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**GETTING READY FOR DIGITALIZATION:  
LESSONS TO BE LEARNT FROM OVER-CHALLENGING  
PROCESS OF ALLOCATION OF ANALOGUE FREQUENCIES**

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## I

The media scene in Serbia during the 1990's was characterised by the repressive Law on Public Information, artificially created multitude of media, absolute orchestration of the state television and its shameless abuse by the regime, complete arbitrariness in the procedure of granting broadcasting licence as well as purposefully generated chaos where repression towards the "inappropriate media" was justified by technical reasons or the necessity to introduce order in the chaos.

After the October 2000 changes, the 1998 Law on Public Information was abolished. A moratorium was introduced related to the granting of new licences for broadcasting programmes, until the adoption of new regulations that would govern their issuance. As the adoption of the new regulations was being late, that is, as their enforcement was being postponed, the moratorium first resulted in the cementing of the encountered state of affairs and preserving the privileges acquired during the previous regime, only to have the consistency in its enforcement falter in the end and the new broadcasters continued to breed in a chaotic manner.

The new government, as it turned out, was not ready to give up the control over media and regulate the media scene in line with the European standards. At one point in time, more than 750 electronic media broadcasted their programme without appropriate licences. The hyper competition and a large number of sources did not have more diversified and better quality contents as the result, but quite the contrary, narrowed selection of information, multitude of poor quality and multitude of the same. The lack of regulation enabled political and financial abuse of the media space and unremitting broadcasting of inadequate programmes, such as pornography and the language of hatred.

New independent regulator, the Republic Broadcasting Agency, whose setting up had been stipulated already by the 2002 Law on Broadcasting ("The Official Herald of the Republic of Serbia," no. 42/2002, 97/2004, 76/2005, 79/2005, 62/2006, 85/2006, 86/2006), finally became operational around mid-2005. The establishment of the Agency was followed by numerous disputes related to the selection of members of the

Agency's Broadcasting Council and two summer amendments to the Law, both under an urgent procedure and both without the public debate (with the first amendment, in 2004, the parliamentary majority enabled it for itself to disband the first convening of the Council and to re-select all of its nine members, while with the second amendment, in 2005, the selected members of the second convening had their mandates extended). At the point when the Agency decided to dedicate itself to perform the first of its competences stipulated by the Law, namely, the enactment of the Strategy for the Development of Broadcasting in the Republic of Serbia, the Association of Independent Electronic Media (ANEM) had already produced and published the platform for the enactment of this Strategy.

The intention was to influence the process of adoption and the contents of the future basic strategic document of the Serbian broadcasting system. The success in achieving such intent was limited. The text of the Strategy adopted on 29th November, 2005, ignored to a large degree the ANEM's requests and suggestions. If today one looks at the list of requests to the regulatory body back in 2005, one can see that the state of affairs in broadcasting system in Serbia has not moved far from the beginning and that frequently the rare activities that the Republic Broadcasting Agency undertook have been performed in a wrong manner.

## II

The Strategy for the Development of the Broadcasting System in the Republic of Serbia until 2013 ("The Official Herald of the Republic of Serbia," no. 115/2005), is mostly criticised because it in no way grasps different needs of the citizens and social groups for information, education, cultural, sport and other programmes, as stipulated by the Law. Also, it does not point at the specific media needs of the population that have not been met, or have been met only partially, that the social context in which the Strategy is enacted cannot be seen through its text, that the demographic specificities of the population cannot be seen, as well as that the cultural aspect of broadcasting is completely ignored. It has been pointed out that the Strategy fails to offer market analysis on the basis of which, in combination with the needs of the citizens, it would be possible to establish the required and realistically possible number of broadcasters per different zones of the service. The failure resulted in the

fact that the number of broadcasters stipulated by the Strategy, particularly those with the nation-wide coverage, is far too large for the situation in the media market of Serbia.

What has actually happened and which are the concrete challenges that were pointed out in a timely fashion, which neither the Strategy nor its implementation in practice provided with the answers.

