



EUROPEAN PARLIAMENT REPORT ON PUBLIC BROADCASTING: COMMERCIAL TV CALLS FOR MORE TRANSPARENCY

Brussels, 25 November 2010 – The Association of Commercial Television in Europe (ACT) welcomes the adoption of the non-binding, own-initiative resolution based on a report by **Ivo Belet MEP on “Public service broadcasting in the digital era: the future of the dual system”**. The co-existence of public and commercial broadcasters has so far ensured a great variety of choice to European citizens as well as the freedom of expression European media need in today’s challenging environment. The current process of digitisation has presented new opportunities, as well as challenges, for the media sector. All players should be able to compete equally.

Ross Biggam, ACT Director General, commented: “The European Parliament report is a useful contribution to a long-overdue debate which is taking place across Europe: what is the appropriate level of state intervention in digital media markets? As the MEPs rightly point out, these are very different national debates, rather than a single European one.”

Unfortunately, Europe’s publicly-funded broadcasters appear to have failed to disclose to Members of the European Parliament one key piece of information, namely the amount of state aid which is poured into publicly-funded broadcasters annually across Europe.

Victor Castro Rosa, Chairman of the ACT Working Group on State Aid, added: “Independent industry sources usually estimate the total amount of state aid received by publicly-funded broadcasters to be around €25 billion per year, making them among the largest recipients of state aid in the EU. But without any transparency on the effective amount of funding– no evidence of any so-called underfinancing is included or even referred to in the Parliament’s report – any debate around state aid for broadcasting will always be incomplete.”

In fact, such a generous, albeit imprecise, level of State funding – which may even be on the increase in some markets – should be enough to reassure politicians that there is no prospect of state-funded broadcasting disappearing from the European media scene. Indeed, the European Commission has had to intervene, in the 2009 State Aid & Broadcasting Communication, to ensure that there is independent ex-ante scrutiny of new media ventures funded by state aid. This obligation has yet to be fulfilled in a number of Member States.

Ultimately, the future of public sector broadcasters lies in their own hands. Those public broadcasters who are prepared to be distinctive from the market, to take risks in programming rather than to imitate the successes of the commercial sector will surely enjoy political and popular support. But those who merely replicate what is already available – and this problem is particularly acute when publicly-funded broadcasters are not excluded from the TV advertising market – may find it increasingly difficult to justify funding from the taxpayer. In Ireland, France, Croatia and Portugal, to name a just few, studies and reports have demonstrated the existence of a distorted market for commercial broadcasters with publicly-funded broadcasters using governments’ funds to buy rights to commercial programming such as sport, imported series and reality-TV shows, in order to compete aggressively for high audience shares.

About the ACT:

The Association of Commercial Television in Europe (ACT) represents the interests of the commercial broadcasting sector in Europe. Formed in 1989, the ACT has thirty-one member companies licensed in 30 different European countries and distributed across 45 European markets and beyond. Our members operate several hundred free-to-air and pay-tv channels and distribute many more channels and new services. The ACT members encompass several business models: free-to-air broadcasters and pay-TV players, digital platform operators and multimedia groups. 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**Joanna Chansel**

Acting Head of Communications

Phone: +32-2-738 76 15

GSM: +32-473 – 702 183

E-mail: jc@acte.be