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Time Zero of the Digital Switchover in SEE



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Time Zero of the Digital Switchover in SEE

A R E G I O N A L O V E R V I E W

On 16 June 2006, a treaty agreement was signed in Geneva, by the members of International Telecommunication Union (ITU), opening up the way for heralding ‘all-digital’ terrestrial broadcast services for sound and television. The aim was multi-fold, but the central idea was to provide an “equitable, just and people-centered Information Society connecting the unconnected in underserved and remote communities and closing the digital divide”. By setting a deadline for the digital switch-off in Europe, Africa, Middle East and the Islamic Republic of Iran by 17 June 2015, the GE06 Agreement set in motion a vast array of activities meant to secure the transition from analog to digital terrestrial broadcasting.

The set deadline was the date after which countries may use frequencies currently assigned for analog television transmission for digital services, without being required to protect the analog services of neighboring countries against interference. This date was generally viewed as an internationally mandated analog switch-off date, at least along national borders. The European Commission has **recommended** that digital switchover should be completed by 1 January 2012 - Commission Recommendation 2009/848/EC, of 28.10.2009².

In Europe, the way toward digital terrestrial broadcast was already paved by the Audiovisual Media Services Directive 2010/13/EU³. Under its terms, the audiovisual media services were seen as being “as much cultural services as they are economic services”. The document recognized “their growing importance for societies, democracy — in particular by ensuring freedom of information, diversity of opinion and media pluralism — education and culture”.

For the end-user, digital television promised an enhanced viewing experience (higher resolution and sound fidelity, better interaction, larger agency in shaping up their own programming) and an abundance of information sources. For government and industry, digital television brought the opportunity to re-open the markets, by reallocating the radio spectrum so that it can be auctioned off. In the subsequent auctions, telecommunications industries could have introduced new services and products in mobile telephony, wi-fi Internet, and other nationwide telecommunications projects.

The 17 June 2015 deadline came and went. The current study looks at how the process went in the seven countries in SE Europe: Albania, Bosnia and Herzegovina, Bulgaria, Macedonia, Montenegro, Romania and Serbia. It takes stocks of the

1 http://itu150.org/switzerland_112/

2 <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:308:0024:0026:EN:PDF>

3 <http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32010L0013&from=EN>

situation as per September 2015, with an update in January 2016. It analyzes the way the national Governments dealt with the legislation, how the strategies were designed and implemented, to what point the stakeholders were involved in shaping up the new audiovisual landscapes in which they were supposed to perform for the years to come. We also looked at the role that the European Union played in such a comprehensive and highly regulated process. But the major point of focus for our study was the way the public - in whose name and to whose claimed benefit the whole process of digitization was started - was engaged and has enjoyed the fruit of such big technological upheaval. Has the digital switch-off made good on its promised increased access to information and freedom of expression, in general?

1. SWITCH-OVER DEADLINE: DELIVERING ON COMMITMENTS

If we take a look at the way the commitments for the digital switchover deadline were respected, we can easily see that the common feature across the region is the delay. Out of the seven countries included in the study, only two managed to keep up with the initial plan and, by June 2015, there were still countries struggling with the digital switchover implementation and consequences. Annex 1 describes the de facto situation of the digital broadcast. Some of the countries switched off the analog broadcast, as per their obligations, but the digital signal is not available to the public.

One particular case is Albania, where the market was way ahead of the regulators and law-makers, like in a poster for capitalism: market know best. The first digital broadcast was available in Albania since 2004. The state took almost 10 years to catch up. A proper legislation in this respect was adopted only in 2013. At the root of this delay stays a contorted political environment, as well as a very complicated business scene. As the national report states, the digital switchover process in Albania is clearly delayed. The intertwining of complex business interests, the failure of the regulator to act, legal disputes, and slow digitalization of the public broadcaster are only some of the factors that have affected the progress of digital switchover. Reflecting the dynamics and interests that prevail in the media scene, it was unavoidable for the digital switchover to escape these trends.”

Another interesting case is Romania, where digitization started almost enthusiastically in 2008, not to be completed even after 7 more years. The authorities' lack of interest and the powerful influence of the big players, who tried to maintain their status lead to this delay. But the low impact of the digital terrestrial broadcast (over 92% of the households receive their signal via cable and satellite) was, most probably, the dragging force in this perpetual postponement of the digital switch off. Currently, although the analog signal was duly switched off on 17 June 2015, only 40% of the territory has the technical capabilities to receive digital programs, and only the public TV broadcast them.

Enthusiasm seems to be the key word when one looks at the Macedonian case. Under the justification that Macedonia is lagging behind the European countries in terms of technological developments of the TV broadcasting, in 2012 the government adopted a decision that the digital switchover has to be completed in 2013. And it was, neglecting the strategy that allowed for a longer simulcast period. The digital switch-over took place on June 1st 2013, an event celebrated with fireworks in the main square in the capital Skopje. A few weeks after the digital switchover, the main multiplex operator announced it had covered over 90 percent of the country's territory with a digital signal. Still, 20 days after the digital switchover, many citizens were complaining about receiving the TV signal with interruptions or not receiving it at all, shows the national report on Macedonia.

In Montenegro, as in other countries in the region, there was a split - and a delay - between the technical capabilities for digital coverage (the network of relays) and the ability of broadcasters to offer digital programs. As a result, in June 2015, 92% of the country's territory was covered with a digital signal network. Still, the digital licenses for broadcasters were allocated only after June 19, 2015. By the time of the completion of the national report, only 8 out of the 23 Montenegrin broadcasters had received a digital license.

Our report deems the digital transition in Bosnia and Herzegovina an “utter failure”, given the very complicated situation of the public broadcasters in the country. Not only the deadline was not observed, but the body charged with leading the process is not functional yet. Some 40% of the people in the country are still using their analog antennae.

Bulgaria may look like a success story: early switch off (September 2013), 96.2% of the population covered, operators in place and all. Still, the process of allocation of multiplexes was so rigged with anti-competition provisions that the European Court of Justice ruled against Bulgaria in 2015⁴, stating the violation of no less than three EU Directives. The ruling calls on Bulgaria to pay damages and redress the situation.

⁴ <http://curia.europa.eu/juris/document/document.jsf?text=&docid=163882&pageIndex=0&doclang=FR&mode=req&dir=&occ=first&part=1&cid=364365>

One success story is the case of Serbia, demonstrating the importance of political determination in pursuing a goal. After setting its initial national deadline for April 2012, Serbian authorities dragged their digital feet for years, without any notable advance. Only after the adoption of the new set of media laws, in 2014, the digital transition took up pace and was successfully completed two days before 17 June 2015. As our Serbian rapporteur notes: “When it comes to Serbia, it appears that the digital switchover process went smoothly in the past year, without fuss or tensions. The [Trade, Tourism and Telecommunications deputy] Minister himself, who, as a competent body, was responsible for the implementation of the digital switchover, said that it was unexpectedly smooth⁵. It speaks volumes about the state taking all the necessary steps to comply with international obligations to become a part of the European digital sky.”

2. WHAT POLITICAL WILL CAN AND CANNOT DO: LEGISLATION, STRATEGY, COORDINATION

The digital switchover was, in all the countries covered by our study (with the notable exception of Albania), politically controlled and driven - for good or bad. It was up to the political decision makers to pass legislation, to adopt and implement strategies, to provide the due coordination.

The attempts at laying the legislative hotbed for digitization go back to 2005 (Albania, Bosnia and Herzegovina) or 2008-2009 (Romania, Macedonia). Noteworthy, most of the legislation adopted in the early years of the transition has been amended later on, the last wave of such legislation going from 2012-2015. In many cases, the change in political power led to changes in approaches to digital transition process or to delays in adopting and implementing strategies deriving from the said legislation.

In Bosnia and Herzegovina, after the early adoption of the law, its implementation has been delayed until 2015, because of the complicated political and administrative structure of the country. The responsibility for the introducing new technologies, for managing the property and technical resources and for the operation, management and maintenance of the transmission network stays, according to the law adopted in 2005, with a Corporation of three public service broadcasters. Thus, the Corporation should have led the process of digital switchover. However, the Corporation was never established, again due to the lack of political will. Namely, entity and ethnic divides in all spheres hinder the establishment and functioning of the state-level institutions in Bosnia and Herzegovina, and the Corporation was no exception.

In Macedonia, some broadcasters' representatives claimed that the digital switchover was a politically enforced process, which enabled the country to formally comply by the EU demands. Many also objected to the fact that the process had been entrusted to a foreign company, instead of allowing the state broadcasting bodies or even the broadcasters themselves to manage the multiplexes. Expert analyses also stressed that the awarding of frequencies for DVB-T transmission had shown that the government retains a degree of influence over the process. The main remarks addressed the terms and eligibility criteria for the tender, which “were highly discriminatory... and predetermined, as they rendered the principal telecoms players, other than Telekom Slovenije, ineligible.” Incumbent cable and telecoms operators were excluded from the tender under the claim that such a decision would develop a more competitive telecoms market.

The same issue of political control over the bidding process appeared in Bulgaria, where the European Court of Justice considered the process as violating the European regulations and asked Bulgaria to comply with its international obligations, otherwise facing an infringement procedure.

Another area where the political will was quite visible was in the state's support for the public's costs of the digital transition. Macedonia, Montenegro, Serbia and Bulgaria implemented state aid for the purchasing of set-top-boxes (STBs) for the disadvantaged segments of population (from 40,000 STBs in Macedonia to an estimated 260,000 sets in Bulgaria). Moreover, the Montenegrin government supported the costs of the digital broadcast infrastructure and equipment, via EU funds (approx. 3.1 million Euro) and intends to do so in the future also.

As mentioned before, Albania seems to be a different case, not because the political actors refrained from interfering in the digitization process, but because the market forces worked way before the state moved into action. This, the first digital broadcast appeared in 2004, it took the authorities almost a decade to bring the appropriate legislation into force. Thus, the Strategy to Digital Switchover was approved in May 2014, while the amendment to the Law on Audiovisual media were approved in 2013. It is the only case in the region where this succession happened and it is a textbook example of how the market can take over when the state is weak and slow

5 <http://www.blic.rs/Vesti/Drustvo/561889/Ljajic-Proces-digitalizacije-ide-daleko-bolje-od-očekivanog>

in regulating.

3. WHERE WAS THE PUBLIC: CONSULTATIONS AND CAMPAIGNING

Launched and advertised as a process driven by the interest of the public (better viewing experience, larger access to information and entertainment programs), the digital switchover seems to have left outside the debate the very first beneficiaries of the whole process. In most of the countries covered by our study the public debates were quasi-inexistent or simply formal. Thus, in Albania, Macedonia, Bulgaria and Romania, the consultations were opened mostly to private broadcasters. The value of such consultation differed from country to country. In Albania they were rather formal, while in Romania the broadcasters managed to influence the whole process in their own interest. Thus, the initial take on digitization was that of an opportunity to re-open the audiovisual market and allow for new players to enter and refresh the game. In the end, the law provided for no competition at all, some of the analog licenses were transformed directly into digital ones, taking into account “the investments the broadcasters have already made”.

Montenegro had a debate in which all the stakeholders were invited, while in Serbia, although rather late and after significant delays, a proper debate was organized. As mentioned before, even the government was surprised to note that the process went “unexpectedly smooth”, an indication that the stakeholders were satisfied.

An other parameter we looked at in our study is the way the public was informed about the digitization process and its effects, taking into account that, as mentioned before, the public was listed as the main beneficiary of such a comprehensive move.

Once again, the experience varies from country to country, as do the results, mirroring the various degrees of commitment of the state authorities in charge. At one end we can find countries such as Romania and Bosnia and Herzegovina, who invested little efforts in informing their media consumers. In Romania, for example, the campaign was launched only after the switchover deadline had passed and it relates only to the public television (the only one currently able to broadcast digitally). It is limited to some announcements on the public television channels and short informational materials on its websites. Similarly, in Bosnia and Herzegovina the public broadcasters aired some announcements and limited information was available on the websites.

Macedonia had a more vigorous campaign, including leaflets distributed with newspapers, the setting of a call center and a toll free phone number, various meetings, a TV spot produced in Macedonian, Albanian, Serbian, Turkish, Bosnian, Vlach and Romani languages, as well as information available on websites. The campaign was led at national, regional and local level. The only problem was that the campaign was run only in March-April 2013, just two short months before the actual switchover, compared to the two years initially planned under the Action Plan 2007-2012.

Albania's campaign failed to reach the intended public, being limited to “inner circles”. The public remained largely unfamiliar with the process and the expectations. In fact, there has been almost no discussion in the media regarding digital switchover. Discussions and hearing sessions in Parliament have been reported mainly by the media from the same group already broadcasting digitally, in accordance with the tone or interest that each company has on digital switchover. There has been no in-depth program or discussion organized beyond news reporting, as the topic has been seen as more of an internal development within the media companies or the public broadcaster, rather than a process that will affect every citizen. A public information campaign is forecast, but so far preparations for this component have not started.

Out of the countries studied, Bulgaria and Serbia enjoyed comprehensive, year-long information campaigns. In Serbia, for example, popular artists have been called to appear in videos explaining how digitization worked and what would be the effects. Traditional media, internet publications and private cable operators joined in the 12-month long campaign.

4. WINNERS OR LOSERS: PUBLIC AND LOCAL MEDIA

As mentioned before, we looked for the direct benefits and beneficiaries of the digitization process. We were particularly interested in the opportunities that the digital broadcast advertised for the public television (with a chance to offer more attractive, interactive programs) and the local media (with a chance to have a better access to the airwaves, in what looked like a much broader spectrum of frequencies).

According to our finding, the public televisions have been reserved a central role in the digital switchover in most of the countries

studied. Still, it seems that in some countries (Albania, Bosnia and Herzegovina, Macedonia) they did not fructify it completely, either because the faulty process (delays in implementing the legislation, rigged bidding) or because their inner weakness (dysfunctional managing bodies). In Montenegro, the public television still misses an estimated 12-15 million Euro to start developing its infrastructure and awaits the money from the state authorities. In Bulgaria the process has been completed, while in Romania it is only the public television that has the means and the infrastructure to broadcast digitally, but the coverage with digital infrastructure stays at only 50%.

If in all the other respects the national experiences are different, it appears that the plight of the local televisions is a common denominator of most of the countries covered by our studies. Contrary to the initial expectations and advertised outcome (more information available to consumer, more TV channels broadcasting), it appears that the local televisions found themselves at the losing end of the process. This comes especially because of the fees that the TV companies shall pay to the multiplex operators in order for their signal to be carried to the end user. All the same, the lack of access to the needed infrastructure or the conditions imposed for licensing prevented the local televisions to fully benefit from the digital switchover process.

In Romania, all the 176 analog licenses for local television had to be annulled by June 15, 2017 and the TV stations had to “migrate” on cable distribution, on hastily obtained licenses and hastily negotiated contracts with the cable operators. Noteworthy, in Romania the cable market is dominated by two major oligopolies, out of which one has its own TV production and content, putting a major pressure on the local TVs. As per January 2016, no private television was broadcasting digitally.

In Montenegro, only 3 out of 17 local commercial broadcasters managed to get a license, the rest being expected to migrate on cable distribution or to shut down. In Macedonia, the regional televisions managed to cope with the three-fold increase of their broadcast costs as a result of purchasing new equipment. This was not possible for the local televisions. They were faced with a brutal choice: either become regional (and expand their geographical coverage and editorial interest) or opt for the cable distribution. Twenty local TV stations out of 48 took the opportunity and started to broadcast regionally before the digital switchover in 2013. The future of the remaining 28 is uncertain. While none of them closed down as for yet, it is unclear if they will be able to support the increased operating costs on the long run and beat the reluctance of the cable operators to carry the signal of local TVs. In Albania, the local TVs were offered (in theory), the opportunity to either use the infrastructure of the public RTSH or build their own (individually or in a joint effort).

In Serbia, the impact on the local media has been assessed as rather negative. As our national report notes, the local and regional TV stations, the former stronghold of democracy and civil society in Serbia, have been thrown into despair over the new cash levy, in terms of acquisition of new digital equipment and license prices for broadcasting in multiplexes. It is estimated that monthly costs for local TV stations will be as high as ten times higher than at present.

The costs are not similarly calculated so that they allow for a comparison across the region. Some countries released the price of the multiplex fee, some other the price the TV stations have to pay to the operator. The TVs in Albania face a fee of 2885 Euro fee (level calculate din 2012, but currently contested) if they decide to use the public television infrastructure. In Montenegro, the national broadcasters may pay up to 150,000 yearly, while the regional ones may be asked for a broadcast fee of 13,000 Euro/year in order to operate a multiplex. In Romania, the multiplex operators have to pay the state 1000 Euro for a local multiplex (covering a town), 10,000 Euro for a regional one (covering a county), and 300,000 Euro for a national one. These costs are to be found in the costs imposed to the TV stations, when they will start broadcasting digitally. In Serbia, prices go from 700 Euro for the smallest multiplex to over 36,000 Euro for the largest one, covering one third of the territory.

