



ANEM PRESS CONFERENCE, June 29, 2009

„In what extent will the regulatory Government measures actually help media outlets?“

During the implementation of the project “Advocating for sustainability of local media: reduction of broadcasting and copyright fees”, supported by USAID and IREX Serbia, ANEM organized a press conference, held on June 29, 2009 in Media Center Belgrade. At this press conference, ANEM informed the public about all relevant issues regarding the economic position of the broadcasting media. Besides ANEM representatives, members of the Republican Broadcasting Agency (RBA), Republican Telecommunications Agency (RATEL) and collective organization OFPS, were also present. Press conference lasted for an hour and it was attended by numerous journalists from print and electronic media - 11 media outlets.

Sasa Mirkovic, ANEM President, informed the attendees about the damages that broadcast media suffer as a result of effects of the financial crisis, what were ANEM activities aimed toward improvement of broadcasters' position and what demands of broadcasters and media organizations are put in front of the Government. He emphasized that ANEM, alerted by the information from its member stations about difficult financial position (drastically decreased marketing incomes, difficulty in collection of payment, vast financial obligations, competition of illegal broadcasters, nonfunctional media market, unequal broadcasters position on media market...), from the beginning of this year, launched a number of activities to help media outlets to overcome their problems. First of all, ANEM tried, in its public events, to raise attention of media public and relevant state authorities on difficult position of media, and additionally, on the necessity for urgent measures to prevent media devastation. As a result of these ANEM activities, and demands of other media associations, work groups in Ministry of Culture are formed, composed of representatives of media organizations and associations. Based on their proposals, Government adopted regulatory measures to help media in period of economic crises. Since the majority of Association's radio and TV stations stated that their major problem were huge regulatory fees charged by RBA and RATEL, and those charged by SOKOJ and OFPS, ANEM, beside active advocacy for fee reduction, organized in May two round tables with representatives of these regulatory bodies and collective organizations. Also, ANEM is working extensively on improvement of media regulatory framework, which is important for creation of more preferable environment for development of media outlets and media market, and actively demanding the closure of illegal stations. In last Thursday, June 25, 2009, Government adopted regulatory measures to help media, which demand further elaboration and concretization as their effect is still uncertain, said Mirkovic. Not all proposals of work subgroup for electronic media were adopted, and not in the way they were proposed, but still, Mirkovic considered that these measures were a step in positive direction. They are

not some revolutionary improvement of electronic media status, however, for ANEM, it is essential that Ministry of Culture and Serbian Government show certain good will to help media in this period of economical crises. He emphasized that the proposed action should not be stopped at this level, since due to depth of the crises, it is very important to adopt media laws or amend them, continue the process of privatization, clear spectrum from illegal broadcasters, and thus embrace one complete framework that, together with the suggested measures, helps to reach the improvement of position of media in Serbia.

Slobodan Kremenjak, ANEM lawyer (Zivkovic & Samardzic Law Office) said that is good that Government, at least now, dealt with the issue of economic position of media, since, as it turned out, individual approach of each regulatory body or Ministry, did not give satisfying results. He emphasized that, for appropriate evaluation of Government regulatory measures, it is necessary to wait and see how they will be applied in practice and according to which criteria they will be enforced. Only then, the actual effects of these measures will be visible. He considered that there was some advancement in improvement of position of electronic media, but what was more important, further work on certain systematic changes was announced. Kremenjak positively evaluated RBA fee reduction, but he emphasized that in determining of fee amount, besides area covered by the signal and population size, the criteria of quality of program content needs to be consistently applied according to the law. It was concerning that there were still no advancement in amending of the Advertizing Law, said Kremenjak. Regarding the pirate stations, the new Law on Electronic Communications in the preparatory phase and it will replace the existing Law on Telecommunications. The new law predicts the existence of certain inspection within Ministry, which will be able to temporary confiscate transmission equipment of illegal broadcasters. ANEM will be very critical to adopted measures, but on other hand, it will be very proactive with proposals which are necessary and which have to motivate all participants on media scene, stressed Kremenjak.

