

## V THE DIGITALIZATION PROCESS

In the statements he made after he was appointed to the position of State Secretary for telecommunications in the Ministry for Foreign and Domestic Trade and Telecommunications, Stefan Lazarevic announced that the digital switchover would start in the second half of next year and said the process would be completed by the end of 2014. The Ministry is currently working on two projects: the digital network that will enable the making of the switchover plan, as well as the modalities for helping disadvantaged families to buy the necessary appliances for receiving digital TV signal.

Under the Digitalization Strategy that was amended early this year, the design of the distribution network was supposed to be adopted in the second quarter of this year. That process is obviously overdue and, according to unofficial information, the aforementioned design will probably be adopted by late March 2013. The adoption of the network design is a precondition for obtaining the construction and operating permit for the digital network, as well as the licenses for the use of radio frequencies. As for the assistance scheme for the purchase and distribution of set-top boxes for disadvantaged citizens, the Action Plan accompanying the Media Strategy foresees only the obligation to draft a financial plan for implementing the said scheme. The assistance scheme for the purchase and distribution of set-top boxes is, however, tied to the many complex issues concerning personal data protection, as well as to the issue of technological neutrality of the assistance itself. The first issue is directly related to the manner in which the data on disadvantaged citizens will be collected. Namely, according to the Constitution and the Law on Personal Data Protection this data may be collected only with the consent of the persons concerned, or on the basis of a direct legal authority. Since such authority does not exist in the Law on Electronic Communications, the Ministry will have to find it either in some other law (e.g. those concerning social security) or to proceed with amending the Law on Electronic Communications itself. The second issue concerns the technological neutrality of the assistance scheme. Namely, the Law on State Aid Control stipulates that it shall be forbidden to allocate any kind of state aid that undermines or threatens to undermine market competition. As an exception, the law allows the provision of state aid of a social nature, which will be granted to individual consumers without discrimination as to the origin of goods and products constituting the said aid. In the case of the assistance scheme for the purchase and distribution of set-top boxes for disadvantaged categories of the population, non-discriminative measures need to be foreseen. Moreover, in this case, the requirements must be platform-neutral, so as to avoid excluding cable and DTH satellite operators from the aid scheme, since the overall objective is to enable continuity in receiving television signal for disadvantaged citizens and not to expand the



customer base of a particular market operator – in this case the customer base of the public company “Broadcasting Technology and Links”.