All these figures, as diverse as their calculation methods may be, indicate that the local TVs are under a huge economic pressure to cope with these new costs and many of them are likely not to be able to survive under these new economic circumstances. As a result, instead of a richer information and entertaining menu, the people may end up actually with a diminished, impoverished media landscape, especially in terms of local news.

5. CONCLUSIONS: WHAT WAS GAINED, WHAT WAS LOST

The transversal overview reveals that there is apparently no sets of “regional patterns” in the way the seven countries that we studied managed their transition to the digital broadcast of TV signal. Some have had delays, others respected their initial commitments, while some others managed to recover the initial delay.

The success of the **digital switchover cannot be related to the fact that some of the countries belonged to the EU while the rest are just aspiring members**. Noteworthy, Romania has a significant delay and Bulgaria, while respecting its own calendar, faces now infringements procedures for violating EU fair competition rules. In the same time, Serbia looks like the success story of the region, after years and years of stalling.

The **political control over the process may be seen as one general feature across the region**, although the degree of intensity of such control varies from country to country. In a way, such control is justifiable, as the main instruments in promoting the digital switchover are the Parliaments (for legislation) and various ministries (for strategies and overseeing the implementation) - all political institution par excellence. But we also can note a **political instrumentalization of the process**, when business actors have been offered preferential treatment or prevalence based on political sympathies.

One worrying conclusion is that, although meant to open new business possibilities, the digital transition and switchover affected rather negatively the local TV stations. Instead of benefiting from the new digital opportunities, they were put in front of significantly increased costs, changes in their operating ways and a dissolution of their “traditional” audiences. Thus, we can say that the digital switchover brought a broader access to information, but **diminished the quantity of local news**. This **disappearance of the localism** is a worrying trend across the region, a threat for the freedom of expression for the local audiences, who can find themselves “incorporated” into the national pool of media consumers. This is particularly important as TV is the most relevant information medium in all the countries included in our study. It seems that the digital transition, conducted only as a technological process, resulted in alienating the people from their local decision makers. This perverse effect of the digitization has to be further monitored and assessed.

All the same, in order to survive and provide the local news to local audiences, local TV stations had to **find alternatives to the costly digital broadcast**. Many of them had to switch to a cable transmission, thus becoming dependent of the **well established cable operators**, now in the position to impose their terms (whether they do carry or not the signal, position on the programs grid, costs). Alternatively, the TV stations have to negotiate with **multiplex operators** - be them private or public (by using the infrastructure of the public broadcasters), national or international companies. Thus, new gatekeepers appeared controlling the access to information of the public and, as a result, becoming freedom of expression stakeholders. As some of them have no “human rights vocation” (being run as purely profit driven businesses), monitoring the way they respect and promote the freedom of expression is a must.

ALBANIA

WHEN MARKET RUNS AHEAD THE LEGISLATION

Author: Ilda Londo

Although Albania was a pioneer country in the Balkans when the first commercial digital multiplex started broadcasting in 2004, now that the official deadline for digital switchover is already here, it is lagging behind almost all countries in the region. What lies at the roots of this process, which seemed to start in a rush and came to a halt along the way? The report aims to address these questions, analyzing some of the key steps and factors, such as drafting of regulations, the influence of the political climate on institutions, the capability of the implementing institutions, the influence of commercial interests, the role of public broadcaster and local operators, as well as the overall responsibility to the public in this respect.

MEDIA LANDSCAPE

Albania has a rich and dynamic media landscape, with about 250 broadcast media outlets and 25 daily newspapers. At the moment there are two national commercial televisions, TV Klan and Top Channel TV, 64 local analogue televisions, and 115 local cable televisions.⁶ Of all the existing national analogue television stations, the public broadcaster Radio Televizioni Shqiptar (RTSH) has the greatest reach: its signal covers 87 percent of the territory.⁷ In addition, there are three commercial digital multiplexes, Digitalb, Tring, and Supersport. Supersport is hosted on the Digitalb platform.

In addition there are 65 local radio stations and two national radio stations, Top Albania Radio and +2 Radio, as well as the public broadcaster Radio Tirana.⁸ However, radio stations seem to be more of an entertainment medium, with mainly music, interrupted by

6 AMA List of TV and cable broadcasters: <http://ama.gov.al/preview/mediat/tv/> .<http://ama.gov.al/preview/mediat/kabllor/>

7 KKRT, Annual Report 2014, p. 9.

8 AMA List of Radio broadcasters: <http://ama.gov.al/preview/mediat/radio/>

ATTEMPTS TO REGULATE DIGITAL SWITCHOVER PROCESS

In general, due to the history and nature of the audiovisual media developments in the country, legislation and the regulator have lagged behind the emergence of media and trends, usually regulating what was already in the market. The most visible example of regulation following developments on the ground is perhaps the case of digital switchover. The first commercial digital multiplex, Digitalb, started operating in 2004, when neither the regulator, nor other lawmakers had yet discussed or issued regulations on digital broadcasting. This new advent in the Albanian media scene was soon followed by that of another digital platform, this time a satellite one, SAT+. After much controversy surrounding the attempts to regulate these enterprises that ensued from the regulatory authority, the Parliament, the relevant international organizations, and media representatives themselves, they became a constant reality and serious competitors in the Albanian media landscape, even though they were still “illegal” in terms of media regulation.

Faced with increasing pressure of the announced plans to start a digital television, the regulatory authority drafted a strategy for digital switchover and consequently amended the law on broadcasting. The first draft of the Strategy for Digital Broadcasting was drafted in 2005 by the regulator, National Council of Radio and Television, with international expertise. This strategy provided a brief analysis of the existing situation up to that moment in terms of frequency plan and development of television sector, an examination of the advantages and disadvantages of the introduction of digital television, the potential scenarios, the licensing criteria, and the potential plan for switchover, as well as recommendations for its success.

Parallel to the strategy, there was an initiative to amend the existing law on broadcasting, in order to accommodate digital broadcasting. The working group was composed by then-members of Parliamentary Commission on Media, NCRT staff, and foreign experts commissioned by the OSCE Presence in Albania. However, while drafting the amendments, an initiative to pass the law on digital television emerged from a group of members of Parliament. At the end, this version of the law made it to the last plenary session of the legislature, but, amidst controversial voting procedure, it did not pass. Both this version of the law and the one drafted by the regulator were deemed as insufficient and with significant flaws by foreign expertise¹⁰. Consequently, the existing digital multiplexes continued to operate, and two more emerged later, respectively Tring and Supersport.

The next initiative to regulate the environment of electronic media and pave the way for digital broadcasting came in 2007, when the Law on Digital Broadcasting was approved. Under the broadcasting law, the regulator NCRT was responsible for granting three sorts of licences: for service providers, network operators and content providers. The law obliged analogue operators to simulcast until the percentage of households receiving analogue broadcasting sank below 10 per cent of the total area where they air. On the other hand, public broadcaster RTSH had the right to use two of the seven nationwide frequencies assigned by the RRC-06 to Albania for digital use. The law also imposed some obligations on digital network operators. They had to offer at least 50 per cent of their services free-to-air, while the public service broadcaster would not charge for any of its programmes. In addition, the digital broadcasters should comply with several other requirements, including fairness and editorial independence in their news and information services. At first sight, the licensing criteria seem fair and public-oriented, especially with regard to the emphasis on choosing non-proprietary standards, transparency of costs and broad choice on content.

The Government submitted the law to the Parliament in February 2007, at a time when the latter had already adopted – in co-operation with the Council of Europe – an action plan to review the media legislation and draft a law on digital broadcasting by the end of the year. Media owners and directors protested that they were not consulted on such an important law. The debates preceding the adoption of the law focused on its impact on the existing market, where DigitAlb had become a successful player. DigitAlb’s representatives insisted that they had asked for nothing more than the legalisation of their activity, without having to start from scratch.¹¹ After several hearings with the stakeholders and receiving comments and suggestions from the Organisation for Security and Co-operation in Europe (OSCE), the Council of Europe, and European Commission, the ruling majority passed the law without the consent of the opposition, which refused to vote. The debates on the amendments to the law rarely focused on their purpose and effects, which raises questions about how efficiently this law would be implemented. In fact, the digital licensing process never started and the law was never implemented.

9 AMI, *Media dheshoqeria e informacionit ne Shqiperi*, Tirana, 2011,p.8.

10 AMI, “Digital Television in Albania: Policies, development, and public debate,” 2006.

11 Minutes of Meeting of Parliamentary Media Commission, 20 April 2007, available at <http://www.parlament.al/dokumenti.asp?id=2351&kujam=Komisioni> (accessed 18 October 2007).

CURRENT REGULATION OF DIGITAL BROADCASTING

The efforts to legislate the digital switchover have been long, and the drafting of policies and their implementation have been slow and the process has often come to a halt. Due to different reasons, the digital broadcasters have operated for almost ten years in the absence of any effective efforts to regulate this environment, and the media regulators have now found themselves confronted with a fait accompli that cannot be ignored and has to be factored into future media policy and regulation.

While the Action Plan signed by the government with the Council of Europe in 2006 also comprised the drafting of a new audiovisual law in the parliament, on May 2, 2012 the government approved the Strategy to Digital Switchover, which would pave the way for the official start of the switchover to digital broadcasting. Since the first version of the strategy for this process in 2005, there have been several attempts to draft, revise, and approve the strategy. This version of the strategy went through the work of an ad-hoc committee, composed of responsible ministries, the public service broadcaster, the electronic media regulatory authority, representatives of electronic media, etc. After the approval of the Strategy, the head of the National Council of Radio and Television called for the speedy approval of the draft law on Audiovisual Services, which was still being discussed in the Parliament, so that both the Strategy and the new law would be implemented. However, it took almost one more year to finalize and approve the new law, Law 97/2013 "On Audiovisual Media," in March 2013.

The situation of prolonged broadcasting with no regulation has resulted in several challenges regarding the switchover. These challenges consist of guaranteeing fair and free competition on the market while guarding already made investments, securing that public interest above any business interest, enabling access and fair conditions to local operators, guaranteeing the transition to switchover for the public service broadcaster, along with the guarantee of the fulfillment of the public mission, ensuring sufficient information, know-how, and funds for the public that cannot afford switchover, etc. The Strategy addresses these issues by outlining the limitations regarding the ownership of multiplexes, the modalities for the network and access to local multiplexes, the funding for the public awareness campaign and the subsidy for decoders, the transition costs of the public broadcaster, and licenses of the commercial multiplexes. The aim of the strategy was to set the necessary guidelines for the final switchover that was supposed to be completed by June 17, 2015. For this purpose, an inter-institutional committee was set up, which would oversee the implementation of the switchover.

After the approval of the Strategy on Digital Switchover, on 4 March 2013, the Albanian Parliament approved Law 97/2013 "On Audiovisual Media in the Republic of Albania," after several years of discussion and stagnation. This law aimed to harmonize the Albanian media legislation with the Audiovisual Media Services Directive (2010/13/EU – AVMSD) of the European Union and in order to respond to the reality of the audiovisual media sector. Both political wings reached consensus on the law, with the exception of the election procedure regarding the members of regulatory authorities. In fact, this failure to agree on an appropriate formula has proved to be a continuous challenge and reason for political fight.

The law added new competences to the functions of the regulator, now called Audiovisual Media Authority, AMA: the issuing of digital broadcasting licenses and authorizations, the preparation of instructions and regulations on the usage of the public broadcaster infrastructure, the mediation of disagreements between operators, and preparation of studies and research works in the audiovisual media sector.

AMA had a slow start in its overall functions, especially regarding the digital switchover, as it became subject of political disagreement between opposition and ruling majority. Both sides failed to agree on the constitution of a new council with missing members and had a dispute on the validity of the mandate of the then-chair of AMA. The process was long and dragged, and the matter is still disputed in court. Currently AMA still does not have the quorum to make certain decisions in view of one missing member, while its members appointed by the opposition refuse to participate in the decision-making process. In the meantime AMA has also approved the regulation "On the licensing of digital networks and programs that rely on them, through the procedure of Beauty Contest," starting the licensing process that invites existing multiplexes to participate in the contest.

At the end of March 2015 AMA drafted a work plan for the digital switchover process, covering the detailed tasks to be completed in the time span February – June 2015¹². The work plan included these major areas: drafting of regulations that would enable the start of digital switchover, agreement with the public broadcaster on the switchover plan, communicating and agreeing with local analogue operators, communication with ITU, state funding needed, and the public awareness campaign. More specifically, the plan of activities included the following tasks:

- Revision of "Beauty Contest" Regulation. This was first drafted, consulted, and approved in July 2013.
- Regulation on enumeration plan of programs. 3. The regulation on conditional access is drafted, but needs to be revised, due by April 20.

In addition, cooperation of AMA with public broadcaster RTSH was also an important part of the plan:

- Determining the criteria and number of programs of public nature and free-to-air, and those with conditional access.

12 <http://ama.gov.al/preview/wp-content/uploads/2015/03/planipunesprdigitalizimin.pdf>

- Establishing the criteria and contracts that RTSH and existing local operators will sign for using the network of the public operator. Simultaneously, the issue of fees the operators must pay for using this network should be discussed. Local operators were supposed to be part of the discussion.
- The regulation on criteria and regulatory measures for the common use of RTSH's broadcasting infrastructure should be revised.

The plan for analogue local networks consisted of:

- Digitalization of analogue local networks.
- Depending on the progress of construction of the RTSH multiplexes, the coverage plan for each operator and the action plan should be drafted, coordinating the use of public networks by local private operators.
- Public information campaign tasks included the following plans:
 1. A call-center shall be established. Funds shall be secured, the staff shall be trained and manuals shall be ready for the staff to use.
 2. Public information campaign in the media. An informative brochure shall be drafted.
 3. Organization of conferences to raise awareness of digital switchover. Three regional conferences and a national one shall be organized, when the regulation and criteria shall have been completed.

EFFORTS TO IMPLEMENT DIGITAL SWITCHOVER PROCESS

The implementation of the Strategy of the Digital Switchover and of the Law on Audiovisual Media has been very slow. Two days before the deadline of June 17, 2015, set for the digital switchover for the European continent, AMA issued a press release that notified the deadline for digital switchover was impossible to meet under the current circumstances: "AMA has notified the Parliament of Albania, the Government, the Ministry of Innovation and Public Administration, AKEP, RTSH and audiovisual subjects on the range of problems that directly affect the process of digital switchover, such as: the immediate request for starting to build digital networks of RTSH, the completion of AMA Board with one missing member and possibility for AMA to go back making decisions that require a quorum. In view of all of these and despite of all the measures taken, it is impossible to fully implement the Strategy for Digital Switchover and the deadline of final switch-off of analogue broadcasting, set for June 17, 2015, cannot be met."¹³

The reasons for the delay in digital switchover process are complex and related to deep-seated problems of Albanian media and its way of functioning. In order to understand the dynamics of this process and the factors that delay its completion, the following analysis will address the situation with the regulatory authority, its functioning and powers; the problems of the public broadcaster and the role of commercial media in the digital switchover process, the situation of local operators, and the responsibility of authorities and media vis-à-vis the public in this process.

-THE FUNCTIONING OF THE REGULATORY AUTHORITY

As it was briefly mentioned above, the regulatory authority has not been able to perform smoothly in the process of digital licensing and switchover, due to problems in its constitution and functioning. The rotation of power after June 2013 elections in Albania brought once more to the fore the debate on the election of the media regulatory authorities, namely the Authority on Audiovisual Media that supervises the implementation of the law by audiovisual media operators, and the Steering Council of the Albanian Radio and Television, RTSH, which is the highest governing body of the public broadcaster. While the formula for electing members of the regulators has changed a few times, the lawmakers have not managed to find a way to overcome delays and hindrances in the functioning of the regulators due to the lack of members or political blocking. The current formula is no exception. The final version of the Law on Audiovisual Media brought before the parliament was the result of an agreement between both political wings, with the exception of the formula on the election of regulatory authority and the Steering Council of public broadcaster. Failing to reach a consensus, the then-ruling majority's proposal of this formula passed only with the majority votes.¹⁴ According to current regulations the chair of AMA shall be elected with simple majority of votes, meaning that the head of the regulator will be again linked to map of the seats in the parliament, as he/she will be elected through simple majority votes, with no mandatory need for consensus or any other kind of broader representation. The same is valid for the chair of the Steering Council of RTSH.¹⁵ Thus, this regulation did not lift the doubts on independence from political factions within the regulators. "The appointment procedure of the members of the media regulatory authority - Audiovisual Media Authority (AMA), provided for by the law, does not fully guarantee their independence."¹⁶

13 AMA Press Release, June 15, 2015.

14 AMI, Albanian Media Newsletter, <http://institutemedia.org/newsletter.html#march>, March 2013.

15 Law 97/2013, "On Audiovisual Media," Art. 95.

16 EU Progress Report on Albania, 2013, http://ec.europa.eu/enlargement/pdf/key_documents/2013/package/brochures/albania_2013.pdf

This inability to agree on a crucial matter of media regulation in a way foretold the battle that was to come on the election of the members of the regulatory authority. With the new parliament swearing in in September 2013, one of the first tasks of the Parliamentary Media Commission was to issue the call for proposals for new members of the Audiovisual Media Authority and the Steering Council of the public broadcaster. The mandate of all 11 members of the Steering Council had ended for more than a year. The regulator of audiovisual media had one member with expired mandates, while there were two vacancies, as the then-opposition had not nominated candidates for the post as part of the political decisions it had made at the time. The election of new members for both bodies should have been a matter of routine, instead it has proved to be a long, difficult, and disputed process.

