

[RO] Modification of the PBS Act rejected

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*Eugen Cojocariu
Radio Romania International*

The Romanian Senate (upper chamber of the Parliament) rejected on 15 April 2015 the Draft Law on the modification of Article 40 of the Act no. 41/1994 on the organisation and functioning of the Romanian Radio Broadcasting Company and of the Romanian Television Broadcasting Company (Propunerea legislativă pentru modificarea art. 40 din Legea 41/1994 privind organizarea și funcționarea Societății Române de Radiodifuziune și Societății Române de Televiziune). The decision of the Senate was final (see *inter alia* IRIS 2013-5/37, IRIS 2014-1/38, IRIS 2014-6/30).

The Draft Law had been tacitly approved by the Chamber of Deputies on 1 April 2015. The Draft Law intended to cut the mandatory payment by every household and every company, firm or legal person in Romania of a monthly license fee for the public radio and television broadcasters. The initiators argued that the consumers should be able to opt for or against the services offered by the public broadcasters. They considered the Act no. 41/1994 unfair to commercial broadcasters, which could only rely upon revenues from advertisements. The initiators also argued that the vast majority of the consumers also pays a subscription to the TV cable network providers and, for this reason, a monthly license fee for the PSB represents, in their opinion, a double payment for the same service. The payment of the monthly license fee would have become mandatory only for those opting to receive the public radio and TV programmes, through an unspecified mechanism.

The Economic and Social Council rejected the Draft Law because it was evasive and incomplete and did not foresee a mechanism for citizens and firms to opt for the public radio and TV services. The Romanian Government has not provided an opinion on this legislative proposal.

49% of the 2014 revenues of Radio Romania and 58.65% of the revenues of the Romanian Television, TVR, came from the licence fee, according to their annual reports handed to the Parliament. The financial situation of the public television, TVR, is very delicate. TVR had debts to the state and its creditors of approximately 700 million lei (EUR ~159.09 million) at 31 December 2014, an amount bigger than the annual budget of TVR. The removal of the tax revenues would have resulted in an immediate collapse of the public TV service.

The opponents of the idea of abolishing the obligation of all the households and firms in Romania (with the exemptions directly established through the Law no. 41/1994 and the Government Decrees on how the tax is collected and who is exempted from the tax) consider the monthly licence fee as a solidarity tax. They consider that the PSB has to be well-financed in order to be strong, balanced and independent and to fully accomplish its mission.

Propunerea legislativă pentru modificarea art. 40 din Legea 41/1994 privind organizarea și funcționarea Societății Române de Radiodifuziune și Societății Române de Televiziune - forma inițiatorului

<http://www.cdep.ro/proiecte/2014/000/30/5/pl35.pdf>

Draft Law on the modification of Article 40 of the Law no. 41/1994 on the organisation and functioning of the Romanian Radio Broadcasting Company and of the Romanian Television Broadcasting Company - initiator's form

Propunerea legislativă pentru modificarea art. 40 din Legea 41/1994 privind organizarea și funcționarea Societății Române de Radiodifuziune și Societății Române de Televiziune - expunerea de motive

<http://www.cdep.ro/proiecte/2014/000/30/5/em35.pdf>

Draft Law on the modification of Article 40 of the Law no. 41/1994 on the organisation and functioning of the Romanian Radio Broadcasting Company and of the Romanian Television Broadcasting Company - Explanatory Memorandum

