

[HU] ORTT Launches Tendering Procedures for the National Analogue Radio Frequencies

IRIS 2009-7:1/35

*Mark Lengyel
Attorney at law*

Országos Rádió és Televízió Testület (National Radio and Television Commission - ORTT) has decided to launch the tender process for the right to broadcast on the two national analogue radio networks.

Currently these networks are used by two commercial radio companies (the Danubius Rádió Műsorszolgáltató Zrt. and the Sláger Rádió Zrt.). Both companies won their licences to provide their respective national radio programme services in 1997 by concluding a broadcasting contract with the ORTT. The original term of these contracts was 7 years. Later this term was extended by 5 more years. The extended term will expire in November this year. By that time the ORTT has to complete the tendering procedures and conclude the new broadcasting contracts with the winners. In its recent decision the ORTT also fixed some of the basic elements of the tender. These can be summarised as follows:

- For the first year of the term the expected broadcasting fee will be set between HUF 350 Mio and HUF 700 Mio (approx. between EUR 1.22 mio. and EUR 2.44 mio.). For the following years the ORTT expects a fix yearly fee of HUF 200 Mio (EUR 0.7 mio.) complemented by 10-15 % of the net revenues of the broadcaster;
- A significant proportion (more than 25% of the total airtime) of Hungarian music and the presence of programmes with a cultural, social and environmental focus in the programming will be preferred;
- The broadcasting experience of the applicants and proposed ancillary services (such as RDS) will also be valued;

The licence will be granted for an initial period of 7 years. According to the rules of the Broadcasting Act the broadcaster may later apply for an extension of 5 more years.

The launch of the tenders can also be viewed in the context of recent regulatory developments. In December 2008 the Parliament adopted an amendment to the Broadcasting Act. This was aimed at enabling the current users of the national analogue radio frequencies to apply for a further automatic extension of the terms of their licences without any competition. However, the President of the Republic raised grave constitutional concerns and has sent the amendment to the Constitutional Court for checking prior to its promulgation. The Constitutional

Court has not delivered its decision yet.

Pályázati felhívás tervezet országos rádiós műsorszolgáltatási jogosultságokra

http://www.ortt.hu/uploads/9/25/1245251698palyazati_felhivas_tervezet_orzagos_radios_musorszolgalatasi_jogosultsagokra.pdf

Draft invitation to tender of the ORTT