The Parliamentary Commission on Media for many months could not agree on the validity of term of the AMA chair. The ruling majority claimed that it was illegal for the AMA chair to hold her position, since her mandate was over and she had not been re-elected as an AMA member, accusing the opposition of blocking the process of turning the regulator to a normal process. On the other hand, the opposition argued that the ruling majority was violating the law, with the aim of politically controlling the regulator. In short, the political battle and prolonged fight delayed the election of new members, paralyzing both AMA and Steering Council, and consequently delaying digital switchover and other processes. The Parliament finally elected the chair and two new members of the regulator, only with the votes of the ruling majority. The opposition condemned the process, stating that the law clearly demands that the short listing of candidates is done jointly by both ruling majority and opposition MPs. In addition, the opposition also contested the election of the chair, claiming his past experience as director in one of the main commercial multiplexes in the country was a sign that both the government and commercial media were seeking to capture the regulator. The matter is currently still disputed in the administrative court. In this context, two of the remaining members of AMA appointed by the opposition have refused to participate in decision-making until the court rules on this matter, which means that AMA has lacked the quorum to make important decisions that require five votes. This has negatively impacted the digital switchover process, since it is one of the reasons that impedes AMA to decide on granting licenses for commercial multiplexes, as well as other decisions.

The situation was the same in case of the RTSH Steering Council election. On 4 December 2014, in a plenary session, the Parliament elected five members of the Steering Council of the public broadcaster RTSH. The new members were voted only by Members of Parliament from the ruling majority, as the opposition MPs continued to boycott all parliamentary activities. The opposition also took this matter to court, but decided not to pursue it further and proceeded with the completion of the Steering Council and election of its chair. However, the Council has reached a deadlock with

regard to election of the new General Director of RTSH. Both the delay in electing Steering Council members and the deadlock over the election of a new director have also affected the ability of RTSH management to approve documents needed to proceed with the digital switchover process.

PROBLEMS IN THE DIGITAL SWITCHOVER OF THE PUBLIC BROADCASTER

The public broadcaster is supposed to have a leading role in the digital switchover process. Apart from the limited functionality of Steering Council and the consequent delays, a major problem in the process of digitalization of RTSH has been the legal dispute over the tender for the digital switchover of its two networks. The Strategy for Digital Switchover allocated two national frequencies to the public broadcaster, out of eight assigned to Albania. Unable to build the two networks on its own, the Ministry of Innovation and ICT published a request for proposals on April 12, 2013, with the subject "For the Finance, Design, Supply, Installation, Training and Transfer of a DVB-T2 Network for the Republic of Albania." The aim of the tender proclaimed by the Ministry was to select a company that would build the digital networks that would then enable the public broadcaster to switch from analogue to digital networks. The tender was carried out amid disputes of the opposition that it was not appropriate to undertake projects of such a scale immediately before the election period. At the end, the Ministry proclaimed two companies as winners, while one of them complained about the procedure and the matter was taken to court. Shortly after, the Minister, faced with this situation and with an imminent rotation of power after the general elections of June 2013, issued Order no.15, dated 29/08/2013, an order that annulled the tendering procedure altogether.

The company Rohde & Schwarz filed another lawsuit, challenging both the cancellation and the proclamation of two winners of the tender. A year of disputes, ping-ponging the case from one court to the next, followed. Finally the Ministry decided to stop appealing the case and the Administrative Court of Appeals issued Decision no.3407, dated 15.09.2014¹⁷, which ruled that the case was closed. Following the court decision, the Order no.3663, dated 29.09.2014, was published in the Bulletin of Public Procurement no.41, dated 13.10.2014¹⁸, which proclaimed the company Rohde & Schwarz as the sole winner of the tender to build the digital networks of public broadcaster RTSH.

After this legal odyssey was closed, RTSH and the government signed the contract with the German company Rohde & Schwarz on

17 <http://www.gjykataadministrativeepelit.al/>

18 www.app.gov.al

March 19, 2015. However, in view of the delays in constituting the new Steering Council and in electing new General Director, as well as the delay caused by the legal dispute, the building of digital networks has been delayed considerably, affecting not just RTSH, but also local broadcasters that are supposed to be hosted in these networks.

LICENSING OF COMMERCIAL DIGITAL NETWORKS

In addition to the limited functionality of the regulatory authorities and the delay in signing the contract for building digital networks of RTSH, the process of licensing commercial digital networks has been far from smooth. With the decision “On licensing of digital networks and their programs, through the beauty contest procedure,” dated July 2, 2013, the regulator AMA opened the call for licensing of digital commercial operators, inviting the existing digital multiplexes to apply. This procedure implies that it is not open to all operators, but rather that the licenses will be granted to a small pool of applicants, who will apply upon invitation of the regulator to participate in the contest. The procedure is defined in the regulation for opening the contest as “a selection procedure where participants are evaluated through comparison of their performance in the relevant field.” After much discussion, given that the media landscape in the field of digital broadcasting was already developed, the Strategy of 2012 determined this as the most appropriate procedure to license the operators.

The three operators, Digitalb, Top Channel, and Media 6, filed a lawsuit contesting Article 16 of this regulation. They also demanded that based on the invalidity of this article, the court should by default declare invalid the whole decision. The operators claimed that AMA had acted beyond its competencies in setting financial measures the operators must fulfill in order to receive a license. AMA argued that the operators had not exhausted all legal measures and that they first should have gone through administrative complaint. On July 30, 2013, the court refuted AMA’s arguments and decided to accept the lawsuit of Digitalb, Top Channel & Media 6 and suspend the regulation¹⁹. As a result, the regulation and procedure on licensing of digital networks remained suspended until the final court decision. A long legal battle began even in this case. The battle came to an end after several court rulings. In addition, with the election of new members of AMA that had taken place in the meantime, the regulator decided to cease legal proceedings and amend the regulation. However, although the regulator was free to proceed, more than a year was lost in legal disputes over this matter.

After the final revision of the licensing regulation and following consultations with the existing operator, the regulator, opened the call for applications in April 2015²⁰. The call was contested by both Vizion+ and Tring TV, seeking to suspend the procedure. The matter is currently at Administrative Court of Appeals, after the regulator won in the first instance. Tring, although invited to participate, did not submit an application. Four historical operators participated in the call, the two national TV stations, TV Klan and Top Channel, and the two existing digital multiplexes: Digitalb and Supersport. It remains to be seen whether AMA will be able to make a decision on the licenses, in view of the missing quorum in its Board.

Furthermore, even with the four applicants, there is a problem in relation to their ownership structure vis-à-vis the legal requirements imposed in this respect. Since three of the four operators have more or less the same owners, the current ownership limitations in the Law on Audiovisual Media are an obstacle for obtaining the respective licenses. According to Art. 62 of Law on Audiovisual Media, “no natural or legal, local or foreign person shall have more than 40 percent of the general capital of a joint stock company that holds a national audio broadcasting license or a national license for audiovisual broadcasting.”²¹ In addition, the owner of a company with a national license can own no more than 20% of another company that owns a national license. This regulation clearly limits the number of national licenses AMA can issue to the current applicants, with the current ownership structure.

In this context, Taulant Balla, MP of the Socialist Party, submitted a proposal for amending the Law on Audiovisual Media to the Parliament on April 24, 2015. The proposed amendment contains only the following article: “Article 62 of law no. 97/2013 ‘On the audiovisual media in the Republic of Albania’ is repealed.” The amendment proposed by Balla claims that this article has created barriers that should be eliminated, as they pose “a real obstacle to the development of broadcasting.” According to the report accompanying the proposed amendment, the barriers of ownership are unnecessary and it also claims that “under the current situation, fair and effective competition is seriously violated, the quality of audio and audiovisual services might decrease, and one of the fundamental principles on which the AMA should exert its activity, namely that of guaranteeing equal access and non-discriminatory audio and audiovisual media market, may be violated.” The removal of such limitations would certainly resolve AMA’s dilemma in granting a limited number of licenses to current applicants. However, it would also lead to a clear concentration of ownership for the digital networks that will be licensed as well as no guarantee for media pluralism in future licensing process. The opposition publicly opposed this proposal, claiming that it aims to pave the way for the establishment of monopolies in the media market. Ruling majority and opposition MPs in the Parliamentary Commission for Media decided to seek the assistance of OSCE, European Commission, and Council of Europe before making a final decision on the proposed amendment and a recommendation for voting in plenary session. The response from these bodies was unambiguous: this amendment could greatly distort media pluralism in the country. After

19 www.gjykatatirana.gov.al

20 www.ama.gov.al

21 Law 97/2013, Art.62.

some more discussion, the Parliamentary Commission on Media decided to reject the amendment. However, the ownership regulation is yet another factor that might further delay the long overdue digital switchover process, since the current set-up of ownership shares in two of the companies that have applied for a license does not meet the legal criteria.

LOCAL BROADCASTERS IN THE DIGITAL CONTEXT

The local media, currently broadcasting mainly in analogue, play an important part in the media landscape given their significance in terms of media pluralism and the role they have within their communities. Based on the Strategy of Digital Switchover, there are three options for local operators in the wake of digital switchover:

1. the local broadcasters will be available through the platform that is being built by the public broadcaster RTSH;
2. the local broadcasters will come together and apply to build a local platform of their own, but 70% of the local operators in the area have to agree in order to apply;
3. If none of the first two options work, the regulator opens the race to build a network that local operators will use.

The Strategy defines these three particular options, but states that other options are by no means excluded. In fact, as a public meeting held in early June 2015²² highlighted, another option might be for local broadcasters to make use of the networks built by the other commercial operators, namely the existing multiplexes and the two national commercial televisions that have applied to receive a national license for building a platform.

In this respect, a key factor will be the fee applied to use the network that the public broadcaster is building. According to the Strategy, the fee calculated in 2012 is estimated to be 2,885 Euro per month for each operator that will use the network of the public broadcaster. Current AMA management claimed that there is no sufficient transparency in the Strategy on how this fee was estimated and it seems rather high for local broadcasters to afford. As a result, the public broadcaster will revisit the fee and present new options and fees for those local broadcasters wishing to be hosted on the public network. Yet, this episode suggests again the importance of the digital switchover of the public broadcaster, in order to pave the way for the next steps in the process and ensure fair and equal opportunities for the digital broadcasting of local operators, too.

RESPONSIBILITY AND TRANSPARENCY TO THE PUBLIC

A highly important element addressed in the Strategy of Digital Switchover is the issue of access and affordability in the framework of digital switchover. The Strategy underlines the need for equipment for the particularly poor strata of the population, indicating state subsidies as a necessity.²³ In addition, the Strategy suggests the use of universal decoders. In this framework, on June 3 the Council of Ministers approved a decision aiming to regulate technical rules on TV sets to be sold on the market: they have to comply with the compression standard DVB/T2/MPEG4 and use a common interface²⁴.

Although the Strategy underlines the need for a public awareness campaign, the public is still entirely uninformed about what digital switchover is. So far this debate has been limited to inner media circles and the public remains largely unfamiliar with the process and the expectations. In fact, there has been almost no discussion in the media regarding digital switchover. Discussions and hearing sessions in Parliament have been reported mainly by the media from the same group as the existing platforms, in accordance with the tone or interest that each company has on digital switchover. However, there has been no in-depth program or discussion organized beyond news reporting. This discussion has been seen as more of an internal development within the media companies or the public broadcaster, rather than a process that will affect every citizen. A public information campaign is forecast in the Strategy and is also on AMA's work plan, but so far preparations for this component have not started.

CONCLUSIONS

The digital switchover process in Albania is clearly delayed. The intertwining of complex business interests, the failure of the regulator to act, legal disputes, and slow digitalization of the public broadcaster are only some of the factors that have affected the progress of digital switchover. Reflecting the dynamics and interests that prevail in the media scene, it was unavoidable for the digital switchover to escape these trends. However, since the process is practically still at its start, it needs further monitoring on how particular actors, institutions, and rules will affect the outcome and on whether the process will be fair, transparent, and serve the public interest.

22 AMA meeting with local operators, June 1, 2015.

23 The Strategy, p.42.

24 Council of Ministers Decision no.480, date 3 June, 2015.

BULGARIA

DIGITIZATION IS COMPLETED BUT CONTESTED

Author: Asen Velchkov

A concise overview of the development of the Bulgarian media market in the last years reveals a strong TV market, a print sector losing its influence, an increasing influence of the Internet and a radio business sector seriously affected by the crisis. The glut of radio and television market, along with the collapse of advertising budgets in recent years, puts a lot of channels on the edge of survival and reduces the quality of their programs.

Annual advertising revenue in the press and radio have shrunk dramatically and are currently less than those in strong years as 2007 and 2008. In recent years, print media have often been associated with investors with uncertain resources of funding. These new publishers typically do not use newspapers to the benefit of their communities, but to protect their own business interests through the media content.

TV is still the most popular media in Bulgaria. According to a nationally representative survey conducted by the Open Society Institute – Sofia, from 21 March until 9 April 2015, 90% of the respondents say they watch TV at least once a day. In comparison only 35% listen to the radio, 31% read newspapers and 44% surf online. While the popularity of cable television started to decline after 2007, satellite television has become more popular, offered in a package with other services. The use of TV on the Internet (IPTV) is also increasing, but starting from a significantly lower base. Although Bulgarians enjoy one of the fastest Internet connections in the world as a whole, broadband is less popular. In Bulgaria both e-Government services and audiovisual content on demand are mostly absent. However, the use and dissemination of torrent trackers (for unauthorised use of copyrighted material) are widespread.

Between 2000 and 2011, one third of all the newspapers closed down and the total annual circulation fell by 15%. Many newspapers have been trying to stop the process of shrinking circulation by posting yellow and sensationalistic content. Only tabloid newspapers, which rely on income from the cover sales, have managed to keep a stable audience rate. Almost all newsrooms shrank their staff and began to recruit young reporters to work for less money. Reduced income often forced TV stations, newspapers and magazines to start “selling” their journalistic objectivity and impartiality.

Overall, newspapers remain an important source of information for the public, ranking second after television and still before the Internet. However, print media will increasingly lose against emerging news sites that compete with them for the revenues from online advertising. The consumption of online news subscriptions is limited against a large number of news sites that publish content for free.

The Internet seems to have not yet shifted entirely traditional media, more and more people are informed by more than one media. More than half of the Bulgarians are online. All the major television networks publish online audiovisual content. Currently there is only one “video on demand” (VOD) service, offered by an established media. Public service broadcasters are struggling to keep their advertisers on a highly competitive media environment, but in terms of audience, the Bulgarian National Radio (BNR) is doing better than the Bulgarian National Television (BNT). BNR is the leader in terms of audience, while BNT ranks third after the commercial bTV and Nova.

Social media are leading in reporting and are channeling the public interest in individual events. Civic online journalism is the most active and influential when it comes to issues related to nature conservation and Internet freedom. Facebook is the primary social media in Bulgaria, while many opinion leaders tend to publish on Twitter, whose audience is still very small. Another important place for online discussions is the site Bg-mamma.com, which offers the online public a wide variety of topics.

The state increased intervention on the media market by additional regulations (especially indicative are lobbying changes in media legislation in connection with digitization) and indirectly through sponsorship contracts. Bulgaria has been facing serious problems with freedom of the media at least for several years. Criticism on the sector comes permanently from European NGOs, “Reporters Without Borders”, Freedom House and other international organizations. Adoption of new media legislation already delayed in Bulgaria, in particular concerning media ownership and concentration, along with state subsidies for public media are the main topics of such criticism. Although several projects for a modern media law have been developed, there are no signs so far they will be passed in this government term ending in November 2018.

