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The European Commission, DG COMP,
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January 15, 2009

TV4'S COMMENTS ON DRAFT COMMUNICATION FROM THE COMMISSION ON THE APPLICATION OF STATE AID RULES TO PUBLIC SERVICE BROADCASTING

Introduction

As previously stated in TV4s submission as of march 15 2008, TV4 considers a review of the Communication as very important in order to achieve a Communication that reflects and addresses the current market situation and developments. However, TV4 regrets that the commission has not taken the opportunity to, in more detail, address the core problem, i.e. the question of public service broadcasting's function in today's society and the definition of the public service remit. Further more TV4 finds the Communication not at all addressing the problem that weak regulation and supervision in one Member State can affect the competition in another Member State.

1. Defining the public service remit

TV4 is in general positive to public service broadcasting. But since state aid to public service broadcasting is per se distorting the market it is important to discuss its role and place in the market. Which needs and functions shall public service broadcasting fulfil in our society? Despite the centrality of this question and the need of a clear and precise remit the Communication says almost nothing on this issue.

The negative effect state aid to public service broadcasting has on the competition and market must be balanced by the positive effect public service has, with respect to the democratic and cultural values, in our society. This can be achieved by assuring that the public service remit is clearly defined, which would also reduce the need of a too detailed regulation in this area.

First and foremost the public service remit should be limited to traditional radio and TV transmissions, on all platforms. But it should not go beyond that. For example, there is no need to use state aid to finance new services on the Internet where the content and range of service already is overwhelming. If a Member State economically supports some of the players in the market this will only lead to market

distortions and not to better and more varied content and services. Public service broadcasters' activities on new media markets must therefore be limited to activities that have a clear public service value, i.e. supplying traditional radio and TV programmes. The important thing is that activities beyond this are not financed via state aide.

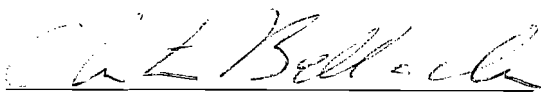
If the remit is strictly defined the positive effects of public service broadcasting can be secured and the market provided with new important quality contents.

2. Territorial limitations

A weakness in the communication is that it does not (other than to a very limited extent in para 61) address the problem that weak regulation and supervision in one Member State can affect the market and competition in another Member State. As per example; BBC are selling rights to BBC Worldwide and BBC Worldwide has now launched four new channels in all the Nordic countries and is expected to launch new channels in other Member States as well. This means that the UK public service broadcaster BBC uses its state aid funded programming to enter into and distort the competition in other Member States. In theory the BBC's Internal Trading Guidelines should secure that BBC Worldwide is not given any advantages that is not available to BBC's other competitors. But in practice this is not how it works, since in fact BBC Worldwide is granted a first look at all BBC-produced content and the fact that directors of BBC and BBC Worldwide sit on one another's Boards.

In order to hinder this development it is important that the Communication addresses this cross boarder problem, e.g. by upholding the principle of arm's length between companies within the same corporate group and securing that public service broadcasters are obliged to offer its content on equal and transparent terms to all broadcasters, commercial as well as public within and outside its own national market.

Stockholm January 15, 2009



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