Goran Karadzic, Deputy President of RBA Council stated that changed RBA Book of rules, granted by Government on June 25, 2009 introduced significant reduction of fees, above all, for local and regional stations, as the fee accounting is now correctly calculated according to the criteria of population size on area that is covered by signal. All broadcasters, including the national ones, will have linear reduction of 5%, which is the amount of reduction for the basic point for fee calculation. Average fee reduction is approximately 32%. TV Panonija will get the biggest reduction of 55%, and the least (or minimum) reduction will be for broadcasters in Belgrade, around 0.15%. Reductions will be corrected until June 30, 2009 when official data from Statistical Office of the Republic of Serbia on accurate population size in local municipalities in Serbia arrive, since, according to the Broadcasting Law, RBA is due to use official statistic data. Concerning the amendments of the Advertizing Law, working group, in which Karadzic is engaged, so far conducted two meetings, and soon there will be a third, and Karadzic hopes that Draft Law will shortly be prepared for public debate. Amendments of that Law aim at liberalization, because of rigidness of existing Law, which is opposite to European practice. In battle against illegal broadcasters, neither the Broadcasting Law, nor the Telecommunications Law, enable RBA and RATEL to confiscate the equipment of illegal broadcasters. RBA filed a request to the authorities in charge to amend Telecommunication Law and Penalty Law, which will contribute to more efficiency in closing of illegal stations. Karadzic also considered that another form of piracy shouldn't be neglected as it endangers national broadcasters, which is cable broadcast of neighbor countries' stations, coming from the same language background, and which don't have

copyrights for Serbia. In the next period RBA will deal with this matter, aware of the fact that this will cause revolt of audience, but RBA responsibility, above all, is to protect national broadcasters.

Jovan Radulovic, president of RATEL Managing Board, emphasized that is good that ANEM organized this press conference, because it is important for broadcasters. He reminded that RATEL is agency which only has the right to charge for the expenses of regulation, and nothing else, and according to this framework Book of rules was created. Aware of the difficult situation in the state, RATEL is prepared to change the Book of rules and reduce the fees, and works on this matter. As the procedure of changing is enduring and complex, RATEL supported recommendation of the Government about temporary linear fee reduction, until changes of Book of rules are completed. Although there is still no official confirmation, RATEL expects linear fee reduction from 5% to 10%, for all electronic media. Concerning to fee payment, RATEL will provide delayed payment for broadcasters and payment in installments. Problem of illegal broadcasters is far more serious, and RATEL is, in cooperation with RBA, doing everything to prevent illegal broadcasting, but problem is that this institution can only act on Law on Administrative Procedure, to record these broadcasters and send an official notice. Because of such situation, RATEL is encouraged by Government decision to actively include Ministry of Internal Affairs, which has authority to confiscate equipment of illegal broadcasters, and which is expected to contribute to the efficiency of entire action.

Slobodan Nesovic, member of OFPS Managing Board, said that this organization understands difficulty of the situation on media market, and that it is in the best interest of OFPS to maintain media on the market. Therefore, OFPS introduced stimulate measures, like paying balance between the advance payment and the final amount, in six installments for 2008 and 20% of discount for annual financial report for 2009. Besides that, OFPS recognizes the need for partnership cooperation with ANEM and broadcasters and it is ready to negotiate about fee limit, which must be adoptable to the situation on the market. OFPS supported solution of the new Copyright and Related Rights Law, which will enable determining the amount of fee in agreement with users. OFPS has already started negotiations with ANEM about solving other problems in mutual relations and, in that way, better partnership relations are built.

All participants of this press conference agreed that broadcasters are in difficult economic situation and that is necessary to have state response to protect them from breakdown. ANEM representatives stated that, although these Government regulatory measures are positive steps, real evaluation of these measures needs to wait their concretization.