Bulgaria completed the transition to the digital terrestrial television (DTT) in 2013. The first test run with the DTT broadcast was in 2004. After serious delay, the transition to digital broadcasting was completed in September 2013. After this date TV programs broadcast in digital only. Digital terrestrial TV provides coverage of 96.2% of the population of Bulgaria. The digital channels are: 1. the public channels of the Bulgarian National Television (BNT1, BNT2, BNT 1 HD, BNT HD) and 2. The private TV stations: bTV, Nova TV, News 7, TV 7, Bulgaria on Air. In 2013 the number of enterprises providing radio and television distribution services reduced to 326, which means a 15.3% decline compared to 2012. As of 31.12.2013 the total number of registered companies providing cable TV is 376, but only 293 are actually operational. That indicates a decreasing trend in terms of cable operators. In 2013 the number of cable operators providing digital services to their subscribers increased by 59% compared to 2012, reaching the number of 160, which represents about 55% of the total number TV companies.

In early 2013 the European Commission started legal action against Bulgaria for poorly organizing the bids for TV digital distribution. In a nutshell, towards the end of its mandate, the then triple coalition (Bulgarian Socialist Party, Movement for Rights and Freedoms and National Movement for Stability and Progress) organized the tender for the allocation of multiplexes keeping the competition as limited as possible. Moreover, the bids were disguised and the manner in which they were conducted stirred serious suspicions of a new monopoly. It was just the opposite of what the European Union aims via the digitization of the airwaves - expanding capacity beyond the constraints of the analog broadcasting, attracting more players and increasing competition, which should lead to lower advertising prices and increased quality of the programs. In the Bulgarian version, digitization degenerated into rigged competitions, recreation of monopoly and disproportionate government spending on advertising process.

Bulgaria was found in breach of the European legislation in the organizing the bids for the provision of multiplexes and implementation of digital broadcasting in the country. At the end of April 2015, the European Court of Justice issued a decision in Case C-376/13 against Bulgaria.

The consequences of the decision are clear - the state must withdraw these licenses and organize a new and legitimate competition for digital broadcasting. Penalties for non-compliance can reach thousands of euros a day until the violations are corrected. The state budget will absorb the costs of the proceedings at the Court, and (possibly) the damages for the companies that won the tenders and whose licenses will be annulled.

A related topic absent from the current political agenda is the regulation of the digital dividend. Digitization is expected to change the radio market too. Unlike television, however, radio networks will continue to use analogue frequencies for a long time from now on. So far, they have not presented a serious development vision during digitization. The radio stations are the most seriously hit by the economic crisis and shrunk advertising market in Bulgaria.

Besides sorting out the digitization of the TV broadcast, there are some other key challenges for the media business in Bulgaria: the need for the transparency of media ownership, regulation of concentration and ensuring a sustainable business model for quality news publications.

Overall and despite the troubles in the process, it can be said that digitization in Bulgaria has increased access to news content and information and created opportunities for people to freely express their opinions on issues that directly affect them.

Sources:

Mapping Digital Media: Bulgaria report

<http://www.opensocietyfoundations.org/reports/mapping-digital-media-bulgaria>

Official website of the digitization campaign in Bulgaria

<http://www.cifrovizacia.bg>

BOSNIA AND HERZEGOVINA

A STORY OF POLITICAL OBSTRUCTIONS

Author: Sanela Hodžić,

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1. POLITICAL STALEMATE

The process of digital switchover in Bosnia and Herzegovina has utterly failed. It has been years since the Strategy on the Digital Switch-over was adopted by the state Parliament, in 2009. The first, ambitious deadline for switchover to digital broadcasting, set for 2011, was missed without even a draft of an action plan. The action plan was prepared in 2012, but due to lack of political will, it has never been adopted, and the second deadline for switchover – end of 2014 - passed with little progress.

The deadline, 17/06/2015 – the final day for all European countries to switch from the analogue to digital broadcasting system, as specified by the International Telecommunication Union in Geneva in 2006, - was missed and, towards the end of 2015, there was still no indication regarding the completion of the digital switchover.

For those unfamiliar with the Public Service Broadcasting in BiH, it is a reflection of the peculiar constitutional arrangements of the country, with a state-level public broadcaster - Radio-television of Bosnia and Herzegovina (BHRT), and two entity-level public broadcasters, Radio-television of the Federation of Bosnia and Herzegovina (RTVFBiH) and Radio-television of the Republika Srpska (RTRS).

The Law on Public Broadcasting System of Bosnia and Herzegovina (hereafter Law on PSB system) was adopted on May 17th 2005 by the Parliamentary Assembly of BiH and by the House of Peoples of BiH on October 5th the same year. The Law on PBS, inter alia, foresees the establishment of a Corporation of three public service broadcasters (Article 12); among other things, the Corporation is supposed to be responsible for introducing new technologies, for managing the property and technical resources and for the operation, management and maintenance of the transmission network. Thus, the Corporation should lead the process of digital switchover. However, the Corporation was never established, again due to the lack of political will. Namely, entity and ethnic divides in all spheres hinder the establishment and functioning of the state-level institutions in Bosnia and Herzegovina, and the Corporation was no exception. The relations among three broadcasters were never aligned with the existing legislative framework; most of all, the distribution of the RTV licence fees among them does not work as stipulated by the law. Legislative changes²⁵ in fact did the opposite from setting the grounds for establishment of the Corporation. Namely, with the changes of the Law on RTRS, this broadcaster was freed from the obligation to transfer their property to the Corporation. At the joint meeting of the representatives of each of the three public service broadcasters held in March 2010, the transfer of property issue was a stumblingblock, given that the uneven treatment of the transfer of property was seen as "...setting of double standards" (Ahmed Žilić, member of the Board of Governors of BHRT)²⁶.

2. ONE STEP FORWARD, TWO STEPS BACK

However, Some progress has been made in terms of infrastructural capacities for the digital switchover.

Public service broadcasters partly digitalized the production capacities. As far as the infrastructure is concerned, after years of delay, the Council of Ministers of BiH and the Ministry of Transport and Communication announced a public tender for the procurement of the equipment for digital broadcasting and transmission, in early 2011. Years of delays followed because the selection of the supplier was followed by lengthy complaint procedures. Namely "Ericsson - Nikola Tesla" from Croatia was selected for the most favourable offer worth 6.8 million KM, which was followed by the complaint of the consortium led by "Unis telecommunications" Mostar. After the review by the Procurement Review Body, the decision was ousted, and a second tender was published in 2012. After the consortium of companies led by "Unis telecommunications" Mostar was selected, the procedure was overthrown based on the complaint of "Ericsson - Nikola Tesla" from Zagreb, and the Consortium AVC "MIBO Communications" from Sarajevo. The Procurement Review Body was in general criticised for delaying the process of the digital switchover²⁷.

The third tender was announced in 2013 and finally in March 2014, an agreement was signed between the Council of Ministers of BiH and the company Odašiljači veze ("Transmitters and Communications Ltd"). The complaint about the tender in this case was rejected as unfounded.

In 2013, the Council of Ministers of BiH passed the Decision on the changes of Decision on Digitisation Process, by which the digital

²⁵ Law on Changes and Amendments to the Law on RTV of Republika Srpska, Official gazette 42/2010, available at: <http://lat.rtrs.tv/comp/zakoni.php>, by which approval by the National Assembly of Republika Srpska is required for any transfer of ownership or managing rights.

²⁶ Source: http://www.slobodnaevropa.org/content/korporacija_javnih_rtv_sistema/1990747.html

²⁷ In addition, after the second annulment of the tender the Procurement Review Body, or its president to be precise, has received criminal complaint from Unis Telecommunications from Mostar.

switchover of the public RTV services in BiH was included in the program of capital investments for 2011- 2014. One million KM was provided for digitisation from the 2014 budget for BiH institutions, and six million from the accumulated surplus of income of the Communications Regulatory Agency.

After the equipment was purchased, its installation was to be carried out during 2014. The installation of equipment for DVB-T UHF system in Sarajevo is completed. The signal measurement and the equipment testing were completed as well. Similarly, the installation of the equipment in Mostar, followed by measurement and demonstration of DVB-T equipment, has been completed as well. However, although the same equipment has already been purchased and was supposed to be installed in Banjaluka, the process was obstructed. As Mehmed Agović, at the time the advisor of the minister in the Ministry of Transport and Communications stated, RTRS did not allow the contractor to install the acquired equipment, and at the same time refused to take it over and store it, hence, the risk of damaging the equipment and wasting the public funds. Thus the BHRT was forced to take care of it, although it does not have proper conditions for the storage of such equipment. Agović indicated that the functioning of the digital infrastructure for two broadcasters is not possible without the installation in RTRS. Only then the three public service broadcasters can jointly file a technologically harmonised request for a licence²⁸.

The substantial statements by RTRS concerning the digital switchover have been rare. However, in an article published in 2015, Draško Milinović stated that the entire process of digital switchover was "...questionably lead, without active engagement of the representatives of the three public service broadcasters in all segments of the process", and he also questioned the quality of DVB-T equipment. Other sources, however, pointed out that representatives of RTRS were involved in the process and the tender procedures. Due to the stalemate the Transmitters and Communications Ltd cannot invoice 40% of the contracted price because the first phase of the project has not been implemented, which could have inflicted further injuries for the budget if the company rightfully sued the state. Around that time, one of the suggestions coming from the CRA officials was the possible publishing of a tender for the company that should take over the role originally envisaged for the Corporation: i.e. to allocate frequencies for both private and public TV stations. As Siniša Petrović from CRA stated: "There are certain companies that already have at their disposal the infrastructure that could relatively quickly become functional", mainly telecom operators, but this was not considered by the state institutions, and even if adopted, it would require several months of tender procedure. The Communication Regulatory Agency has proposed measures for minimizing the consequences of failed digital switchover process, but they have not been substantially accepted by the Council of Ministers.

In August 2015, however, the Council of Ministers announced that the preconditions for the finalisation of the digital switchover were secured, which also meant that the ownership over the equipment was transferred from the Council to the public service broadcasters. This might be problematic since the public service broadcasters are not straightforwardly obliged to bring the digital switchover process to its end, and not all three of them have previously demonstrated dedication to the common digitalisation efforts²⁹. In any case, the next phase of the digitalisation involved establishing of links within the country and connecting with the international digital network³⁰. In late November 2015, the state minister of communications and traffic announced that the testing of digital signal in Sarajevo, Banja Luka and Mostar, should start by the end of 2015. The Minister also mentioned the unsolved problem of the institution that would manage the digital network, given that the Corporation of three PSBs was never established³¹.

3. WHAT HAS HAPPENED SINCE THE DEADLINE PASSED?

As predicted, the changes in the media sector due to missed deadline for the digital switchover are not immediate, but the problems are various: "We should not deceive ourselves; it is possible that on 18/06 nothing spectacular happens. But if it does not happen on 18/06 it will happen on 18/09 at the latest. As transmitters from neighbouring countries start to turn on, our television will start to lose the capacity to broadcast. The digital signal is much stronger than the analogue one", Helena Mandić from CRA stated before the deadline passed. It is expected that depending on the dynamics of the digital transition in the countries in the region, the analogue signals of the broadcasters in BiH will be overpowered, or the signals from BiH will interfere with the digital signals of the neighbouring countries, and CRA will have to intervene i.e. to shut down such broadcasters. "However, so far, - as reported by the media, it is only the analogue signal transmitter of the state channel BHRT that has been shut down, following a complaint of the Republic of Serbia, as the area of East Bosnia, involving eight municipalities, lost the signal of the state public broadcaster³², but with a set of measures suggested by CRA, the signal was re-established in the area by the end of 2015³³.

28 See more in articles published at: <http://www.media.ba/bs/magazin-medijska-politika-regulativa/agovic-rtrs-ne-dozvoljava-instaliranje-opreme-za-digitalizaciju> and <http://www.media.ba/bs/magazin-medijska-politika-regulativa/rtrs-ko-je-ugrozio-proces-digitalizacije>; <http://teve.ba/article/19559/završena-prva-faza-digitalizacije-bhrt-a>; <http://teve.ba/article/19208/rezimska-tv-i-dalje-opstruiira-digitalizaciju>

29 See article by Mehmed Agović, available here: <http://www.poligon.ba/novost/41006/kompromisi-u-projektu-digitalizacije-nemogu-odrżati-javni-rtv-sistem-bih>

30 Ibid.

31 See more: <http://teve.ba/article/22076/uskoro-testiranje-digitalnog-signala>

32 See more at: <http://balkans.aljazeera.net/vijesti/digitalizacija-u-bih-zakasnila-gase-se-predajnici>

33 Source: <http://www.nezavisne.com/novosti/bih/Konacno-odblokirana-digitalizacija-u-BiH/313609>

The valid licenses are not affected in the segment of programming, so the broadcasters are able to continue to produce programs under the same terms, but the technical conditions permits cease to be valid. CRA is not in a position to issue licences or to invoice the fees for broadcasting licensees, and thus the state budget will also suffer financial consequences.

In terms of signal availability of BiH broadcasters, the audience that is using analogue antennas can still watch TV channels, since the analogue transmitters were not automatically shut. There are no available data, but some CRA officials say that around 50% of the population are still using analogue antennas³⁴. So far, it seems that the expectations regarding the availability of TV programs for this part of population and the overall communication practices in certain areas, have been much worse than the reality, since the complaints from the neighbouring countries which could have called for shutting down the transmitters, have been rare. The subscribers of cable distributors (647,054 subscribers by the end of 2014³⁵) are in a better position, since these distributors are required to include local media (i.e. those that can provide their signals) in their offers.

At this point it is not clear whether and to what extent both private and public broadcasters lost a part of their coverage in the country, and how it is affecting their audience reach and subsequently their commercial revenues. While it is expected that in time the analogue signals of BiH broadcasters will be gradually erased and overpowered by stronger signals from neighbouring countries, that many of the broadcasters will be shut down, and that the entire broadcasting industry will be damaged, by the end of 2015 nothing dramatic in this sense happened yet, and the number of broadcasters on the market has virtually stayed the same. Whether the recent developments in the digital switchover process will indeed be taken further towards actual switch-over soon, it is not only a matter of technological preconditions, but unfortunately it depends on the political will of different actors, which based on the previous experiences in the digitalisation process only, the country can hardly rely on.

4. INSTEAD OF CONCLUSION

The digital switchover process has been a victim of political hindrance for years, which does not allow for establishing a joint digital transmission and broadcasting system in BiH. The deadline for the digital switchover has long passed, and while dramatic changes - a high number of citizens losing access to the program of local broadcasters, economic consequences for the sector - still have not been noticed, some of the consequences for the entire system might become evident in the following months. In the meanwhile the citizens are deprived of the digital broadcasting benefits. Given that the true reasons for the failure of the digital switchover have been entirely political, there is little hope that the current progress with the infrastructure for the switch to digital TV will be followed by consensus on the remaining issues which primarily concern the management of the digital infrastructure and the organisation of the public service broadcasting system. Reality shows that the credibility of the digital switchover has so far not been restored in the country. There are no guaranties that the public service broadcasters will enable access to the equipment to all broadcasters or if they will do their part in the remaining steps towards the digital switchover. In sum, under the circumstances of continuous political divides, the future of the public service broadcasting system, as well as the digital switchover, remains irresolute.

MACEDONIA

LOCAL BROADCASTERS – LOST IN DIGITIZATION

Author: Vesna Nikodinoska

INTRODUCTION

Possibilities for consumer-tailored selection of the TV content, crystal clear picture and excellent sound are the common features stressed out as advantages of the digitization of the TV broadcasting compared to the analogue broadcasting. The digital switchover is a necessity imposed by the technological development of the television broadcasting which has been ongoing in Europe in the past years.

In Macedonia, the analogue switch off took place on 31st of May 2013. Since the process is complex and depends on many stakeholders on the media market, the implementation was interwoven with numerous challenges. The media community raised concerns that the digitization was being implemented in fast and nontransparent manner, but there are no many in-depth analyses that critically assess this issue. From the Macedonian experience it could be said that while on one side, the digitization brings interactive and viewer-tailored approach to the TV consumption, on the other – the high prices the broadcasters need to pay, affect their work or, in some

³⁴ See for example: <http://www.bilten.org/?p=7823>

³⁵ This number actually includes subscribers of all of the following: 47 cable providers, 5 IPTV and 1 distributor through DTH platform. Source, CRA Annual report for 2014, available: <http://rak.ba/bos/index.php?uid=1272548129>

cases, even their existence. In Macedonia, the local broadcasters have been suffering the most, since the digitization brought new competition at the market, thus marginalizing the local information and jeopardizing the media pluralism.

