[HU] New Amendment to the Media Act

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On 15 December 2014, the Hungarian National Assembly adopted a new amendment to the Hungarian Media Act, primarily aimed at the transformation of the institutional framework of the public media services. As a result of this amendment, Duna Médiaszolgáltató Részvénytársaság (Duna Media Service Company limited by Shares) was established as the legal successor of Magyar Televízió (Hungarian Television), Duna Televízió (Duna TV), Magyar Rádió (Hungarian Radio) and Magyar Távirati Iroda (Hungarian News Agency), which all operated as independent shareholding companies. Duna Médiaszolgáltató Részvénytársaság will thus become the provider of all public television, radio and online content services, as well as public news agency activities with effect from 1 January 2015.

However, the merger in itself will not bring about any significant changes in the operation of the public service media, because Médiaszolgáltatás-támogató és Vagyonkezelő Alap (MTVA, Media Services and Support Trust Fund) will remain the key player in the system of the Hungarian public service institutions in the future (MTVA is the name of the cooperation of the four public media services Magyar Rádió, Magyar Televízió, Duna Televízió and Magyar Távirati Iroda). MTVA was and will remain the manager of all public service assets and the employer of the overwhelming majority of the employees of the public service media. Furthermore, MTVA, as has also been the case to date, will not be controlled by the supervisory system, that now has to control the performance and the financial management of the shareholding company Duna Médiaszolgáltató Részvénytársaság and in the past of the shareholding companies Magyar Televízió, Duna Televízió, Magyar Rádió and Magyar Távirati Iroda, which all used to provide public media services.

The CEO of MTVA is appointed by the Chairman of the Media Council without an application procedure and can be revoked at any time without justification. But with the amendment of the Media Act the legal position of MTVA is strengthened in the area of asset management. In its role as the manager of the national assets, MTVA may essentially disregard public tender invitations in the area of asset management at any time.

In the future, MTVA will distribute the state funds available for the fulfilment of public service responsibilities and the different types of public service tasks.

Previously, it was the so-called Public Service Budget Committee, which decided on the distribution of the state funds between the individual shareholding companies. The members of this Committee were the CEOs of the public service shareholding companies and the Fund (MTVA), as well as two delegates from the State Audit Office. In the future, the Public Service Budget Committee, whose members in the new institutional framework are the CEOs of Duna Médiaszolgáltató Részvénytársaság and the Fund (MTVA), as well as one delegate from the State Audit Office, will only have a right of comment with regard to the proposals developed and adopted by the Fund (MTVA).

The Hungarian Media Act is supplemented by the new amendment through a chapter entitled “Strategic Plan of the Public Service Media and Measurement of Public Service Value”. According to the amendment, a strategy is developed by the public service media provider each year, which “creates the basis for the operation of the public service media, as well as for the cooperation between the public service media provider and the Fund (MTVA)”. However, the strategy does not affect the amount of the state subsidy, which is specified in the Media Act and has no impact on whether or not the public service media should launch a new content service. This decision will continue to be made by the Media Council, which, independently from the strategy, supervises the system of the public media services on an annual basis and may decide on whether a media service, which was provided up to now, will be maintained or if there is a need for a change of the system. The strategy only plays a role in one single case, when the Public Service Budget Committee comments on the budget plan prepared by MTVA. In this case, MTVA has to take the strategy into account, while it meets its final decision.

The introduction of the procedure, which aims to measure the public service value, is encouraged by the European Commission, because this procedure shall guarantee that a new public media service does not disproportionately limit or distort the operation of the online/digital content provider market. The detailed rules of the procedure measuring the public service value are defined by internal regulations of the public media service provider.

According to the amendment, the development and the assessment of the strategy are both to be done by the public media service provider itself, as there is no mention of any public consultation or an objective external assessor in this regard.

The players in the broadcasting market have voiced their protest against the provision set out in the amendment, which ensures a must-carry status for two further public service television channels that are not yet functional. Finally, the amended Media Act requires HD quality for all public media television channels, while it is also a requirement given by the law that the media service providers must set these channels “as the first ones in the channel order as a default setting”.

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