First, when transforming the Radio Television Serbia (RTS), an opportunity was missed to have it thoroughly restructured. The public broadcasting service remained a bulky vertically integrated system, which encompasses both key broadcasting facilities and buildings. The stated broadcasting facilities and buildings are strategically distributed in such locations around the Republic which are of key importance for this purpose, and these locations, with their internationally coordinated frequencies and channels, unavoidably represented the foundation of the new frequency plan. With this omission to have the broadcasting facilities and buildings separated from the RTS, the public service, which is partially financed by the sale of advertising slots, which makes it competitive to the commercial broadcasters, is left at the same time, as the monopolist, to hold the key channels of the distribution signals of its competitors.

The uncertainty with regards to how long the process of the transformation of the RTS will last implied the necessity to have the commercial broadcasting system take over during the RTS transformation period a part of its burden in ensuring the public interest and meeting of the citizens' needs that should be met by the public service. This should primarily mean that the broadcasting licences (particularly for the terrestrial broadcasting for the national and regional coverage) – until the transformation of the RTS to a genuine public service which can efficiently perform the role granted to it by the law – would have to be conditioned by the universality and diversity requirements, as well as the independence requirements, to the highest possible degree, from both financial and political centres of power. During the transition period, the Republic Broadcasting Agency had to place the obligation to broadcast in public interest on the burden of the commercial broadcasters, even though broadcasting in public interest is common obligation of the public

broadcasting service (PBS). It is expected of the PBS, not only to provide free, complete and timely information as the basis for freely formed opinions, but also to be the public forum which enables that different opinions are heard, enhances social cohesion, performs a cultural mission, and invests in good quality domestic programmes. Under such circumstances, the broadcasting policy had to limit the number of issued national and regional licences in order to enable and guarantee to a sufficient degree the financial self-sustainability of the broadcasters. These limitations would not aim at the maximisation of the profits, but at enabling true independence from the centres of the economic power and serious investments into a good quality domestic programme. All of this was, unfortunately, completely neglected. Instead of getting a commercial broadcasting system which resembles a public service, there is in turn a public service which neglects its public service obligations and which increasingly resembles commercial broadcasters.

By designing networks for which regional tenders were published, the defined broadcasting regions lost their purpose. With these networks, the regions were by the rule broken down into several smaller areas of a few municipalities each, which do not overlap, leaving thus the regional broadcasters without any competition in their small respective areas (if we neglect local broadcasters with even smaller areas), but also without a sufficient economic grounds for a sustainable broadcasting that will meet high quality criteria. In that way, the regional broadcasting system was brought down to the level of a local one with only slightly wider coverage zone.

The use of the radio frequency spectrum, particularly the number of licences for which the public tenders were published, where the quantity yet again prevailed over the quality, proved in practice to be neither rational nor efficient. This is reflected both in adverse disturbances which are resolved slowly or are not resolved at all, and the questionable quality of the programmes of the numerous licensed broadcasters.

An opportunity has been missed to use clearly prescribed technical standards in the production of programmes and consistent insisting on such standards within the scope of the licence issuance procedure to influence the enhancement of the Serbian broadcasting system.

The conditions for programming, under which the licences to the broadcasters were granted at the public tenders, lost their significance with the amendments to the 2006 Law on Broadcasting. Namely, when the right of the Republic Broadcasting Agency to perform the supervision of the respecting of these conditions, particularly with regards to the kind and quality of programme, was brought down to a mere supervision of the respecting of the general programme standards which all the broadcasters have the obligation to adhere to anyway.

The decisions which the Republic Broadcasting Agency passed at the public tenders were seriously criticised and it was their arbitrariness that was particularly reprimanded. Although the advertisements for the Public Tenders required from the interested parties to prepare extensive documentation that would be used in order to assess their technical, organisational and programme conditions, it stems from the justification of the Council's decisions that the essential evaluation of the applications with regards to meeting such conditions was lacking (the justifications of the decisions state, by the rule, that the Council assessed the content completeness and the accuracy of the submitted application and the enclosed documentation, which does not necessarily represent the proof of meeting the technical, organisational and programme conditions). It could not have been any different, since the Council failed to precisely prescribe the conditions and standards for the production and broadcasting of programmes. The consequence was that the decision making process came down to the already mentioned assessment of the content completeness and the accuracy of the applications and the accompanying documentation, and to the voting on the basis of the criteria which had to refer to the guarantee of the contribution to a better quality and a wider diversity of programmes, that is, the programme contents, although the Council included among them some that do not refer to either quality or diversity, but rather should represent elements of the conditions and standards for the production and broadcasting of programmes.

