



Review of the Communication of the Commission
on the application of State aid rules to public service broadcasting

May 2009

The Hellenic Audiovisual Institute is the national applied research organization in the field of audiovisual communication in Greece. IOM is thoroughly engaged in carrying out methodical research-projects concerning, mainly, the audiovisual media: Radio, Television, Cinema, Multimedia and New Technologies.

The Institute is welcoming the opportunity to contribute to the consultation of the Commission on the application of State aid rules to public service broadcasting.

The state funding of public service broadcasters, even partially from public funds in whatever form, remains necessary, as the main obligation of public service broadcasters is the provision of the public service. We underline that in approaching the subject we should take into account the meaning of the paragraph 9 of the draft, according to which “public service broadcasting, although having a clear economic relevance, is not comparable to a public service in any other economic sector (...)”. In Greece, the whole programming of the public broadcaster is covered by the public service remit.

However, public service cannot be always defined in accordance with the development of commercial channels. Public service is not necessarily non profitable service. On the other side, the innovation cannot be considered as public service just because it doesn't attract private funds. Innovation should not be confined in projects of a limited scale (e.g. in terms of time and audience). Nevertheless, innovative services being offered from commercial channels cannot be considered as public service and create demands for public funding.

The distinction of the activities of a public broadcaster results from the definition of the assigned obligations directly related to “the democratic, social and cultural needs of each society and to the need to preserve media pluralism”. This is the unique criterion, as defined in each member state, for the definition of the public service. A prior evaluation procedure based on an open public consultation may result in more positive outcomes. However, a prior evaluation of the impact of a new service in a market, in the basis of potential effect, includes a considerable risk for the Greek market.

The functional separation has its benefit. However dividing public service television in enterprises with like but descripts rationale, isn't always a preferable option. In that framework, the adoption of a “single-funding” scheme, withdrawal of the public broadcaster from the advertising market, would be preferable for complying with the obligation to provide to the public qualitative programs (information, education, entertainment).

In the case of Greece, public broadcaster's money coming from advertisement constitutes about 5% of the whole ads spent market, percentage which shows that doesn't constitute a risk for market distortions or the competition. The fact that the advertisers are moving to the Internet



cannot be a reason to exclude the public service broadcaster from this medium. The technological neutrality remains a fundamental principle.

The Institute considers that, in no way, the services provided by the public broadcaster should demand any further contribution from the citizens, who have already paid for the existence of this public service. In this respect public service broadcasters should not be engaged in subscription services.

The commercial activity of the public broadcaster in similar markets (production etc.) can not be developed in terms which distort the competition.

It is generally considered legitimate that public service broadcasting must be able to continue to address society as a whole and to look for the acquisition of premium content as part of the overall public service mission. Therefore, it's not under question the ability of public service broadcasters to buy sports rights.

Public service broadcaster must carry out the function entrusted in a transparent and accountable manner and being effectively controlled for respecting his obligations. Every Member State is competent for the preservation of the obligations that is assigning.