1. DIGITIZATION IN ONLY ONE DAY

Under justification that Macedonia is lagging behind the European countries in terms of technological developments of the TV broadcasting, in 2012 the Government adopted a decision that the digital switchover would take place in 2013. The process of digitization in Macedonia was introduced with the adoption of the amendments to the laws on electronic communications and broadcasting activity ensuring legal basis for transfer from analogue to digital broadcasting. The process was led by a National Coordination Body for Digitization, consisted of the regulatory bodies (Broadcasting Council and Agency for Electronic Communication), competent ministries, Public Enterprise Macedonian Broadcasting, cable operators and other relevant stakeholders.

In purpose of enabling technical predispositions for the digitization, in total seven out of eight multiplexes were awarded. Upon Public Tender Call, in 2012 the telecom company "One" (part of Telekom Slovenije) was awarded with license to operate the two multiplexes for free-to-air digital broadcasting of television program services of commercial broadcasters on national and regional level. Two multiplexes were assigned for digital broadcasting of public program services of PSB of the Macedonian Radio Television to the PE Macedonian Broadcasting, while three multiplexes were assigned for digital retransmission of television program services, by a conditional access (pay TV) to DigiPlus Media, which is part of the telecom company "One".

The digitization was implemented in a fast manner, while the country was not fully prepared to switch off the analogue broadcasting in mid 2013. For instance, the period envisioned for dual transmission, when both the old analogue and the new digital signals are available in the air, was not enabled on the wider territory of the state for longer period. According to the Action Plan, which was part of the Strategy for Broadcasting Activity Development 2007-2012,³⁶ the period for simulcast was envisioned from the end of 2009 to beginning of 2012 (two years). Instead of this, in January 2012 PE Macedonian Broadcasting put in function two multiplexes, which was considered as a start of the simulcast period.³⁷

The Action Plan foresaw analogue switch off to be conducted in phases and by regions, starting with Skopje region in 2011. The digitization process was supposed to be completed by the mid 2012. Still, the Broadcasting Council Strategy and the Action Plan were ignored and marginalized by the political actors in the period between 2007-2012.

The digital switch-over took place on June 1st 2013, an event celebrated with fireworks on the main square in the capital Skopje. In few weeks after the digital switch over, "ONE" announced it covered over 90 percent of the territory of the country with a digital signal. Still, 20 days after the digitization there were many complaints by the citizens for not receiving of or for interruptions in the TV signal.³⁸

Judging by the hasty manner of implementation, some representatives of broadcasters assume that digitization was politically enforced process, which enabled the country to formally comply with the EU demands. Many also had objections why the digitization process was entrusted in the hands of a foreign company, instead allowing the state broadcasting bodies or even the broadcasters themselves to manage the multiplexes. This was seen as one of the reasons for high prices the broadcasters need to pay to the operator for the digitization.

Expert analyses also stressed that awarding of frequencies for DVB-T transmission had shown that "the government retains a degree of influence over the process." The main remarks addressed the terms and eligibility criteria for the tender, which "were highly discriminatory... and predetermined, as they rendered the principal telecoms players, other than Telekom Slovenije, ineligible."³⁹ Incumbent cable and telecoms operators were excluded from the tender with justification it would develop a more competitive telecoms market.⁴⁰

36 Broadcasting Council, *Strategija za razvoj na radiodifuznatadejnost 2007-2012*, Broadcasting Council, Skopje, 2007. Available at: http://www.avmu.mk/images/stories/publikacii/strategija_za_razvoj_na_radiodifuznata_dejnost_2007_2012.pdf. Accessed 2 June 2015.

37 Broadcasting Council, *Predlog-strategija za razvoj na radiodifuznatadejnost 2013-2017*, Broadcasting Council, Skopje, 2012, p. 63. Available at: <http://www.avmu.mk/images/stories/Predlog-Strategija-i-Akciski-plan.pdf>. Accessed 2 June 2015.

38 "SRD: Se ustenema odgovorna koi mesta MRT emituva analogen signal", *TV 24 Vesti*, 19 June 2013. Available at: <http://24vesti.mk/srd-se-ushtenema-odgovor-na-koi-mesta-mrt-emituva-analogen-signal>. Accessed 1 July 2015.

39 Belicanec R. and Rieliev Z., *Mapping Digital Media: Macedonia*, Skopje, 2012, p. 60. Available at: <http://www.opensocietyfoundations.org/reports/mapping-digital-media-macedonia>. Accessed 1 June 2015.

40 *Ibid.* p. 56.

2. CITIZENS NOT PREPARED FOR THE DIGITAL SWITCH OVER

The population was not well prepared and equipped with the needed technical receivers when the digital switch over took place in June 2013. Almost 2/3 of households in Macedonia had classic TV set from older generations, while 35 percent of the households had adequate reception equipment for the digital TV signal (LCD, plasma or LED) in 2012.⁴¹ The level of understanding of the digitization process and its benefits was also on a low level - 81.5 percent of the respondents in a public research survey answered they had heard of digital television, but 41 percent answered they were not familiar with the benefits it would bring. The survey showed that 65 percent of Macedonian citizens were not aware that digital switch over would take place in mid 2013.⁴²

In order to raise awareness and provide more information about digitization to the citizens, the Broadcasting Council carried out two months long informative and educational media campaign (April/ May 2013) on national, regional and local level. In this purpose leaflets were distributed in the daily newspapers, general information regarding digitization was published on Broadcasting Council's web site, a special phone number was assigned and an informative animated television spot on digitization was broadcast in Macedonian, Albanian, Serbian, Turkish, Bosnian, Vlach and Roma)⁴³. The Broadcasting Council in cooperation with the mobile operator "One" implemented joint campaign across Macedonia, educating and informing the citizens about digitization through media and in direct contact.

The information and education campaign intended for preparation of the population for the commencing digitization should have lasted for longer period. According to the Action Plan 2007-2012, the population should have been prepared and equipped with set-top-boxes during the simulcast period, which was initially planned to last for two years.⁴⁴ However, the digitization process was postponed, while some of the steps foreseen in the Action Plan were implemented in faster manner.

The households which used cable operators/ services were not affected with the switchover, but those using top-on-the-roof antenna or having older TV sets needed to buy Set-Top-Box for converting the signal. The citizens were in situation either to subscribe to services of some of the cable operator or to buy Set-Top-Box and receive only free-to-air TV channels. The first case would have meant financial expenditures: the prices were around 10 Euros only for basic TV package, while package with TV, internet and phone services cost around 20 Euros monthly. The second option would mean limited number of TV channels: while cable operators offer 50-80 TV channels, there are only dozen TV channels that broadcast free to air. In order to support the process, the Macedonian Broadcasting granted around 40.000 Set-Top-Boxes to the social categories of citizens, especially to those coming from the rural areas.⁴⁵ The people had to produce a proof demonstrating their annual income, and then present themselves to the Ministry of Labour and Social Issues to pick up the devices. The cost of a STB is around 20 Euro.

The lack of the adequate preparations of the population was obvious the next morning after the analogue switch off took place, when the stores of the operator "ONE" were crowded by citizens who wanted to buy the digital receivers.

3. THE "LUXURIOUS" DIGITAL SIGNAL

While the citizens had high expectations from the digitization, the broadcasters mostly had fears what the process would bring to them. Before the digitization took place, most of them raised concerns on the financial burden that the technological developments will bring in terms of buying new equipment and paying the operator for the services. The process of digitization enabled the national and regional TV stations to choose whether their signal will be transmitted through digital terrestrial multiplex, electronic communication network or satellite, while the local TV stations were given an opportunity to transform in regional broadcasters or continue broadcast locally through cable operators.

The initial prices for the broadcasters offered by the operator "One" were surprisingly high. The commercial national broadcasters stood up against the high amounts reaching around 150.000 euro on annual level. According to them it was too high and economically

41 AVMU, Predlog-strategijazarazvojnaradiodifuznatadejnostvo RM 2013-2017, Skopje, 2012. P. 70. Available at: <http://www.avmu.mk/images/stories/Predlog-Strategija-i-Akciski-plan.pdf>. Accessed 2 June 2015.

42 AVMU, Predlog-strategijazarazvojnaradiodifuznatadejnostvo RM 2013-2017, Skopje, 2012. P. 65. Available at: <http://www.avmu.mk/images/stories/Predlog-Strategija-i-Akciski-plan.pdf>. Accessed 2 June 2015.

43 Video available at the following link: <https://www.youtube.com/watch?v=oJVXuTsbLQ>

44 AVMU, "Strategijazarazvojnaradiodifuznatadejnost 2007-2012", 2007, Skopje. Available at: http://www.avmu.mk/images/stories/publikacii/strategija_zarazvoj_na_radiodifuznata_dejnost_2007_2012.pdf. Accessed 2 June 2015.

45 "Digitalen signal zamediumitestoimaat da platat", RadioSlobodnaEvropa, 17 May 2012. Available at: <http://www.makdenes.org/content/article/24584250.html>. Accessed 1 June 2015.

not justified price, in situation when the quality of the programs was still not known and guaranteed.⁴⁶ In May 2013, just 20 days before the switch off took place, the Ministry of Information Sciences and Administration intervened, asking the telecommunication operator “ONE” to reduce the prices by 36 percent, that would have decreased the costs from 150.000 to 100.000 euro for the national broadcasters and from over 20.000 to 13.000 Euros for the regional broadcasters.⁴⁷ Telecommunication operator “ONE” agreed and corrected the prices as suggested by the Ministry and the broadcasters.⁴⁸

Still, compared to before, the amounts for broadcasting are much higher for both national and regional TV stations. In general, the digitalization process stroke especially the regional and local broadcasters.

“The regional broadcasters were, in some sense, forced to buy an encoder that cost around 17,000 euros. We found some encoders for 3,000 Euros, but they needed to be checked and adjusted in Slovenia. That process would have lasted for 2 months, while we had very short time to decide if we are to turn ourselves into regional broadcasters”, explains an anonymous owner of a regional TV station. According to him, the first year, 2013, the regional TV station allocated around 21,000 Euros for costs related to digitization. In 2015, this amount decreased to around 17,000 Euros. These amounts do not include the annual license fee that regional broadcasters pay to the Agency for Audio and Audiovisual Media Services. Before the digitization, they paid only for the broadcasting license and for maintenance of the transmitters, which amounted approximately one third of the current costs.

4. THE TROUBLES OF THE LOCAL BROADCASTERS

Digitization addressed the national and regional broadcasters, while the local TV stations had a chance to choose whether to transform in a regional broadcaster or continue broadcast locally through cable operators. Twenty local TV stations out of 48, used this possibility and started to broadcast on regional level before the digital switch over in 2013.

Although the digitization process did not reduce the number of the TV stations, the local TV stations especially, felt the negative effects. The representatives of the local broadcasters raised concerns that the digitization will reduce the number of TV channels on longer run, since many of them will not be able to handle the financial scarcity on the poor local media markets.⁴⁹

“The local TV stations that remained in the public communication networks are in desperate economic situation, with an exception of one or two. Even they transformed in regional TV stations, after realizing it was difficult to work as a local TV on the market”, says an owner of a regional TV station.

Very serious problem the local broadcasters face is that there are no legal guarantees that the cable operators will transmit them. According to the existing legal framework, the cable operators now have an obligation to transmit only the channels of PSB and the national TV channels. Some of the local TV stations are “lost” in the high competition of regional TV stations on the market.

“Some cable operators do not have interest to transmit certain local TVs. An amendment was submitted to the Parliament for obliging the cable operators to carry certain percent of the local broadcasters. But that did not happened by now. In some cities there are cable operators that do not transmit the local TV stations, but there are also cable operators that do not carry some national TV stations, as well”, explains an owner of a regional TV station.

The obligation for must-carry is actually very complex issue that has been debated since the first Broadcasting Law in 1997. On one side is the fact that if the cable operators do not transfer the local TV channels, that affects the media pluralism. On another side is the economic logic of the cable operators, which try to make profit by satisfying the demands of the wide publics and therefore prefer to carry popular TV channels instead of local TV stations.

5. LOCAL NEWS IN DANGER OF VANISHING

Except economic and technological contribution, the digitalization should have societal contribution which is access for citizens to diversity of information, particularly of domestic and local origin. “We destroy the regional TV and radio stations, while care is taken

46 “Nacionalnitatelevizii se združijaprotivprevisokatasumazadigitalizacijana ONE”, Republika, 13.04. 2013. Available at: <http://grid.mk/read/news/504809276/2502904/nacionalnite-televizii-se-združija-protiv-previsokata-suma-za-digitalizacija-na-one>. Accessed June 20 2015.

47 “Ivanovski: Za 36 procenti da se namaligodisniotnadomestzadigitalizacijanateleviziite”, Kurir online media, 11 May 2013. Available at:<http://www.kurir.mk/makedonija/vesti/115342-Ivanovski-Za-36-procenti-da-se-namali-godisniot-nadomest-za-digitalizacija-na-televiziite>. Accessed 20 June 2015.

48 “One se soglasi da janamalicenatanadigitalizacijata”, MKD.mk online media, May 2013. Available at: <http://www.mkd.mk/makedonija/skopje/one-se-soglasi-da-ja-namali-cenata-na-digitalizacijata>. Accessed 20 June 2015.

49 “Digitalen signal zamediumitestoiimaat da platat”, RadioSlobodnaEvropa, 17 May 2012. Available at: <http://www.makdenes.org/content/article/24584250.html>. Accessed 1 June 2015.

only for the national broadcasters... and we lost the pluralism on regional and local level. How the citizens will be informed on local and regional level when those broadcasters barely survive and have no resources to pay journalists and newsrooms?”, asked Snezana Trpevska, professor at the School of Journalism and Public Relations, at the conference dedicated to the digitalization of television, stressing that the regulator needs to deal with this problem.⁵⁰

Especially the local TV stations in Macedonia are in very difficult financial condition, offering low quality programs, often containing music or movies without copyrights. The poor offer, as well as the small publics they address make them non-attractive for the advertisers on the local media markets, which usually allocate the advertisements in the regional TV stations. However, the regional and the national broadcasters can't cover the local events with the same focus and frequency as the local broadcasters do. The digitization contributed towards vanishing of the local “flavor” of the news and reporting.

The number of the regional TV stations in some of the regions is high compared to the potentials of the media market. “The increase of the number of regional TV stations and extension of their territorial coverage represents additional competition for the local TV stations operating in the small cities. They have more advertisements and better resources to produce quality program”, says an anonymous owner of a local TV station.

Macedonia has been always having high number of media compared to the territory and the population rate. The regulatory bodies and the experts anticipated that the media market will make a natural selection of broadcasters across years, but these expectations had failed. Additionally the digitization brought technical possibilities for opening new channels. Therefore, instead of reducing, the number of TV broadcasters increases. In this situation, the role of the regulatory body in implementation of the regulatory policies is essential, in purpose of improving the media pluralism and ensuring vital and functional media in the new digital environment.

6. DIGITIZATION BRINGS HIGH EXPECTATIONS FROM PSB

Introducing the digital technology means opening up new opportunities for protection and development of the media pluralism, but also brings possible risks for jeopardizing the public interest. The PSB MRT, whose main goal is to nurture the public interest, should have had leading role in the process of digitization.

It was expected that the digitization would bring new development opportunities for PSB MRT that will help fulfill its mission of a public service. In a purpose of enhancing the pluralism of the program offer, the regulatory body suggested that PSB MRT should be given possibilities to create specialized services on a basis of its financial possibilities and the public's preferences. MRT needs at least one more channel in Macedonian language (the first channel to offer informative and current-affairs programs and the second for sport, entertainment, etc.), but also specialized (thematic) program channel for broadcasting educational programs or documentaries, for instance.

PSB have digitalized its equipment as well, but by now it haven't been using fully the opportunities that the digitization introduced in terms of creating new specialized services.

7. CONCLUSION

The digitization brought numerous challenges for the stakeholders on the media market, mainly for the regional and local broadcasters, as well as for the citizens. Despite the strategic documents were adopted in 2007, determining specific technical and organizational guidelines for implementation of digitization, they were neglected and marginalized, thus affecting the process in many aspects. The digitization' phases were postponed from what was originally planned, that resulted in some of the steps to be conducted in hasty manner.

The digitalization brought higher financial expenditures for the national and regional TV stations, but the process affected mainly the local TV stations that are transmitted through cable operators. They try to survive on the scarce local media markets in a situation of increased competition by the regional TV stations who take over the biggest part of the advertising. With very low financial and human potentials, as well as poor program offer, the local broadcasters are not appealing for the local cable operators, who do not have any obligation to transfer them. The possibility of closing the local broadcasters and losing the local information relevant for the citizens in the small cities, is the major problem that was yielded by the digitization process. Therefore, the regulatory body has a key

⁵⁰ “Kakovlastasamonateleviziite so „podobna“ ureduvackapolitikaimpomogna da opstanatnapazarot”, NewsportalA1On, 13 October 2015. Available at: <http://a1on.mk/wordpress/archives/539318>. Accessed 1 September 2015.

role in ensuring vital and functional media in the new digital environment, thus improving the media pluralism.

