



COMMERCIAL BROADCASTERS URGE COMMISSION TO ADOPT BROADCASTING COMMUNICATION UPDATE UNDER THIS LEGISLATURE

Brussels, 11 May 2009 – The Association of Commercial Broadcasters in Europe (ACT), representing the interests of the commercial broadcasting sector in Europe, urges the Commission to enable a swift adoption of the new Broadcasting Communication, aiming to update the 2001 Communication and setting out the principles to be followed by the Commission on the application of state aid rules to public broadcasters.

This week the Commission closed its third public consultation on this dossier and the ACT has once again submitted its position to DG Competition. Commercial broadcasters welcome the review of the Broadcasting Communication, and call for its swift adoption and implementation. However, we are concerned about the further dilution of the earlier text by deleting relevant criteria and guidelines, which were very useful to explain the basic principles. The ACT believes that the lack of detail on some key points will mean that cases will continue to be brought to Brussels instead of being solved by the national authorities according to criteria set out in the Communication beforehand. Commercial broadcasters hope that these issues will still be addressed by the final text while paying full respect for Member States' competence in this field.

Ross Biggam, Director General ACT, commented: "We particularly welcome the fact that the Commission has asked stakeholders to comment on the impact of the economic crisis on our sector and thus the Communication. In the light of the global recession with commercial broadcasters facing a double-digit decline in advertising revenues across Europe and in an area where there is almost no future visibility, effective application of the EU rules on state aid are more important than ever to ensure that the existing competitive advantage of public broadcasters is not further strengthened".

Concerning the latest text of the Broadcasting Communication presented by the Commission in April 2009, the ACT would like to highlight the following two points:

- Commercial broadcasters welcome the inclusion of the **ex-ante evaluation** in the text. The ACT regrets that the new draft has lost a substantial part of its detail, on account of some Member States' positions, but commercial broadcasters firmly believe that the essential elements have been preserved. The ACT raises concerns, however, about possible further attempts to devoid the ex-ante test of its relevance, by reducing it to a mere formality. The test is key to ensure media pluralism with a thriving commercial and public broadcasting sector in the future and has already been successfully introduced in several European markets, representing a balanced example of subsidiarity in action.
- Commercial broadcasters are concerned about the reference made in the current text to public broadcasters entering the **pay-TV sector**. The ACT believes that the changes which have been made compared to earlier texts are very much to the detriment of fair competition and indeed the consumer interest. In this context the ACT refers to the deletion of the requirement in the new text that "*special vigilance*" would need to be applied when public broadcasters seek to launch pay-TV services. The ACT explicitly calls for this requirement to be reinstated and highlights that this does not exceed European Commission competence. The ACT stresses that such ventures should be platform-neutral and in order to avoid further complaints to be filed in Brussels, the ACT calls on the Commission to take up the platform-neutrality point in the Communication.

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

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