However, even with the stated criticism, at least with regards to the public tender for the issuance of licences for the nation-wide coverage, the decision taken by the Republic Broadcasting Agency got its confirmation through an administrative dispute. The Supreme Court of Serbia, on 1st July, 2008, rejected as unfounded, the lawsuit of RTL against the decision by which their objection to the decision of the Republic

Broadcasting Agency by which the licences for the broadcasting of television programme with the nation-wide coverage had been issued to television stations Avala, B92, Happy/Kosava, Pink and Fox, was rejected also within a renewed proceedings.

The decision of the Supreme Court of Serbia put in a way a full stop to the issue of the analogue distribution. With the described inheritance from the analogue age broadcasting, to which we should also add the predominantly analogue cable broadcasting whose programme aspect, in particular, is completely unregulated, Serbia should now face the challenges of digitalisation. There is a question here as to how well are we prepared for this and to what extent will the acquired experience help us, as a society, not to repeat the same mistakes.

### III

The Broadcasting Law, other than explicitly stating the competences of the Republic Broadcasting Agency for the granting broadcasting licences, that the agency shall issue licences equally for the analogue and digital broadcasting, does not in fact deal with digital broadcasting at all. With regards to digitalisation, the Law stipulates only the obligation of the bearers of the public broadcasting service (the Broadcasting Institution of Serbia and the Broadcasting Institution of Vojvodina) to prepare and implement in the foreseen period of time (whereas the lawmaker does not define the “period of time”) the plans for the transition to the new digital technologies.

The focus of the Strategy for the Development of the Broadcasting System in the Republic of Serbia until 2013 is also on the analogue terrestrial broadcasting. The strategy sees the cable and satellite broadcasting as something that should first be dealt with by a regulatory body in charge of telecommunications. The Strategy literally states that “the granting of licences for the broadcasting of individual programmes, the supervision of the contents of the broadcasted programmes and the supervision of the respecting of the copy and similar rights may be implemented only after the licences have been issued for the setting up of the KDS [*cable distribution systems*] and after getting the picture of the number of legal KDS operators in Serbia.” In practice, as it turned out, even after the Republic Telecommunications Agency

(Ratel) had issued more than 60 approvals for the cable distribution of radio and television programmes, the contents of the programmes distributed by cable remained completely unregulated. With the satellite broadcasting, neither the Republic Broadcasting Agency, nor the Ratel knew what to do. Instead of the regulation, on 27th June, 2007, the Ratel announced a public call for the submission of applications by the entities that provide or intend to provide radio and television programme satellite distribution services, all with the aim to have the Management Board of the Ratel take the decision on the manner of regulating these services after the applications have been collected, with the respect of available capacities, as well as the position of the Ministry for Telecommunications and Information Society. While expecting the decision of the Ratel on the “manner of regulation,” it is supposed that the number of users of different satellite DTH platforms in Serbia has reached 200.000.

The Strategy for the Development of the Broadcasting System in the Republic of Serbia until 2013 stipulates that further development of the broadcasting system, either satellite, terrestrial or cable transmission or broadcasting, will be based exclusively on digital technologies. The Strategy further recognizes the need to have a comprehensive digital broadcasting regulation with a new law or an amendment to the existing law on broadcasting, and points out that digital broadcasting, as opposed to the analogue one, “represents a system in whose chain from production to broadcasting there are many participants.” With regards to the digitalisation of the terrestrial broadcasting system, the Strategy establishes that digitalisation should ensue “after the preparation of the programme and the enactment of the national plan for the transition to digital broadcasting,” as well as that it should be followed up with the “strategy for the implementation of the future HDTV (High Definition Television) services and the DVB-H standards for the handheld reception and other multi-media services.”