New opportunities were opened for the PSB MRT, as well, in terms of creating new specialized channels and enriching the program offer. Still, instead of being a leader in this process, PSB has not used fully these possibilities by now.

MONTENEGRO

CHALLENGES YET TO COME

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On June 17 – the deadline for the switch-off – Montenegro fulfilled its obligation to offer 85% of the digital signal, as provided by the Digital Broadcasting Law⁵¹.

However, both for the state and for the media owners, the challenges are yet to come: starting with the switch to digital of the national and local public services or with capacity building for other media operators, especially for local TV broadcasters.

1. LOCAL TV STATIONS, VICTIMS OF THE PROCESS

Many local TV broadcasters, including local public services, still do not have the capacity to secure the transmission of the digital signal, although the digital switchover discussion started here more than five years ago.

On June 17th out of 23 broadcasters in Montenegro (19 commercial and 4 public services) only eight were ready to welcome the transition to digital signal. By June 17, the Agency for Electronic Media had issued licenses for the digital transmission for the following: two channels of the national public broadcaster (RTCG), TV Vijesti, Pink M, TV Prva, TV Teuta and TV Bojn⁵². Only two broadcasters are local TV stations: TV Teuta and TV Bojn.

Out of 20 local TV broadcasters (17 commercial and three local public services), as many as 18 were expected to shut down, or - in the best-case scenario -, to obtain provisional broadcasting licenses as local public services, which would buy them a little more time – and would allow them to take part in the competition for local multiplex operators opened by the Agency for Electronic Media (AEM) on June 19, two days after the official digital switch-off.

“If the Radio Broadcasting Centre (RDC⁵³) obtains permission on that tender, conditions will be created for three local public services, TV Nikšić, TV Pljevlja and TV Budva to quickly proceed with digital broadcasting,” said Jadranka Vojvodić⁵⁴, Deputy Director of the AEM.

According to Vojvodić, the Agency extended permissions to local broadcasters (TV Nikšić, TV Budva, and TV Pljevlja) to continue broadcasting through various cable platforms, - although they did not compete in the tender. The plan was that upon the launch of local multiplexes local public services automatically acquire the right of access the capacity of the multiplex, which covers the founding municipality. Under the Law of electronic media - local public services must get a permission for digital broadcasting from AEM, without a public announcement.⁵⁵

“Other broadcasters will cease broadcasting or will continue through one of the platforms with provisional access (IPTV, cable, MMDS, satellite),” Vojvodić said.

At the first tender of the Agency, in December 2014, the right for digital transmission i.e. access to the first multiplex network which covers the entire territory of Montenegro, was given to only three broadcasters: TV Vijesti, TV Prva, and TV Pink M⁵⁶. The three TV stations have national coverage. (Apart from the national public service, Montenegro has only four of services with national coverage). According to the Digital Broadcasting Law, the Radio Broadcasting Centre is obliged to carry, free of charge via free access, two television and two radio programs of the national public service. TV Atlas, the fourth commercial national television, did not participate in the tender. Due to the lack of interest, the capacity of the first multiplex (MUX 1) has space for six more TV broadcasters.

51 <http://www.mid.gov.me/ResourceManager/FileDownload.aspx?rid=82921&rType=2&file=Zakon%20o%20digitalnoj%20radio-difuziji.doc>

52 Information obtained from the Agency for Radio Diffusion for the purposes of this report.

53 <http://www.rdc.co.me/>

54 Information provided for the purposes of this report.

55 http://www.ardcg.org/index2.php?option=com_docman&task=doc_view&gid=405&Itemid=26

56 http://www.ardcg.org/index.php?option=com_docman&task=cat_view&gid=36&Itemid=26

No application was submitted for the second tender, announced in March and April, 2014. Subsequently, TV Teuta and TV Boin (local broadcasters, both broadcast in Albanian language) got access to the first network multiplex.

RDC participated in the AEM competition for local multiplex operators on June 19th and received the licence. Then the local public broadcasters established by the municipalities of Budva, Niksic and Pljevlja obtained the right to access local multiplexes in Budva (MUX BD L1), Niksic (MUX NK-PZ L1) and Pljevlja (MUX PV L1) respectively.

Two legal entities, RDC and TV Teuta, have the status of operator for the transmission of digital signals.

The future of local commercial broadcasters is more uncertain. After the deadline for the digital switchover AEM organized another tender for local commercial stations on June 26th⁵⁷. Three local stations - TV Sun, Tv Glas Plava and Tv Teuta - participated in the tender and all of them received licenses.

For other local TV stations, if things stay the same, shutting down will not be only temporary.

2. DELAYS DURING THE ENTIRE SWITCHOVER PROCESS

The entire process of digital switchover - whose deadline was June 17, 2015, as stipulated by the Amendments to the Digital Broadcasting Law from 2012⁵⁸ - was marked by delays and uncertainty.

In June 2014, the Agency for Electronic Media (AEM), issued the licence for on demand audiovisual media services to the Broadcasting Centre, available under the name "MUX 1".

The Digital Broadcasting Law, adopted in July 2011⁵⁹, stipulates that the Broadcasting Center is obliged "to provide at least 85% of the national coverage by 1st of July 2012, at the latest".

The law set 31 December 2012 as the deadline for the transition from analogue to digital broadcasting. Since the activities were delayed, amendments to the law set a new deadline i.e. 17 July 2015.

Deadlines have been missed several times even in terms of equipment supply. The tender for equipment supply was announced on 15 September 2010⁶⁰, by the European Commission (EC), which marked the beginning of the implementation of the Phase I in the joint project of the Delegation of the European Union to Montenegro and the Government of Montenegro, within 2009 IPA program: "Support to the digitalization of the Montenegrin public service".

The contract was signed with Italian company Eurotel, and the deadline for the completion of the tasks was set for May 2011. The deadlines have been repeatedly extended, even by 383 days, and the whole story was marked by scandals not only due to the delays in delivering and installing the transmitter, but also to the allegedly⁶¹ poor quality of the equipment. When Eurotel was chosen, other participants claimed that the company had no experience in the business.

Due to the delay, the first project phase, financed by the EU with the amount of 1.6 million Euros, was completed at the end of 2013. Meanwhile, part of the equipment did not pass the conformity tests, as the RDC engineers claimed it had serious flaws. After completing the process of installing the equipment, allegations that part of it was not working properly could be heard from RDC⁶².

The Minister for Information Society and Telecommunications, Vujica Lazović, publicly accused Eurotel for the delay: "As it is known the implementation of the first phase, financed by the EU, is delayed due to the non-delivery of equipment by the selected company Eurotel from Italy. That is why the implementation of the second phase, co-financed by the Government, has been postponed. The two phases are linked and the equipment must be compatible in order to successfully carry out the whole process." The second phase, worth approx. 1.5 million Euros, was funded from 2014 budget. The Government has provided an additional 410,000 Euros for the allocation of the devices for digital signal reception to socially endangered population according to the Law on social and child protection, without any compensation.

On 17 June, RDC announced, that after "completing two phases of digital switchover process, the coverage is 92 percent". The legal provision stipulating that "the reception of RTCG program, within every radio or TV network, must be provided on territory of Montenegro, where at least 85% of the population live" has therefore been met⁶³.

57 http://www.ardcg.org/index.php?option=com_docman&task=cat_view&gid=52&Itemid=26

58 <http://www.mid.gov.me/biblioteka/zakoni>

59 <http://www.mid.gov.me/ResourceManager/FileDownload.aspx?rid=2921&rType=2&file=Zakon%20o%20digitalnoj%20radio-difuziji.doc>

60 http://www.rdc.co.me/index.php?option=com_content&view=article&id=113:implementacija-2&catid=26:digitalizacija&Itemid=349&lang=me

61 <http://www.vijesti.me/vijesti/digitalizacija-ne-mrda-zbog-zakulisnih-igara-73330>

62 <http://www.vijesti.me/vijesti/tri-mjeseca-nakon-instalacije-predajnici-za-digitalizaciju-i-dalje-ne-rade-174143>

63 <http://www.vijesti.me/vijesti/digitalizacija-startuje-u-srijedu-bez-tv-signal-a-8-odsto-gradana-838371>

3. THE SWITCH TO DIGITAL OF THE NATIONAL PUBLIC SERVICE IS STILL AT THE VERY BEGINNING

The process of digitalisation of RTCG is still at the very beginning. In November 2014, RTCG General Director, Rade Vojvodić, said, that digitization of RTCG could not be completed by March 2016, “even if we started it now”⁶⁴.

In January 2015, he reiterated that RTCG is the only public service in the region, which has not initiated the process of digital switchover. “I know that many in the region finished the process. We are preparing the project and the Government has promised us project financing since the public service has no money for that”, he said for Radio Free Europe⁶⁵.

Commenting on the information that for RTCG digital switch over, which should have been completed already, only 100 thousand Euros have been allocated, he clarified that the amount is only for the tender procedure.

Vojvodić pointed out that the digital switchover could cost from 12 to 15 million Euros, assessing that it is the obligation of the state, but it is uncertain whether and when RTCG will switch to digital: “That is a very serious and expensive project. Firstly, we need to develop a project proposal, which will serve as the basis for the tender. A group of engineers is working on that. Then a tender should be announced, which will again take some time. We will need time even after the selection of the contractor because it is not easy switch to digital in such a media house,” he said.

When the process of developing the tender documentation is completed, the Government should allocate funds from the budget for the procurement and integration of the equipment.

According to Goran Đurović, a RTCG Council member⁶⁶ “the process of RTCG digital switch over started with the preparation of the concept design, which is currently presented to different target groups in order to introduce a broad range of actors to the process details, thus minimizing any negative perceptions that may follow the digital switchover since the citizens of Montenegro provide significant funds for it”.

4. AMENDMENTS TO THE LAW ON PUBLIC BROADCASTING

The proposal for Amendments to the Law on Public Broadcasting Services was passed by the Parliamentary Legislative Committee⁶⁷, in March 2015, but it has not yet been put on the Parliamentary agenda.

On 27 November 2014, the Government submitted a proposal to the Parliament, which introduces two important changes that may have a negative impact on the autonomy of the national public service.

The proposal prescribes the increase of funds for RTCG financing from 7.3 to approximately 10 million Euros. The novelty introduced by the proposal is the signing of the Agreement between the Government of Montenegro and RTCG on the type and quantity of programs, which should be produced annually for the allocated money⁶⁸.

Another change relates to the introduction of regulation for the protection of competition in accordance with EU standards, applied to state aid beneficiaries.

“The proposed amendments do not take into account the European standards relating to the financing of public services. Given the current RTCG financial situation, it is necessary to ensure an adequate and stable way of financing that would allow the effective performance of the public service (to the extent and under the conditions provided by law and regulations on state subsidies spending), as well as technological and software development, in accordance with the communication and information needs of the citizens of Montenegro,” said Sandra Bašić Hrvatin in the Comment on the Government’s proposal⁶⁹ regarding the document of November 2014.

“The current draft proposes even worse solutions for RTCG independence and predicts that overall financing of the public service is performed under a contract between the Government and RTCG. So far this has been reserved only for the part of the content that is intended to minority communities, culture, etc ... The draft law does not specify norms, which would ensure non-interference of the Government in determining the program content”, said, Goran Đurović, an RTCG Council member., when the Government submitted the document to the Parliament.

According to Đurović the problem is that the proposal does not foresee what will happen in case the Government and RTCG do not reach an agreement on a contract. “There is considerable space for misuses and pressure on public service performance”, he says⁷⁰.

64 <http://www.vijesti.me/vijesti/vojvodic-i-da-sad-krenemo-s-digitalizacijom-ne-bi-završili-prije-2016-805893>

65 <http://www.slobodnaevropa.org/content/sigurnim-koracima-ka-potpunoj-digitalizaciji/26811161.html>

66 Information obtained for the purposes of this report.

67 http://www.skupstina.me/+skupcg/skupstina/cms/site_data/25%20saziv%20ODBORI/ZAKONODAVNI/111-%207.pdf

68 <http://www.gov.me/ResourceManager/FileDownload.aspx?rId=185260&rType=2>

69 http://www.ardcg.org/index.php?option=com_docman&task=doc_details&gid=1253&Itemid=26

70 Information and comments were given for the purposes of this report.

“During the public discussions a number of comments were received. However, nothing was accepted by the Ministry of Culture and the Government. Proposals for increasing the financial and RTCG autonomy in general, such as funding through fees or subscriptions, were not accepted”, says Đurović.

ROMANIA

CHRONICLE OF A DELAY FORETOLD

Author: Ioana Avădani

In 2007, the European Union adopted the Audio-Visual Media Services Directive (2007/65/CE) that opened up the way to the digital TV broadcast. One year later, Romania became the first to transpose the Directive in its national legislation, via an Emergency Ordinance⁷¹ issued by the Government. In 2015, just two days before the global deadline for the digital switchover of June 17, another Emergency Ordinance extends the analogue terrestrial broadcast until December 2016, claiming delays in the implementation of the necessary network for digital broadcast.

How come Romania turned from a “digitization early bird” into one of the last countries in the world still struggling to switch to digital terrestrial broadcast?

1. A COUNTRY OF TV VIEWERS AND CABLE NETWORKS

Romania has a vast and complicated media eco-system, characterized by a multitude of media outlets, the result of a rather liberal approach to the market entry and a permissive media legislation, protective of freedom of speech (despite attempts at limiting it brought by various actors). There are thousands of print, radio and TV outlets and innumerable online sites that cater for the information, entertainment and socializing needs of the 19 million Romanians.

In 2014⁷², there were 187 TV licenses for terrestrial broadcast (all of them operational) and 109 for satellite broadcast (out of which only 97 were operational). Out of the terrestrial licenses, 180 were privately owned (171 local and 71 regional) and 7 belonged to the public television (5 regional and 2 national). As one can easily see, there was no national license for television in private hands. As per June 17, 2015, all the analog licenses have been annulled and the TV stations with terrestrial broadcasting were invited to switch to other types of dissemination - cable or satellite.

Romania also has 1104⁷³ operational cable TV licenses, covering the whole territory of the country. On top of these, there are 5 licenses for DTH (more present in rural areas, where cable operation would be too costly), 8 licenses for IPTV and 3 Internet licenses.

According to the data released by the national telecom agency, the rate of penetration of the retransmission networks (CTV, DTH and IPTV) is overwhelming: 92,4% of the Romanian households subscribed to one of these services. In urban areas, 80% of the households have a CATV subscription, while in rural areas 61% receive their TV signal via a DTH technology⁷⁴.

Although the market is rich in outlets, in revenues it is not. The crisis had the advertising budgets shrunk to less than a half of what they used to be back in 2008. In 2014, the neat value of the Romanian advertising market stood at 312 million Euro, the figures for 2015 (not available yet) are expected to indicate a slight growth, up to 322 million Euro⁷⁵. By comparison, in 2008 the advertising market was estimated at 580 million Euro, a 25% from 2007 level⁷⁶.

The lion share goes to TV, with 63% of the total advertising budgets, followed by online (16%), outdoor (8.6%), print and radio equally sharing the rest (around 6%). Estimates for 2015 maintain the same trends, with a steep increase in online advertising budgets and leaving print media on the last position in the advertisers’ preferences.

The advertising figures reflect actually the media consumption of the Romanians. TV is by far the most “consumed” medium, but the situation is not going to last much longer. According to the Index of Television Consumption in Romania, 84% of the population

71 Governmental Emergency Ordinance 181/2008 on the modification of the Audiovisual law 504/2001, later adopted by the Parliament via law 333/2009

72 National Audiovisual Council, Activity report on 2014, available at http://www.cna.ro/IMG/pdf/Raport_de_activitate_CNA_2014.pdf

73 CNA, Statistics on licenses, at http://www.cna.ro/IMG/pdf/Statistica_SITE-3.pdf

74 National Agency for Administration and Regulation in Communication, annual report on 2014, available at http://www.ancom.org.ro/uploads/links_files/Raport_Anual_2014_RO_FINAL.pdf

75 Media Fact Book, quoted by Mediafax, at <http://www.mediafax.ro/cultura-media/media-fact-book-piata-de-publicitate-va-fi-de-322-milioane-de-euro-in-2015-in-crestere-fata-de-2014-14394548>

76 Media Fact Book 2008, <http://www.adhugger.net/2009/08/28/media-fact-book-romanian-advertising-market-in-2008-euro-590m/>

watches TV daily, for an average of 3,3 hours on a weekday. Some 40% of the households have two TV sets, and only 23% have just one set.

