective broadcaster and the ORTT. MTM-SBS and M-RTL concluded their broadcasting contracts with the ORTT in 1997. In 2005 they successfully applied for the extension of the terms of their contracts until 2012.

This decision of the regulatory authority was much criticised by media professionals and officials. The basis of this criticism was that the ORTT did not take into account the requirements of the digital switchover in its decision and, as a consequence, missed a unique opportunity to interest the two national commercial channels in this process.

The participation of M-RTL and MTM-SBS in the digital switchover is widely considered as crucial among Hungarian experts. Following the successful tendering of the digital terrestrial multiplexes by the *Nemzeti Hírközlési Hatóság* (National Communications Authority - NHH) the rollout of the digital terrestrial television network began at the end of last year (see IRIS 2008-9: 14). However, Antenna Hungária, the network provider, has so far failed to reach agreements with M-RTL and MTM-SBS on the distribution of their programmes on its service.

On the other hand, the two national commercial channels also face difficulties. As a consequence of the increasing share of multichannel offers on the Hungarian market and the gains of the broadband segment, they continue to suffer a steady decrease in their audience shares year by year.

Against this background of a rapidly changing media market, ORTT also signalled in its decision that it remains open to talks concerning the amount of the broadcast fee, but an eventual decrease shall be based on a detailed and objective evaluation of the trends of the media market, and on the principle of

equal treatment of the broadcasters.

Gazdasági Versenyhivatal Versenytanácsának Vj-7/2007/42. számú végzése

<http://www.gvh.hu/domain2/files/modules/module25/71449D8873EE8613.pdf>

Decision of the Competition Council Vj-7/2007/42

