



## EUROPEAN MEDIA BUSINESS CALLS FOR FAIR PLAY & RESPECT OF COMPETITION POLICY IN EUROPEAN TELEVISION MARKET

**Brussels, 24 February 2009** – Today representatives of the European media business – including the Association of Commercial Television in Europe (ACT), the Association of European Radios (AER), the European Publishers' Council (EPC) and the German Association of Commercial Television and Radios (VPRT) - gathered in Brussels to call on the European Commission to resist pressure from Member States to water down proposals that seek to establish clear fundamental guidelines on state aid to publicly-funded broadcasters. The 2001 Broadcasting Communication that sets out the principles to be followed by the Commission in the application of Articles 87 and 86(2) of the EC Treaty to State funding of public sector broadcasting is currently being revised by the Commission's DG Competition and a proposal for a new text, that will focus on public sector broadcasting in the context of new media and mobile platforms, is expected to be presented shortly. The European Parliament's Culture Committee has scheduled a public hearing on the issue for 5 March 2009.

This media coalition broadly supports current Commission proposals to update the rules in order to clarify the remit of public broadcasting and, importantly, to introduce a new test that would be used to justify any new public sector broadcasting activity but there is strong political pressure to leave the 2001 Broadcasting Communication unchanged despite huge changes in the media market place that have taken place in the past eight years.

**Ross Biggam, Director General ACT, commented:** “In the rapidly changing media market and in the light of the growing importance of the online world, the review of state aid rules to public broadcasters is more important than ever. Public broadcasters' ventures into new markets may be permissible, if and when corresponding to the democratic, cultural and societal needs of the population, but may not be allowed to distort the competition existing in those markets”.

Given the increasing criticism from national cultural ministries on the text, the coalition of the European media businesses urges Commissioner Kroes and her colleagues to resist this growing pressure. In the EU 27, state aid to broadcasting is estimated as being worth at least Euro 22 bn per year. In the current economic environment, it is of ever greater importance to ensure that the European Union rules on state aid are rigorously applied so as to ensure that those private sector companies who do not seek public assistance are not unfairly disadvantaged.

**Angela Mills Wade, Executive Director EPC, stressed:** “Public broadcasters have not only been migrating to digital TV platforms but also to the Internet and, in many cases, morphing into online newspaper and magazine publishers - funded by the public purse - and competing head on with commercial publishers. This distorts competition and undermines the national press. Member State Governments need to be aware of the potential disastrous consequences for their own national newspapers as well as for a competitive and diverse broadcasting sector if these state aid guidelines are not brought up-to-date with today’s media marketplace.

It is neither in line with competition policy nor with the role of the European Commission as guardian of the Treaties, if those Member States granting annual state aid, simultaneously seek to dictate the terms under which such state funding would be compatible with the EU Treaty. We are therefore calling for a clarification of state aid rules in the new media environment and clear guidance for Member States when applying these rules”.

**Tobias Schmid, Vice President of the German Association of Commercial Radio and Telecommunication Providers (VPRT) & Vice President Media Policy at RTL Television Germany, commented:** “While we clearly see points which require improvement in the text especially regarding transparency of costs, we welcome the guidance given for Member States in particular with regard to ex ante scrutiny and the independent regulation. Only those will ensure that the interests of Europe’s consumers will be best protected by thriving, competitive markets”.

On 5 March 2009, the European Parliament’s Culture Committee will organise a hearing on the dossier in Brussels and has invited stakeholders to present their point of view. Representatives of the print media or the online world, who are also largely affected by this debate, have not been invited to speak out at the hearing.

**Frederik Stucki, Secretary General Association of European Radios, said:** “We fully support Commissioner Kroes in her efforts to revise the Broadcasting Communication in order to make it relevant for the digital media. We welcome the involvement of the European Parliament on this dossier but call on MEPs to ensure a balanced outcome of the hearing”.

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#### **About the ACT:**

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

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### **About the AER:**

The Association of European Radios (AER) is a Europe-wide trade body representing the interests of over 4,500 private/commercial radio stations across the EU27 and in Switzerland. For further information, please see: [www.aereurope.org](http://www.aereurope.org)

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### **About the EPC:**

The European Publishers Council is a high level group of Chairmen and Chief Executives of leading European media corporations actively involved in multimedia markets spanning newspaper, magazine, book, journal, internet and online database publishers. Many EPC members also have significant interests in commercial television and radio. For our list of members and further information please visit the following address: [www.epceurope.org/about/ourmembers.shtml](http://www.epceurope.org/about/ourmembers.shtml)

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### **About the VPRT:**

VPRT, Verband Privater Rundfunk und Telemedien e.V., Association of Commercial Broadcasters and Audiovisual Media Services - Representing 160 companies operating in the field of commercial television, radio, audiovisual media services and teleshopping.

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