Some other studies advance data on an even bigger tele-addiction. According to studies conducted by ZenithOptimedia, Romanians spend 340 minutes a day watching TV and surf the net for 271 minutes a day⁷⁷. Other reports show that most of the urbanites are “multi-screener”, checking their laptops or mobile phones, surfing the net or engaging in social networks while the TV is on.

A caveat comes from another set of studies, conducted by the CNA. The one on media consumption habits conducted in 2011 showed that only 28% of the population watches local TV stations.⁷⁸ This figure is way too low compared to the plethora of licenses still operational and invites the legitimate question regarding the financial revenues of these local TVs.

It appears that Romanians are not only in love with their TVs, they are also quite technically demanding. According to CNA report, 2014 witnessed “a migration of the clients of analogic TV toward the digital quality, while those who were already digital clients opted for new functions and richer channels packages”.⁷⁹ The report also notes that there is a well-defined segment of consumers willing to pay more in order to get more sophisticated technologies or enjoy their benefits: interconnectivity, interactivity and custom-tailored approach. A regular cable package provides an average of 70 different channels in analogic transmission, and up to 200 in digital transmission.

There are 3 companies providing “video on demand” services and Netflix will fully hit the Romanian market in 2016 (Netflix Romania was launched late December 2015). Piracy is flourishing and free-of-charge sites allowing for the unauthorized use of otherwise copyright protected content are very popular.

All these elements may provide part of the answer to our initial question: why digitization was so unappealing to Romanians - authorities and public all the same? In reality, only a little fraction of the population (less than 8%) will benefit from the process, which makes unreasonable the investment in the needed infrastructure and upgrade of equipment. Moreover, the percentage of the people not covered currently by cable live in remote or inaccessible areas and it is very likely that the digital broadcast infrastructure will also leave them outside the coverage area. Last, but not least, Romanians are pretty well catered for in terms of TV offers as they are, therefore there is no public pressure on the TV stations to provide more services.

2. THE LEGAL ENTANGLEMENT AND THE “UNPREPARED POPULATION”

Romania ratified the 2006 Geneva agreement in 2009, which allotted the country 6 national multiplexes for TV(DVB-T) and two for radio (T-DAB).

Experimentation with digital TV terrestrial broadcast started as early as 2005. By 2008, Radiocom (The National Society for Radio-communication) had installed 6 relays broadcasting the programs of the five public television channels, as well as those of other 6 private TVs (Kanal D, PrimaTV, Antena 3, Antena 1 Sibiu, Music Channel and Money Channel.)

In October 2009, the Ministry for Communication and Information Technology issued the “Strategy for the transition from the analog terrestrial television to digital terrestrial television and the implementation of digital multimedia services at national level”. The Government set the digital switchover deadline for January 1, 2012, in accordance with the EU recommendations. The strategy set the deadline for the allocation of the first two multiplexes for December 2009, while the rest of four were supposed to be allocated by July 1, 2010.

Based on this strategy, but with a significant delay, in July 2010 the communications regulator ANCOM started the bids to allocate two TV multiplexes. Seven companies from Romania, France, Austria and Bulgaria signed for the bids and purchased the documentation⁸⁰. In a surprise move, the Ministry of Communications and the Information Society (MCSI, name changed in 2009) pressed on a Governmental decision prolonging the deadline for the digital switch off to January 1, 2015. In order to justify this move, MCSI invoked the difficult economic situation that hinders the implementation of the strategy and the fact that the people are not yet prepared for such a technological leap. They considered the postponing “justified and commensurate”. “We note that postponing the

77 Media Consumption Forecast, ZenithOptimedia, quoted by Mediafax, at <http://www.mediafax.ro/cultura-media/studiu-cat-se-uita-romanii-la-tv-si-cat-timp-navigheaza-pe-internet-zilnic-14470197>

78 On attitudes and Media Consumption Patterns. Views on CNA, 2011, conducted by IRES, at <http://cna.ro/Atitudini-i-obiceiuri-de-consum.html>

79 Id. 2

80 SC RCS&RDS SA, SC Romtelem SA, Telediffusion de France (TDF), Societatea Națională de Radiocomunicații SA, SC MediaSat SRL, ÖsterreichischeRundfunksenderGmbH&Co KG (ORS) și General Satellite Sofia

implementation of the Strategy till 2015 leaves the economic operators with more opportunities to prepare for the new technologies and, in the same time, the citizens will not be subject to additional spending for buying new devices in such times of economic difficulties”, reads the justification note.⁸¹ No actual figures of how many people would be affected and how big the financial burden per household⁸². Following the adoption of the postponement, MCSI had to annul the bids, reimburse the companies that had purchased the document and start the whole process anew. A new calendar was supposed to appear in 45 days, which did not happen.

It is only three years and two governments later that a new Strategy was approved, in June 2013⁸³. Once more, the deadline for the switch off was pushed further on, to the last limit provided at global level: June 17, 2015. According to the strategy, all 6 multiplexes had to be allotted and functional by that time. Moreover, the document set clear coverage indicators: 40% of the population should enjoy digital terrestrial TV coverage by July 1 2014, and 70% by June 17, 2015. By December 31, 2016, the process had to be completed and the digital terrestrial broadcast should cover 90% of the population and 80% of the territory. An awareness and information campaign had to be launched by August 1, 2013, under the supervision of CNA.

Quite predictably, these terms were also not met. It was February 2014 when the Government adopted the licenses fees: 1000 Euro for a local multiplex (covering a town), 10,000 Euro for a regional one (covering a county), 300,000 Euro for a national one. ANCOM organized the bid for three national multiplexes in June 2014. Only two companies showed interest in the bids: the state-owned Radiocom and one of the major players on electronic communications market, RCS-RDS. The latter is a company that dominates the TV retransmission (cable and satellite) and the fix Internet market (with some 53% market share), but also provides mobile phone services and operates a network of all-news TV stations across the country, three sports channels, one Pay-TV movie channel, three documentary channels and a music one, as well as four radio stations. In the end, RCS&RDS did not participate in the bid, and all three multiplexes went to Radiocom: one for “free-to-air” programs, and two others. all for a license fee totaling 1,020,002 Euro. In December 2014, ANCOM offered for bidding two national multiplexes, 40 regionals and 19 local ones. Five companies bid for 9 regional multiplexes and paid licenses fees going from 8,000 to 10,000 annually.

In March 2015, a third round of bids was open for 52 multiplex licenses and 4 regional multiplexes and 1 local were allocated. The licenses fees went from 8000 to a whopping 41,600 Euro (the multiplex for Piatra Neamț, for which 42 rounds of bidding have been held. Piatra Neamț is a city in N-E Romania, with a population of some 104,000 inhabitants⁸⁴.)

At that moment, it was already obvious that the “final switch off” was bound to fail. CNA issued a recommendation to the holders of the local TV analog licenses to ask for cable and satellite licenses so that they can continue to broadcast if the analog signal was to stop on June 17, as planned. The Romanian Association of the Electronic Communications (ARCA) asked for all the terrestrial licenses (around 170 at that moment) to be transformed “in block” into cable/satellite licenses, but the Council refused, saying that such a move would be illegal. The license holders had to apply individually for an amendment in their licenses, in order to modify their broadcasting type from terrestrial to cable or satellite.

In June 2015, just two days before the great deadline, the Government adopted an Emergency Ordinance, pushing yet another time the deadline for the switch off till December 31, 2017. According to this OUG 18/2015, the broadcasting on VHF specter (174-230 MHz) could be extended under certain conditions, till the new deadline. The decision was taken mainly to secure the continuation of the broadcasting of the public services. All broadcast on UHF specter was stopped.

3. IS THERE LIFE AFTER THE DIGITAL DEADLINE?

If one reads the Romanian media - the few outlets dealing with the issue - they would be pleased to find out that, finally, the “transition to the digital terrestrial TV broadcast” has started - on June 17, 2015.

This was the day when Radiocom, the Ministry for the Information Society (MIS) and the Romanian Television Society (SRTV) started a “preliminary step to the switching to the terrestrial digital broadcast” by implementing “a transitory solution” for some major cities in Romania (the capital city Bucharest, Timișoara, Cluj and Iași), after ceasing the broadcasting in UHF specter. For this transitory solution, old equipment will be used, as the procurement procedures for the new one was undergoing. By November, Radiocom provided digital terrestrial broadcast of the TVR first program covering 47% of the population.

81 Justification note for the Governmental Decision HG 833/2010 at <http://85.120.75.151/upload/articles/111685/nf-hg-833-2010.pdf>

82 According to ANCOM data, in June 2010 some 77% of the households had a cable or DTH subscription.

83 Government Decision HG 403/2013, at <http://lege5.ro/Gratuit/gm3tcojuga/hotararea-nr-403-2013-pentru-aprobarea-strategiei-privind-tranzitia-de-la-televiziunea-analogica-terestra-la-cea-digitala-terestra-si-implementarea-serviciilor-multimedia-digitale-la-nivel-national>

84 Coincidentally or not, the CNA chair Laura Georgescu is indicted in a corruption case for allegedly facilitating the extension of a license for a TV station belonging to the Piatra Neamț mayor, Gheorghe Ștefan.

This was the day when the Association for Digital Communications launched its portal tvdigitala.ro, a platform meant to keep both the public and the industry update with the latest news and developments in the field. In late January 2016, the site was still advertising an event that took place in October 2015, a sign that not that much is going on.

At the beginning of June 2015, the public TV started its “ample information campaign” to let people know what digital TV is, how analog is different from digital, what the advantages would be (better image quality, more channels available, more interactivity). The information and awareness campaign was an obligation of the CNA under the 2013 strategy. Not much, if anything, was done in between. The TVR campaign includes a series of four video clips⁸⁵ and a series of erratic information, legal documents and news regarding the digital television⁸⁶.

By December 2015, apart from TVR, no other TV station was available in digital terrestrial broadcast and no regional or local multiplex was operational.

4. AFTER THE “HOW”, THE “WHY”

Analyzing the actions of the Romanian authorities, we can easily see why Romania missed deadline after deadline for its transition to digital terrestrial broadcast, despite de fulminant start back in 2008.

At that time, a fresh new member of the EU (as from January 2007), Romania wanted to demonstrate its commitment to the European values and its capacity to abide by the communautaire discipline, hence the transposition of the AVMS Directive via an emergency ordinance, one year before the deadline. For comparison, by the 2009 deadline, only three countries had transposed the directive. The “emergency ordinance” is an instrument provided by the Romanian constitution that allows the Government, in exceptional and very narrowly defined situations, to pass decisions with the power of a law without parliamentary debates. The emergency ordinances get into force and produce effects the moment they are published in the Official Monitor. The Parliament is obliged to discuss them and can modify or reject them at a later date, but this cannot annul the effects already produced. Analyzing the way the legislation that regulates the digital transition was passed, one can note that it was always initiated by the Government, with the Parliament having just a chorus role. All the same, the strategies and the technicalities of the process have also been under the direct supervision of the Government, via the ministry (please note the multiple changes of name in a five year time, which reflects in fact a political fight over the telecommunications field) or the regulatory authority ANCOM. In 2009, Romania was subject of an infringement procedure on the part of EC for the lack of independence of ANCOM. A first conclusion would be that the digitization process in Romania was conducted under direct political control (or lack of thereof). And that, despite the international commitments, it was never a priority on any government’s agenda, unless for patches and last-minute postponement.

Another important player in the process was the National Audiovisual Council, whose role, enshrined in its functioning law, is to represent and protect the public interest. In the early years of the process, CNA played a rather progressive role, pushing for the changes in legislation, including via “emergency ordinance”, a practice otherwise largely criticized by the civic organizations. The argument was that this way the good changes in the legislation would be effective immediately and won’t have to wait for lengthy and slow parliamentary debates.

At the beginning of the process, it was CNA that gathered around the table the principal stakeholders, as well as the associations with an interest in freedom of speech and access to information, in order to make the best out of the opportunities of the digital switchover process. Back in 2008, it was seen as an opportunity to reboot the broadcast market, dominated by big broadcasters, to open it to new players and refresh it for the benefit of the viewers. CNA even ran a series of events to present the AVSM Directive before it was transposed in the Romanian legislation and inform the people - journalists and technicians - about the challenges ahead.

In time, this spirit evaporated and the process became more and more controlled by the big broadcasters, who lobbied extensively in order to protect their position and minimize their costs. For example, they proposed to CNA to automatically convert all analog licenses into digital ones, which would have guaranteed the preservation of the status quo of the TV market. As a result, the analog terrestrial licenses have been simply converted to digital ones. Only future digital licenses are to be obtained via a competitive procedure.

85 Available at https://www.youtube.com/watch?v=BakTnFpGHks&list=PLxO8-C91Lp93AiSit5y_4dTpDGz3ogcs5
86 Available at <http://www.tvr.ro/digitalterestru.html#view>

Moreover, since 2013, CNA activity was marred by internal tensions generated by the way chair Laura Georgescu led the institution. These tensions led to a polarization of the Council's members to the point where the activity was blocked and the sittings were no longer held. In late 2014, Laura Georgescu was indicted for corruption charges, but she refused to resign, claiming her innocence. Only in November 2015 she conceded to delegate the chairmanship powers to vice-president RăsvanPopescu.

5. CONCLUSIONS

What started as a wonderful opportunity for the freedom of expression, a process meant to facilitate public's access to more information and to a richer viewing experience ended up in a very technical entanglement of rulings and regulations, very far away from the preoccupation and the eyes of the said public. Information on digitization is difficult to retrieve and follow, even for those who know what they are looking for. Private initiative to bring a bit of clarity in the debate stopped or went dormant, given the long gaps between the relevant evolutions. The journalists covering the topic who have followed the evolution and explained it in pedestrian terms can be counted literally on the fingers of one single hand. Thus, their efforts are even more commendable. The state did not invest a penny in communicating consistently and explaining to the public what digitization is and why it is compulsory and important.

As for the users, they are happily oblivious of all the technological turmoil and the failed public policies. The huge cable/satellite penetration made redundant the digitization initial selling point: more channels, more information. Over 91% of the population receives TV programs via cable and satellite, and 61% of the population already received digital programs this way. The strategy for the transition to the digital terrestrial broadcast envisages a coverage of 90% of the population. This level is reached and exceeded by the current cable and satellite subscriptions. It is very likely that those too poor or living in too remote areas to be reached by cable or satellite connections will remain equally distant and commercially irrelevant for the digital terrestrial signal.

That points to another issue: the role of the cable, satellite and Internet providers as gatekeepers and important players in the preservation and protection of freedom of expression. As they are mostly perceived as "technical support" industries, an analysis of their conduct, ownership and business practices is needed in the near future.

Until then one can conclude that digitization in Romania was conducted too slowly, too erratically, too disengaged from its end beneficiaries to have any technological, commercial or human rights meaning.

SERBIA

THE DIGITAL SWITCHOVER - PROSPERITY OR COLLAPSE

Author: Mladen Velojic

INTRODUCTION

The switch to digital TV signal has been completed in Serbia. The deadline for the final transition from the digital to analog signal was June 17th, 2015, as established at the Geneva conference in 2015; Serbia fulfilled its duty two days before the due date, having turned off the analog signal from the repeater Jastrebac in the south of Serbia. As stated by Secretary of State of Ministry of Trade, Tourism and Telecommunications, whose competence encompassed conducting of the process of digitization, 97,8% of Serbian territory had been covered by the digital signal, which, in her opinion, proves that the digital switchover has been successfully accomplished. From the state's standpoint, the digital switchover has been seen as a source of income, for it is estimated that the state will earn up to 100 million euros by switching from analog to the digital TV signal. However, beside the citizens who had to spend at least 25 euros to purchase set-top box devices to receive digital signals, local and regional TV stations, the former stronghold of democracy and civil society in Serbia, have been thrown into despair over the new cash levy, in terms of acquisition of new digital equipment and license prices for broadcasting in multiplexes. It is estimated that monthly costs for local TV stations will be as high as 8.000 euros, that is, 25.000 euros for the regional ones, 10 times higher than at present.

So, while ones are looking forward to better business conditions and expansion possibilities (public service opens up a space for a few more channels), others count down the days to possible new jobs... out of a TV company. In fact, there are more than 1.000 media outlets in Serbia at the moment (110 being TV stations); also, there is an ongoing process of media market consolidation, in accordance with the new media law, passed almost a year ago.

