[LU] Framework Agreement on Renewal of CLT's Broadcasting Licence

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On 16 January, the Compagnie Luxembourgeoise de Télédiffusion (CLT) signed a framework agreement with the Luxembourg Government on the renewal of its broadcasting licence. Since 1930, CLT has held a licence for the exclusive use Luxembourg's terrestrial broadcasting frequencies. The last time the licence was renewed was in 1973.

It has now been agreed that all aspects of the new licence should be negotiated before 31 March 1995, after which a licence will be granted valid until 2010.

The majority shareholders of CLT are the Belgian Groupe Bruxelles Lambert and the French Havas concern. With them, the Luxembourg government agreed to reduce its influence on CLT. What will remain for the government is a right ultimate control: two-thirds of the shares will have to be registered shares and share transactions will have to be approved by the government. The exclusive right to use frequencies that are suitable for international broadcasting will remain with CLT.

The Luxembourg government agreed not to give its approval to projects that might compete with exitsing or planned CLT initiatives. In return, CLT agreed to invest DM 50 million in the building of a new television centre. The company also ensured the government that its future initiatives in the field of digital broadcasting would be undertaken from Luxembourg territory.

Furthermore, CLT will no longer have to pay an annual fee for the use of the broadcasting frequencies assigned to it. In the past, this fee amounted up to DM 50 million. Instead, CLT will have to bear all costs of both CLT-produced television programmes of the Luxembourg broadcaster Hei Elei and of the programmes of Radio Lëtzebuerg. The total cost thereof are estimated to be DM 250 million for 15 years. Until now, Luxembourg covered two-thirds of these costs and the additional costs were recouped from advertising revenues. The CLT, however, has reserved the right to renegotiate this part of the agreement in case of major deficits of Hei Elei. Moreover, CLT has announced that programme budgets will be cut by 10%. The new licence agreement is to enter into force on 1 January 1996.

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Rahmenabkommen zur Verlängerung der Rundfunkkonzession der CLT. Quelle: INFOSAT 83, Heft 2, February 1995 (Euro-Info-Media S.A.R.L., b.p. 1051, L-1010 Luxembourg): 62-63.

Framework agreement on renewal of CLT's broadcasting licence. Source: INFOSAT 83, Heft 2, February 1995 (Euro-Info-Media S.A.R.L., b.p. 1051, L-1010 Luxembourg): 62-63.

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