The programme and the national plan for the transition to digital broadcasting, whose enactment has been foreseen by the Strategy for the Development of the Broadcasting System, still do not exist. At the initiative of the Ministry of culture, an inter-ministerial group was set up to grow into the Council for Digitalisation, with the mandate to enact the Strategy for the Digitalisation of the Broadcasting System, to



propose measures within the process of introducing digitalisation of the broadcasting frequencies, to initiate harmonisation of the law and by-law regulations in this area, to propose measures for initiating and enhancing mutual cooperation of the republic bodies and organisations in this area and to monitor the implementation of the proposed measures, to coordinate and stimulate the digitalisation of the broadcasting system. The inter-ministerial group comprised of the representatives of the Ministry of Culture, Ministry for Telecommunications and Information Society, the Ratel and the Republic Broadcasting Agency. All of this was brought to a halt with the fall of the Government and calling the 2008 parliamentary elections. How the things will develop now that the new Government of the Republic of Serbia has been set, remains to be seen.

#### IV

It is certain that digital broadcasting has numerous advantages over the analogue. First of all, digital broadcasting uses the radio-frequency spectrum, which is a limited natural resource, in a more rational and efficient manner. This, on the other hand, means a richer and more diversified offer, as well as a wider market for the producers of programmes. In addition, the reception of the digital signal is less exposed to the influence of adverse disturbances, while the quality of the image and tone is better. The requirements with regards to the consumption of energy in case of the digital broadcasting are lower, which in turn again means lower broadcasting costs and reduced unfavourable impact on the environment. The digital broadcasting also allows for interactivity, as well as additional services that could make programmes more accessible for the poor-sighted persons and the persons with hearing disabilities.

It is certainly not a small task to ensure the achievement of all the advantages that the digital broadcasting has over the analogue, such as to meet the interests of the numerous participants in the chain from the production to the broadcasting of programmes and to meet the citizens need for information, education, cultural, sport and other programmes, while taking account of the interests of the state and the society that digitalisation does not go against providing full affirmation of the freedom of expression, achievement of the media pluralism, and independence of the media and of their editors and journalists.

What can already now be seen is that the approach which was earlier initiated by the Ministry of Culture suffers from inadmissible institutional confinement. Numerous interests and needs that should be harmonised impose the necessity to have the advisory body for the digitalisation of the broadcasting system open up for a higher number of stakeholders. Along with the representatives of the Ministry of Culture, Ministry for Telecommunications and Information Society, the Ratel and the Republic Broadcasting Agency, representatives of other state bodies should be included in the advisory body (e.g., Commission for the Protection of Competition, Institute for the Protection of Intellectual Property). In addition, advisory body should include representatives of providers of programmes within the digital broadcasting system, having here in mind not only the public service and the existing commercial broadcasters, but also independent production companies, newspaper publishers and other potential provider of programmes, providers of services in other platforms (digital cable, digital satellite), operators of different telecommunications networks, not only the broadcasting ones, manufacturers and importers of appropriate equipment, manufacturers and importers of appropriate software, as well as representatives of the associations of service users and others.

The future strategy for digitalisation should not neglect the remarks that were rightly given at the expense of the Strategy for the Development of the Broadcasting System. The results of a survey show that the citizens of Serbia spend proportionately more time in front of their TVs than the citizens of the other European countries. What we, however, do not know for sure is what such quantity of time spent in front of television sets means. Are different media needs of the citizens met, or are they met only partially, or is it something else? Also, while the television advertising market in particular is on a continuous rise, the vast majority of broadcasters operate with losses or at the border of profitability, which all carries its toll through the threatening of independence of the public media coming from different centres of financial power. There have never been serious market analyses done that would point at the causes of this phenomena and that would enable that, with the awareness of the causes, the development of the broadcasting system is guided with the help of strategic documents in a direction that would enable overcoming them.