1. LEGAL FRAMEWORK

In 2006, Serbia was a signatory to the final acts at the conference in Geneva, committing to switch to the TV signal broadcast not later than June 17th 2015, becoming thus a part of the European digital sky. Despite the recommendations of the EU for this process to be completed as soon as possible, no later than April 2012, which Serbia accepted (the plan was to replace the analog with the digital signal by April 4th 2012), it was all done two days before the global deadline. It is generally known that the process of digital switchover is very complex; hence it was necessary to harmonize numerous participants and mechanisms to make it successful. The process of digital switchover itself was comprehensively defined by the Media Strategy of 2009 (valid through 2016). Three media laws emerged as an embodiment of the Media Strategy contents. Although expected much earlier, the Serbian Parliament adopted them only on August 2nd 2014 (under expedited procedure). Complying with the Media Strategy, the mentioned laws brought about some important innovation - putting the state out of media, project-based co-financing of the media, as well as a more clear definition of notions within the process of digitization, in accordance with the EU's Audio-Visual Media Services Directive (AVMS) requirements. With the newly adopted Law on Electronic Media, in terms of the legal framework, the switch to the digital TV signal broadcast was definitely ensured.

2. POLITICAL CIRCUMSTANCES

The circumstances refer to the political climate, definitely contributing to the implementation of digital switchover process, in the first place in accordance with international obligations, and then with binding national legal acts. In this respect, the government of Aleksandar Vučić acted more professionally than the previous government of Mirko Cvetković which had adopted the media strategy and was supposed to complete the digital switchover process by April 4th, 2012. It was assumed that one of the biggest problems was how to provide the necessary funds for a successful implementation of the digital switchover and also how to organize the operations of many participants in the process, which the previous government could not do. It is worth mentioning that the Minister of Trade and Telecommunications stated that digital switchover was estimated to cost around 70 million euros⁸⁷.

However, the needed and eventually invested amount was 37 million euros. Whether misjudgments were accidental or not (which is quite normal in a country where corruption is one of the strongest "economic sectors") has remained unknown... Moreover, one of the possible reasons of prolonging the digital switchover process might be a certain reluctance of the state to confront the potential shutting down of local media, which once had a significant share in the development of democracy, and also in deposing of the totalitarian government of Slobodan Milosevic. Considering the destiny of these media outlets, faced with numerous problems and daily struggle for existence, for the vast percentage of cases, the digital switchover would seem like euthanasia of its kind... When we mention political will, we emphasize that it has always been the basis and precondition for all changes in Serbia. With the need to be in a perpetual electoral campaign, along with all parties using populist policies and demagoguery, the implementation of the digital switchover process certainly did not make any ruling party popular with the voters. As already mentioned, Serbia primarily set the deadline for April 4th, 2012, when it should have fulfilled the obligation stemming from the Geneva agreement. However, such an unstable position of the government of Mirko Cvetković certainly should not have been staggered before the scheduled all-levels elections in May that year. So we can safely conclude that the prolongation of the transition to the digital TV signal was conditioned by calculations of the political leaders who, as it is widely known, have always been guided by the interests of their political parties, yet to the detriment of the public interest, i.e. interest of the citizens of Serbia.

3. ECONOMIC CIRCUMSTANCES

Digitization brings about certain economic circumstances, which may be divided into several categories consistent with the target groups, as well as direct participants in the process:

COUNTRY

From the standpoint of the state, the digital switchover brings profits, amounting to almost 100 million euros. Moreover, by the year 2020 it is estimated that 5-6% of GDP will have been related to the development of the broadband Internet. The entire process of switching to digital signal costs 37 million euros, of which 10.5 million euros had been donated by EU⁸⁸ as non-reimbursable loan, while the rest was provided by the Government of Serbia through a loan from the EBRD.

MEDIA

In the very Media Strategy it is indicated that digitization shall be a good ground for the development of national media, and

⁸⁷ <http://www.blic.rs/Vesti/Drustvo/433296/Ljajic-Moguc-zavrsetak-digitalizacije-do-kraja-2014>

⁸⁸ http://www.tanjug.rs/multimedia_fono.aspx?izba165561&ime58880

have an impact on the reduction of local and regional media, too. The strategy also remarks that “the rescue” of small media may lie in their mutual networking or joint use of transmission channels. In addition, for local and regional media, the digital switchover brings another two colossal problems: 1. investment in digital TV signal broadcasting equipment, 2. paying of excessive license prices. In public discussions, organized by the Government of the Republic of Serbia and OSCE preceding the switchover, the most common question that representatives of the Ministry did not have any answer to was - “How much is all this going to cost?” It can be also concluded that the digital switchover process was being delayed due to the lack of answers to this question...

CITIZENS

Although the digital signal was free, citizens with an average monthly salary of around 300 euros net, had to set aside at least 25 euros of their budget to purchase a set-top box. Yet, the state provided the most vulnerable population with free STB devices. The state had prepared vouchers for the 157.666 free STB devices, which single cost is 3000 dinars (25 euros)⁸⁹. It is worth noting that over the previous 10 months, from September 2014 to June 2015, an active media campaign was carried out, during which it was clearly explained to the citizens what was required in order to embark on a successful digital switchover process.

4. CAMPAIGN

Within the last year, that is, 12 months preceding the completion of the digital switchover process, there was a very active media campaign in order to accurately inform the citizens. The Public Service (RTS) was a leader in such undertaking, and other national broadcasters aired promo videos on this topic, as well. The RS Government notified citizens correctly and timely about all necessary steps they need to take before the transition to a digital TV signal. The plan to gradually turn off analog signals from repeaters across Serbia was carefully timed, and citizens were acquainted with it through the media and Internet (<http://www.digitalizacija.info/datumi-gasenja-analognih-predajnika-po-zonama/>). Although a few years ago there was a possibility that the analog signal would be abruptly interrupted in Serbia, then switched by a digital one, they found a solution for a gradual transition. It is interesting to mention that government chose “national” actors and actresses to convey their attitudes in the promo campaign; these were the artists people have been watching over the past 30 years in the most popular TV series and movies. One gets the impression that the objective was achieved, or that the desired message was delivered to the right address. The activities of informing citizens of digitization included the most popular cable operator, SBB, which raised people’s awareness through street activities and a designated website. Of course, SBB took the opportunity to offer their services (some of which are free), so that the greater number of Serbian citizens would choose them as their cable provider. Likewise, other operators had their promo campaigns, but not to that extent (www.digitalizujselako.rs).

5. CONCLUSION

The digital switchover process itself was less in focus compared to the other two topics on the Serbian media scene- the privatization of 80 state-run media and competition/project-based financing of the media content.

When it comes to Serbia, it appears that the digital switchover process went smoothly in the past year went smoothly, without fuss or tensions. The Minister himself, who, as a competent body, was responsible for the implementation of the digital switchover, said that it was unexpectedly smooth⁹⁰. It speaks volumes about the state taking all the necessary steps to comply with international obligations to become a part of the European digital sky. Aside from substantial financial support, the international community gave significant contribution through its organizations (DEU and OSCE) to prepare the Government of Republic of Serbia for the digital switchover. There were numerous public discussions, meetings, consultations with all relevant participants, contributing thus to a successful political consensus on the importance of implementation of the whole process more efficiently and by the due date.

However, as much as it seems to be important in the long run, the digital switchover topic was less prevalent in the public, compared to the other two, which, as digitization, are the consequences of the new media laws in terms of consolidation of the media market. Privatization of nearly 80 media outlets, and competition/project-based financing of media were the topics of greater importance for both the media and citizens. And they still are, because the epilogue of this process (primarily the one of privatization) is yet to come.

In the light of the changes of the media landscape, there lingers a question which is in conjunction with privatization, project financing, and the digital switchover - are such media actually in the service of the citizens? This straightforward question immediately leads to the next - should the media primarily take care of themselves, that is, their employees’ existence, or should their activities primarily serve the public interest? Surely, the focus is on local and regional media (TV stations), being more in

89 <http://www.blic.rs/vesti/drustvo/vauceri-za-digitalizaciju/xey3jbr>

90 <http://www.blic.rs/Vesti/Drustvo/561889/Ljajic-Proces-digitalizacije-ide-daleko-bolje-od-ocekivanog>

the red year in, year out, losing thus the market race with new media. One may pose a question whether what they do protects the public interest, followed by the question about citizens' interest in following the program of such media. All of the above will question the freedom of speech at the local level the moment the digitization process finishes, and, when it comes to the broadcast digital signals, the real figures become effective. For instance, the estimates are that a license for regional media will cost around 25.000 euros per month, a sum impossible to earn on the Serbian market today (except perhaps in Belgrade). Former pillars of civil society and initiators of democratic changes are about to vanish now, while citizens are still facing the lack of objective informing, increased growth of tabloids, or pervasive media illiteracy.

Annex 1: Regional overview at a glance

	Albania	BiH	Macedonia	Montenegro	Serbia	Bulgaria	Romania
In a nutshell:	Market ahead the law	utter failure	Local broadcasters - lost in digitization	Challenges yet to come	Prosperity or collapse	Rigged competition	Delay foretold
Deadline	17 June, 2015; not met	17 June, 2015; not met	31 May, 2013	31 December, 2012; postponed to 17 June, 2015	4 April, 2012, postponed to 17 June, 2015	September, 2013; contested	1 January 2012, postponed to 1 January 2015, then to 17 June, 2015, then to 31 December 2016 (just for public TV)
Digitization (by June 2015)	2004, market ahead law, 3 comm MUX functional	Infrastructure functional in Sarajevo; test in Mostar and Banjaluka scheduled for end of 2015; 50% of the population still using analog antennae;	7/8 MUX allocated in 2012; 90% of population covered (ONE) in 2013	92% of the population covered; bids for MUX June19, 2015; 8 licenses (out of 23 broadcasters)	97.8% of the territory covered	first test 2004, 96.2% of the population	40% of population able to receive digital signal; 3 national, 13 regional and 1 local MUX allocated; 1 national MUX partially operational
Legislation	First attempt, 2005, failed. 2007 - law adopted, but never implemented; 2013 new law on Audiovisual Media	2005, Law on Public Broadcasting System of Bosnia and Herzegovina ("Corporation of three entities"); not implemented	amendments to the laws on electronic communications and broadcasting activit	Digital Broadcasting Law, 2011; Amendments in 2012; Amendments in 2015 (funding for RTCG)	Law on Electronic Media, 2014	Amendments to the Law on Radio and Television (2009) and amendments to the Law on electronic data (29.12.2011 r.)	Amendments to the Audiovisual law in 2008, 2009, 2013, 2015
Strategy	2005; 2013	2009	Action Pan 2007-2012; ignored until 2012;	"Strategy of switching (transferring) from analogue to broadcasting systems in Montenegro"	Media Strategy 2009-2016	Action Plan 2008, Action Plan 2012	2009; 2013
MUX Operators	Rhode&Schwartz for RTSH (2014); Commercial: TV Klan, Top Channel, Digitalb, Supersport, bid 2015, suspended;	Bids started in 2011; contested; in 2014: Odaljači i veze ("Transmitters and Communications Ltd")	"One" (part of Telekom Slovenije-MUX; PE Macedonian Broadcasting - MUX (PEB); Digitalb Media(part of One) -3 MUX (pay TV)	Radio Broadcasting Center (RBC); TV Teuta	Public Company "Broadcasting technology and communications"	rigged competition: Case C-376/13 of the ECJ; NURTS Digital EAD (2 MUX); Fiat Digital EAD (1 MUX for public TV); 1 regional platform (tests)	Radiocom (national) + regional/local operators
Regulators/ Competent bodies	National Council of Radio and Television NCTR; since 2013 - Audiovisual Media Authority AMA; dysfunctional, quorum not met	Corporation of three public service broadcasters: not created yet; Ministry of Traffic and Communication BiH; Communications Regulatory Agency (CRA)	National Coordination Body for Digitization comprised of the regulatory bodies (Broadcasting Council and Agency for Electronic Communication), competent ministries, Public Enterprise Macedonian Broadcasting, cable operators and other relevant stakeholders were competent for initiating the preparation and starting the digitization process; mainly, the issues related to digitization have been the competence of the agency for Electronic Communication and the Agency for Audio and Audiovisual Services.	Agency for Electronic Media	Ministry of Trade, Tourism and Communications	"Council for Electronic Media, Communication Regulation Commission"	National Council for the Audiovisual CNA, National Authority for Regulation in Communications (ANCOM)
Consultation	Private operators consulted formally;	N/A	accusation of preferential treatment; no current operators were accepted to bids; the broadcasters had consultations with the competent regulators and other bodies.	RTCG discussed its digitization design with stakeholders (in 2015)	broad and open; process was "unexpectedly smooth"	Private operators.	sporadic; influenced of broadcasters
Info campaign	Planned in 2013 (campaign, call center, conferences); limited to inner media circles;	Plan of info campaign commissioned by CRA at the end of 2012; some info on websites and campaigning by public service broadcasters (mainly BHRT)	April-May 2013; leaflets distributed with newspapers; call centers, meetings, TV spot in Macedonian, Albanian, Serbian, Turkish, Bosnian, Vlach and Roma; info on websites	Ministry of culture and media, Public service broadcaster RTCG, september 2014	12 months prior to switch off, popular artists appearing in videos; media, internet; private operators (cable) joined in.	In December 2012 it has been launched an information campaign for digitization and procedure for supplying people with special social needs with decoders.	Public TV TVR, after June 17, 2015
Subventions	Coloana necompletata!!!	N/A	Government distributed 40,000 STBs via Ministry of Labour and Social Issues	Infrastructure and equipment supported by state and EC; 1.6 mil Euro (Phase 1); 1.5million Euro (Phase 2); 410,000 for STBs under Law on social and child protection.	Government planned for 157,666 STBs to be distributed	3.8 mil Euro. As of November 2012 there have been 260,000 households eligible for subvention without available access to cable or satellite TV and they could apply for vouchers with a value of € 30.70 each.	
Public TV	RTSH: 2/6 frequencies; disfunctionalities of the board; bids contested - process delayed;	a state-level public broadcaster - Radio-television of Bosnia and Herzegovina (BHRT), and two entity-level public broadcasters. Radio-television of the Federation of Bosnia and Herzegovina (RTVFBH) and Radio-television of the Republika Srpska (RTRS).	MRT; has equipment, does not lead the process, does not frutify it fully	RTCS process started only in January 2015; not completed; costs 12-15 mil Euro, expected from Govt.	Radio Television Serbia (RTS), Radio television Vojvodina (RTV). Currently, the only available HD channel is RTS HD.	"Although the legislative process of transition to terrestrial digital television broadcasting (DVB-T) began in 2009, many obstacles have delayed the start of the simulcast to March 2013. The government has scheduled off of analogue distribution for September 2013. The process has been fully completed."	Simulcast till December 2016; The only one offering digital broadcast
Local media	either on RTSH, their own	Overall 45 TV stations (out of which 32 public) and 162 radio stations (out of which 71 public) with different signal reach	either on local cable or on regional MUX (20/48)	20 TV broadcasters (17 commercial, 3 public); 3 public and 3 commercial got licenses; the rest expected to shut down or move on cable	local/regional media use MUX 2	As of 2015 the Council for Electronic Media has approved the applications of over 31 programs for digital terrestrial broadcasting among them up to 10 are regional TV stations but mostly regional channels of the Bulgarian National Television.	Some 170 analog licences annuled; converted to cable or satellite
Fees	2885 Euro (2012) for RTSH infrastructure; contested	N/A	100,000 Euro/ly for national broadcasters; 13,000/ly Euro for regional broadcasters		MUX 1 - from 15 000 euro (for SDTV) and 36,121 euro (for HDTV) via Anvula Transmitter (covering almost 1/3 of Serbia) to 700 euro (for SDTV) and 1700 euro (for HDTV) via Vrsac Transmitter (covering the smallest territory). MUX 2 and 3 fees are a little bit lower for some transmitters. Remark: regional broadcasters pay 20% of full price	Bulgarian National Television pays 7.5 mln. Euro yearly fee to the multiplex for broadcasting 3 channels	1000 Euro for a local multiplex (covering a town), 10,000 Euro for a regional one (covering a county), 300,000 Euro for a national one.
Obs: Particular features	"Beauty contest" for licences Cross-ownership of bidders, lack of actual competition	analogue signal transmitter of the state channel BHRT that has been shut down in East Bosnia (complaint from Serbia); re-established	Claims that MK is behind others switchover celebrated with fireworks only 35% of the TV sets were digital ready in 2012; "overnight digitization"	massive state support for infrastructure (EU funds) Technology before content	The state earned 100 million eur by selling digital dividends	in 2012/2013 - TV decreased by 15%; cable operations increased by 59%	The whole digitization process affected only less than 6% of the viewers; lack of interest of the broadcasters;

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Time Zero of the Digital Switchover in SEE

