

[CY] Commercial Digital Platform Awarded

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Velister Ltd, a consortium of broadcasters and television services companies, won the competition for the commercial digital platform that will provide the infrastructure for digital television in the Republic of Cyprus (two platforms will be created, with the first awarded to the public service broadcaster Cyprus Broadcasting Corporation, Ραδιοφωνικό Ίδρυμα Κύπρου, RIK). The bidding process for the selection was completed in 17 rounds, on 23 August 2010, with Velister Ltd's bid amounting to EUR 10,000,000; next highest bid by LRG Ltd was EUR 9,000,000 and the third, by CYTA, the public (service) telecommunications company, EUR 4,100,000.

According to an official announcement dated 26 August 2010 Velister Ltd, which fulfilled the criteria for participating in the selection process, was named provisional winner of the auction because it made the highest bid. For the company to be declared final winner it must submit within 30 days from the end of the auction the documents and warrants required and deposit the sum of the bid according to the rules of the competition.

Velister Ltd is a consortium of the six commercial broadcasters (Antenna, Sigma, Mega, Plus TV and subscription channels LTV and Alpha) and two television services and Internet providers, Primetel and Cablenet.

It is noticeable that the reserve price for the auction was set at EUR 850,000, which means that the final bid is almost twelve times higher. Some observers consider the sum of EUR 10,000,000, that the winner has to pay, as too high for the market of Cyprus and expressed some concerns as to the smooth operation of the digital television project.

The course to the award of the digital platform was not without problems. Initially, the House of Representatives attempted to disallow by law participation of CYTA in the auction. The President sent back to the House the law for reconsideration and on the insistence of the House on their vote it referred the law to the Supreme Court for decision (see IRIS 2010-6: 1/15).

On another development, the auction process was suspended after the thirteenth round on 2 July 2010, following allegations for double-bidding by contestants. The process resumed in late August after the competent authorities rejected the objections raised by the contestants.

Πλειστηριασμός για τη Χορήγηση Εξουσιοδότησης Δικτύου Επίγειας Ψηφιακής Τηλεόρασης - Προσωρινός Νικητής, 26/08/2010

<http://www.mcw.gov.cy/mcw/DEC/DEC.nsf/All/25A0D66565B6C960C225778B003C4FEA?OpenDocument>

Auction for the Issue of Authorisation of a DTT Network - Temporary Winner