In addition, the creation of a unique broadcasting system that would have the RTS broadcasting facilities and buildings for its skeleton, and these facilities would need to be split into a separate enterprise in order to ensure free and equal access of all broadcasters to the infrastructure for the transmission and emitting of broadcasting signals, was long ago recognised as the necessity. It is also mentioned by the Strategy for the Development of the Broadcasting System, with the suggestion for a model that would be used by the newly-founded public enterprise for the management of the future unique broadcasting system. This issue is of vital importance for the digitalisation of the terrestrial broadcasting system. As opposed to the Strategy for the Development of the Broadcasting system, we are of the opinion that there is no reason to write off in advance the option of the privatisation of the broadcasting system, of course while providing the mechanisms that would guarantee equal access of all the broadcasters to the broadcasting facilities. What is particularly important for the digitalisation, even before the separation of this section, is a detailed analysis of the state of affairs in the broadcasting system and the assessment of the necessary investments in order for the system to function in the future. In compliance with the provisions of the Law on Broadcasting, the public broadcasting service must provide good quality reception of the signal for at least 90% of the population in its service zone (which practically means 90% of the population of the entire Republic with regards to the republic public service, and 90% of the population of Vojvodina with regards to the province public service). The national commercial broadcasters, on the other hand, are under obligation to provide good quality reception of the signal for at least 60% of the population in Serbia. The analysis of the situation in the broadcasting system and the assessment of the necessary investments for its future digital broadcasting would enable a realistic evaluation both of the possibilities of the broadcasting system and of the costs of its new way of operating. The future strategy for digitalisation would also necessary deal with the issue of substituting the terrestrial reception in the parts of Serbia whose terrestrial coverage is unprofitable as of this moment. Already this very fact implies the necessity that the Strategy for the Digitalisation of the Broadcasting System should not limit itself solely to the digitalisation of the terrestrial broadcasting, but should also cover the digital satellite broadcasting, as well as further digitalisation of the cable distribution in which certain initial steps have already been made.

What should further be taken into account in particular when writing the strategy for digitalisation is that the liberalisation of the media scene in our country has not come as the result of a well-thought regulatory response to the market movements, but as a consequence of the lack of capacities of the government to come up with a media policy, adopt appropriate laws and efficiently implement them. The close ties between the media, politics and capital, and the misuse of the media for achieving political and economic goals, as important characteristics of the 1990's, did not disappear with the change of the administration. Private ownership, by itself, does not necessarily mean the democratisation of the media sphere as well. Despite the pro-democratic orientation of the new administration, the media remain exposed to the manipulation of the political forces, but at the same time, with their limited resources and autonomy, they are becoming dependent on large corporations and their capital. No matter how much the experience has taught us that even the best legislative solutions, written in compliance with the European experiences and standards, can be made nonsensical and abused depending on the level of maturity of the democratic institutions, political culture and the rule of law, there are definitely regulations whose prompt adoption is an essential precondition of a successful digitalisation. Here we are primarily thinking of the regulations that would govern the transparency of the media ownership and the media concentration, which would, on the one hand, ensure that the media public values the information placed by the media with full awareness of the interests lying behind those media and, on the other hand, guarantee media pluralism and eventually the maintenance of a cultural identity.

The concentration, particularly the vertical integration – conglomeration of the media ownership, represents a global trend in the media sphere, parallel to the technological convergence – the digitalisation of all media and communications platforms. We are witnesses of hyper-commercialisation of the media industry and the decline in the programmes which are usually associated with the public service, and generally of an unfavourable environment for a diversity of media programmes and media pluralism. A market without the regulation is an imperfect mechanism which naturally inclines towards monopoly. Competition in the media, which is a paradox, contributes to a narrowed-down selection of information, and only those that will ensure high ratings will be announced. In such a situation, the regulation of the market is for the time being the only way of having a true influence on the pluralism and the diversity of

media programmes. The conditions for the issuance of licences for broadcasters, positive measures for stimulating diversity of media programmes, regulation of ownership or competition are some of the mechanisms that can be efficiently used in order to influence the media market during the digital age as well. The stated measures, however, are not a purpose unto themselves; they require a consistent media policy.

