

[DK] New broadcasting agreement

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*Hanne Sønnderby
Danish Ministry of Culture*

On 10 May 1996 the Danish Government and nearly all parties in Parliament (except one: the Enhedslisten) entered into a broadcasting agreement laying down the framework for Danish radio and television for the next four years.

The aim of the agreement is to secure that Danish electronic media and the Danish audiovisual industry are given as wide a framework as possible and to make it possible for the media to meet the increasing competition from abroad and the challenges posed by the technological development. Some important elements are the following:

- Considerable extra funds are set aside for Danish film production in Danmarks Radio TV (DRTV) and TV2, a total of DKK 295 million;
- DRTV and TV2 will have increased financial freedom. The present budget limitations (set by the Minister of Culture) will be abolished and in the future TV2 will have full disposal of its advertising revenues as well as of its share of the licence fees. DRTV will have full disposal of its share of the licence fees. Moreover, DRTV and TV2 will be able to establish subsidiary companies or to enter into co-operation with other companies, for instance concerning pay-TV, and they will be able to offer telecommunications services;
- the public service obligations will be extended to include increased engagement in Danish film production and increased use of independent producers. Presentation of 'public service accounts' will be compulsory;
- discussions aimed at the establishment of TV2 as a limited company with public service obligations are to begin in the near future so that a possible new organisation can enter into force on 1 January 1998;
- local radio stations and local television stations will have a limited right to network, which is not permitted under the existing rules. For local television stations the conditions are, inter alia, that at least one hour of locally produced news is broadcast in the evening and that non-commercial stations are offered broadcasting time at specified hours;
- the power of local radio stations will be increased from 30 Watts to 160 Watts and increased geographical coverage will be possible;

- an annual subsidy of DKK 50 million will be granted for the support of non-commercial local radio and television. The subsidy will primarily be financed through a levy on commercial local television and through the licence fees;
- two 4-year pools each of DKK five million annually will be established for experiments with local television and telecommunication and experiments with media schools;
- licence fees will rise by 3.3 per cent annually equivalent to the development in prices and wages. The Bill to amend the Broadcasting Act as of 1 January 1997 will be submitted in the autumn. The new rules in the field of local radio and television will only take effect gradually as the present licences expire, unless the broadcasters agree voluntarily to change to the new scheme earlier. The points of agreement not requiring any amendment to the Act or related executive orders, for instance the increase of the transmitting power of the local radio stations, will be carried through as soon as possible.

