

10th March 2008

European Commission  
Directorate-General for Competition  
For the attention of the State Aid Registry

## **Review of the Communication from the Commission on the Application of State Aid Rules to Public Broadcasting.**

The Danish Union of Journalists welcomes the opportunity to forward a few comments in reply to the questions raised in the above mentioned review.

### **1. General remarks**

It is relevant to review the Broadcasting Communication in the light of the developments in public broadcasting. Public service broadcasting is of vital importance for the continuous democratic development of the European member states and innovativeness on the basis of the cultural heritage of each of these states.

For that reason it is of the utmost importance that the European regulation of public service broadcasting is up to date and continues to strike the right balance between free competition and national regulation for cultural and social purposes.

The Danish Union of Journalists finds it very important that EU regulation will leave room for national member states to allow public service broadcasters to expand their activities using online, on-demand and other similar services made possible by new technologies.

It is equally important that the Broadcasting Communication continues to give member states competence to define a wide definition of public service definition that can also include broadcasting activities in the areas of sports and entertainment. The cultural and social importance of providing coverage in these areas under public service criteria is enormous. Any step towards regulation which will narrow public service broadcasting to areas which have no economic market value will greatly harm the great social and cultural value that public service broadcasting has created in many EU member states.

Moreover it appears to be the general experience that in countries where public service broadcasting has a high market share and is of high quality, the broadcasting market and economy grows – also to the benefit of the commercial players. The same goes for the quality of the content. Locomotive public service broadcasters will cause commercial radio- and TV-operators to compete on quality.



In consequence of this the general view of the Danish Union of Journalists is that the aim of the review must be to fine tune the mechanisms in light of developments.

## **2. Specific remarks in response to some parts of the questionnaire**

- The definition of the purpose of public service broadcasting should be defined more broadly for example to “fulfil democratic, cultural or social needs of society”. It should also be made clear that the definition must be technology neutral.
- The current regulation of overcompensation works as is demonstrated by the cases which have been brought up. If anything there is a need of greater flexibility within the framework.
- How the distinction between public service and other activities is made should be left for each member state to decide according to its democratic, cultural and social traditions. The public value test set out in the Danish legislation has proved to work well.
- An ex ante evaluation should not have singular focus on new media activities. It may be better to leave the question of ex ante evaluation up to each member state.
- Limited (or partly) state-funded payservices do not appear to have a negative impact on the market opportunities for commercial operators. On the contrary. The extent to which these partly state funded payservices may exist should be left for the member states to decide.
- It would be welcome if the revised Broadcasting Communication contained further clarifications of transparency requirements. Such requirements are fulfilled in Denmark. Overall transparency will further trust and break down negative myths.
- The Communication should include a requirement for the Member States to lay down parameters for determining the compensation amount. However, it must be left up to each individual member state to lay down requirements for output and the compensation amount.
- The public service broadcasters should be able to keep a surplus at the end of the year in order to be able to consolidate or plan large investments.
- Regarding sports rights a distinction as suggested is not relevant and will further lead to a situation where public service broadcasters are not able to serve the broad public in these areas. The cost of buying premium sports rights is so high that it in itself is having this effect.
- All the questions addressed above are all the more important for small member states and small language areas.



Public service broadcast plays an important role along side the written press in fulfilling the role of the free press in democratic society. The audiovisual media have a very powerful influence and it is therefore crucial to have audiovisual media with a broad appeal that are under obligation to live up to demands such as editorial independence of economic or other interests, political neutrality, diversity and quality.

Yours sincerely,

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President