[CY] Auction Process, Adopted Standard and Strategy for Digital Terrestrial Television Networks

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Christophoros Christophorou
Council of Europe expert in Media and Elections

The process of the introduction of DTT officially started on 4 December 2009 with a public invitation to tender for the granting of licences. This will include the authorisation to use radio frequencies and create and operate DTT and electronic communications networks. The invitation was published on behalf of the Commissioner for Electronic Communications and Postal Regulation (CECPR), the authority competent for electronic communications networks, and of the Ministry of Communications and Works, responsible for the radio frequencies spectrum and radio communications in general. Two licences will be issued to one applicant, a licence for radio communications (use of frequencies for DTT) and a licence for electronic communications (creation and operation of digital networks for both terrestrial TV and electronic communications).

The procedure that will be followed is an “ascending multiple round auction”. It provides for the submission of applications by interested parties and at a first stage the selection of those who fulfill the terms and conditions set down in the invitation. The deadline for applications was 29 January 2010 and following the first round of selection, which is expected to be completed in April 2010, a second round of offers will start. Licences will be issued to the highest bidder for a duration of 15 years. The winner will be given 12 months to reach the required territorial coverage of 75% of the areas under the effective control of the Government of the Republic of Cyprus. Among its obligations are the following:

To provide networks for DTT of a hybrid type (free-to-air, with encoded signal, subscription services, local channels) and information society services; to carry the signal of all licensed analogue TV channels, to provide information on programmes (EPG) and to comply with the rules and laws related to technical specifications of the equipment, town planning, public health and other matters. The reserve price for the auction is EUR 850,000. This auction procedure is for the licensing of a platform of DTT and communications for private TV channels. A second platform will be leased to the public service broadcaster CYBC on the basis of negotiations with the government.

The standard for digital TV receivers in Cyprus will be MPEG-4. The CECPR announced this decision in November 2009 and an order was published in the Official Gazette in the form of a Normative Administrative Act (KDP 397/2009,

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Official Gazette on 27 November 2009).

Cyprus will shift fully to digital TV on 1 July 2011 with two digital networks, one for the public service broadcaster and one for the private operators. On that date, all licences for analogue transmission will expire and radio frequencies will be returned to the Ministry of Communications and Works. The main provisions of the strategic plan are as follows:

Two licences will be granted for the operation of two digital terrestrial radio networks for a duration of 15 years. One licence will be granted to the public broadcaster and one to a private operator for commercial TV services. The first network will be offered on the basis of negotiations between the government and the public broadcaster while the second will be auctioned.

The public broadcaster will carry audiovisual services only, must avoid competition with private operators and will not be allowed to develop other electronic communications services except very specific public utility ones. It must offer TV services for all with universal coverage. The private network will have the obligation to carry the signal of all licensed TV (and radio) channels, on special contracts and terms set in a framework decided by the CECPR. Only the operator of the commercial network will be allowed and obliged to offer services of both electronic communications and information society ones.

The transition period from analogue to digital TV shall be the shortest possible. The Government has decided to subsidise the purchase of digital decoders and to lead an information campaign both on the advantages and benefits of digital technology and the technical requirements for access to DTT.

In the framework of the digital switch-over the role of the Radio and Television Authority will change to focus more on content regulation. Its new role and functions will be set down in the amending law on Radio and TV Stations which will be changed to the law on Audiovisual Media Services. The draft is expected to be sent to the House of Representatives in the next few weeks in order to harmonise Cypriot legislation with the EU Directive on Audiovisual Media Services 2007/65/EC.

Invitation of the OCECPR to tenders for granting licences to use radio frequencies spectrum, and establish and operate networks of digital terrestrial television and provide electronic communications services

http://www.ocecpr.org.cy

KDP 397/2009, Official Gazette 27 November 2009

http://www.ocecpr.org.cy/nqcontent.cfm?a_id=1

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Policy and Regulation Framework for Licensing Networks of Digital Terrestrial Television

http://www.mcw.gov.cy/mcw/dec/dec.nsf

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