

## V THE DIGITALIZATION PROCESS

On June 26, the RBA hosted a regional conference under the auspices of the project Digi TV, gathering independent regulators from Southeast Europe. The topic was the digitalization process in the region. The representatives of the Ministry of Foreign and Internal Trade and Telecommunications said at the conference that the digital switchover process was placed “on healthy grounds” and that it could be completed by June 17, 2015. According to them, the Digital Broadcasting Network Plan has been completed and construction and other projects that were missing are being finalized, as well as the final cost estimations as to the funds needed to complete the broadcasting digitalization process. According to initial estimates, the funds will be 50% less than the estimates made at the beginning of the Government’s term of office. The Ministry said the main obstacle was the lack of free frequencies; it said that freeing frequencies would be a huge boost for speeding up the digital switchover. The Minister of Foreign and Internal Trade and Telecommunications Rasim Ljajic told the media that the competition called for a new television station on the frequencies formerly used by TV Avala had caused considerable damage, since the vacant frequencies should have been used, in his opinion, for speeding up digitalization. The Minister confirmed that the competitions were called in compliance with the proper procedure, but noted he was not happy they were called in the first place. Ljajic mentioned the example of Macedonia, which had completed the digital switchover and gained 30 million Euros from the sale of the digital dividend. In Ljajic’s words, Serbia could generate greater profit than Macedonia. The conference also addressed the issue of costs to be incurred by the media in the switchover. The representatives of the Public Company “Broadcasting Equipment and Communications” (ETV) are still reluctant to estimate the fees to be charged to the media for the service of transferring the signal to the regional head-ends, as well as for multiplexing and broadcasting. Without data about the costs, it is unrealistic to expect the broadcasters to make a cost estimate for entering the multiplex and to compare the latter with the cost of migration to other platforms. On the other hand, the conference also mentioned the need to inform the public about the digital switchover process, as well as about the role of PSBs and other broadcasters in promoting digitalization and what should be done in order to establish the “user’s basis” for the digital switchover process. The need for speeding up the digital switchover process is unquestioned, especially in the context of accelerated digital switchover in the countries of the region: Macedonia has recently completed its switchover; Bulgaria will follow suit this year, Bosnia and Herzegovina in 2014, while Romania, Albania and Montenegro will finish it by 2015. Let us recall that international treaties on the protection of analog frequencies expire on June 17, 2015. After that date, all surrounding countries that have

switched over to digital will be able to air digital signals without paying attention to possible harmful interference for analog broadcasting. The latter may result in analog signal being completely eclipsed and the Serbian citizens might well end up without the possibility to capture it, if the country fails to finish the switchover, due to digital interference from neighboring countries. Moreover, having in mind that the process of the sale of digital dividend has been well underway in countries where the switchover has already been completed and that the space between channels 61 and 69 in these countries will be reserved for mobile broadband access, the analog television in Serbia could start creating harmful interference to the mobile broadband in the region, which, in turn, could incite mobile broadband operators from other countries to sue Serbia over the damage caused by analog interference. RATEL's representatives have warned of that possibility at the conference.