



EUROPEAN CALL FOR A REVIEW OF STATE AID RULES TO PUBLIC SERVICE BROADCASTERS

Brussels, 30 September 2008 –Today commercial TV channels from all over European met with EU Commission officials and national representatives in Brussels to discuss about an update of the rules for state aid to public broadcasters. The European Commission is expected to present its proposal for a review of the 2001 Broadcasting Communication in due course.

Ross Biggam, Director General of the ACT, commented: “Looking at the often emotional discussions being held about the future of the digital media and the role of commercial and public broadcasting in this, we want to make one thing clear: It is not our intention to keep public broadcasters out of the digital and online media. The question at stake is only the appropriate extent of, and regulatory framework for, the participation of the publicly-financed sector in the new media”.

As pointed out by the Commissioner for Competition Policy, Neelie Kroes, in Strasbourg in July 2008, the Broadcasting Communication has been successful. However, in the light of the rapid change of the media industry, it is important to update this and rectify certain failures so as to have clear rules ensuring competition in the audiovisual market.

The questions raised by Commissioner Kroes about the limits of using state aid in new media are thus the right ones to ask as well as her call for consolidating existing European case practice. The importance to do so becomes clear when considering that even today there are several cases outstanding in a wide range of European countries, including Poland, Ireland, Austria and Greece. Furthermore, there are a number of appeals going through court systems in France and Denmark.

But as pointed out by Ms. Kroes, more needs to be done. Any future review needs to be waterproof and ensure an effective control at the national level. An effective ex-ante scrutiny in all European countries is as much required as an independent regulator with effective control powers to supervise the compliance of public broadcasters with the – at the moment too vague – definition of the public service mission. In order to ensure a clear differentiation between public and commercial broadcasting activities, it will be important to come up with a more detailed definition of the public service mandate. Only by doing so will it be possible to justify the estimate of Euro 22 bn of public funding which public broadcasters receive all over Europe.

Victor Castro Rosa, General Counsel from the Portuguese channel TVI, said: “Latest discussions in Portugal, France and the UK show that it is not sufficient to accept the status quo. We need to update rules and ensure that the parameters of competition law in the field of state aid to public broadcasters are being clarified. Competition in the audiovisual market is seriously endangered by current practices of overcompensation, risks of market foreclosure and insufficient control mechanisms”.

About the ACT:

The Association of Commercial Television in Europe (ACT) is a trade association representing the interests of the commercial broadcasting sector in Europe. The ACT has twenty eight member companies active in 34 European countries operating more than 400 free-to-air and pay-tv channels and distributing several hundred channels and new services. For further information, please see: www.acte.be

Press contact:**Ross Biggam**

Director General

Phone: +32-2-738 76 13

GSM: +32-477-407 733

E-mail: rb@acte.be

Utta Tuttlies

Head of Communications

Phone: +32-2-738 76 18

GSM: +32-495 – 24 64 67

E-mail: ut@acte.be