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EU MONITORING AND ADVOCACY PROGRAM



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Press Release: for immediate release

Czech Republic digital licensing process: new developments cast doubts on its fairness

Prague and Budapest, 10 March 2006 – The Czech broadcasting regulator (RRTV) last week took the decision to postpone for an “indefinite” period the licensing of digital channels in the Czech Republic, stating that it needed time to consult with the operators of the digital multiplexes on the “financial standing” of the bidders.

This decision was taken during the 5th Session of the RRTV, from 28 February to 1 March 2006.

The RRTV's decision has been greeted with widespread disappointment among digital licence bidders. But the reasoning behind the RRTV's decision should be a signal for wider concern among the media community.

For the fairness of the licensing process, it would seem commonsense that broadcasting regulators must keep players in the digital chain out of the licensing process. But by consulting digital multiplexes on the bidders for digital licenses, the RRTV is doing just the opposite - allowing market players to potentially interfere with the licensing decision-making. This must cast serious doubts on the fairness of the process - and, ultimately, also on the independence of the regulator.

The potential risks underlying the RRTV's decision are supported by the findings and recommendations of a recent series of monitoring reports produced by the Open Society Institute (OSI). The OSI reports on *Television across Europe: policy, regulation and independence* were launched in Brussels on 11 October 2005 and in Prague on 20 February 2006, and cover 20 European countries.

In particular, the Overview report in this series underlines that the regulator's intention to involve the digital multiplex operators in the licensing process is extremely dangerous for the independence of the regulator and the fairness of the licensing process.

Across the countries included in the monitoring, the report finds increasing concentration of ownership and domination of television markets by a few broadcasting players. It therefore calls for measures aimed at preventing a similar concentration developing in the digital environment.

In particular, the report recommends that parliaments across Europe should initiate legislation to forbid the “formation of conglomerates grouping operators involved in the digital chain”, such as digital multiplexes, television stations, software providers. Such legislation is needed to prevent the formation of dominant positions in the digital television markets.

Note to editors:

The report on the Czech Republic (available in English and Czech) is one of 20 country reports in the series of monitoring reports, *“Television across Europe: regulation, policy and independence”*. The series also includes an Overview report, which brings together the main findings from across the countries monitored. The reports were prepared by the EU Monitoring and Advocacy Program (EUMAP) of the Open Society Institute (OSI), in cooperation with OSI's Network Media Program. All reports are available online at <http://www.eumap.org>. More information on OSI is available at <http://www.soros.org>.