Serious analyses of the needs of the population in the media sphere, equally serious analyses of the market potentials, separation of the broadcasting system from the public service and ensuring its accessibility to the broadcasters under non-discriminatory conditions, regulations that would govern the transparency of the media ownership, as a guarantee of a true independence of the public media and an obstacle to prohibited media concentration represent the prior steps and the first preconditions for a successful digitalisation.

As much as we could say, even without the stated analyses, that we can strengthen the media pluralism and the diversity of media programmes by primarily strengthening the offer of the freely available (FTA) television channels in the digital format and enlarge it with new services enabled by the digital broadcasting, these analyses are still decisive for the issue of setting the right measure between the free and the pay-per-view offers. What makes the question of correct weighing-out even more significant is that the international experiences in connection with the digital terrestrial broadcasting (Spain, Great Britain), as well as the experiences of many cable operators in Serbia, also clearly show that the model of the terrestrial broadcasting digitalisation which would be initially based predominantly on the paid TV channels wouldn't have almost any chances of success.

The analyses of the cable distribution system and the satellite DTH distribution penetration, as well as the data on the number of viewers of programmes within the scope of a wide cable and satellite offer, would enable a selection of the solution related to the terrestrial digital broadcasting which would make such a type of distribution competitive to the basic cable and satellite DTH offer.

We are convinced that the advisory body for the digitalisation of the broadcasting system set up in line with the recommendations that have been presented here could provide different and useful proposals, as well as the argumentation that would support them. The model of the transition from the analogue broadcasting to the digital should include the length of duration of the initial period of the simultaneous analogue and digital broadcasting, the manner and model of licensing, establishing of technical and programme standards that would be used for enhancing Serbian broadcasting system, adequate balance between the national, regional and local broadcasters and programmes in the digital distribution, adequate balance of the freely available and the pay-per-view programmes, as well as the dynamic at which they would be introduced, the new conditions that would be made possible through the introduction of digitalisation, etc.

While expecting the necessary institutional, technological and regulatory reforms that should enable an adequate transition from the analogue terrestrial broadcasting to the digital one, the group for the reform of the media sector comprising of the representatives of the Independent Association of Journalists of Serbia (NUNS), ANEM and the Association of Independent Local Printed Media “Lokal Press” has already adopted the platform for its joint action concerning the issues of the digitalisation of the broadcasting system in the Republic of Serbia, while it is to be expected that the similar actions will be taken by the other direct stakeholders.

The Group for the Reform of the Media Sector has announced that they will insist on the solutions that would enable that digital terrestrial broadcasting is competitive to the basic cable and satellite DTH offer, primarily through monitoring, from the early phase of the simultaneous analogue and digital broadcasting, of all national terrestrial channels, both the public service and the commercial channels. Starting from the results of measuring the number of viewers of television programmes that point at the highest number of viewers of terrestrial national channels, the Group for the Reform of the Media Sector is convinced that only through an initial availability of all free national terrestrial channels already in the early phase of the simultaneous analogue and digital broadcasting a sufficient attractiveness could be provided for the transition

of the end users to the digital reception. Starting from the number of issued licences for the national terrestrial broadcasting, this would clearly entail that the phase of the simultaneous analogue and digital broadcasting should start with the digital broadcasting of at least two multiplexes and at least 8 digital television programmes (two public service channels, five channels for six commercial national broadcasters, two of which are already jointly using the analogue frequency, and one channel for the most popular regional television in the concrete area).

The Group for the Reform of the Media Sector has also announced that they will insist that the phase of the simultaneous analogue and digital broadcasting should last as briefly as possible, in order to free up the space in the air for a richer offer of regional, local and specialised programmes, as well as for a possible introduction of the pay TV channels, all of this in order to make the scope of the programme offer in the digital terrestrial broadcasting system in a short period of time richer than the scope of the programme offer in the analogue one. At the same time, the Group will also insist on the full implementation of the services made possible by the digital broadcasting system (electronic programme guides, digital video text, interactivity) already in the early phase of the simultaneous analogue and digital broadcasting. The group also think that it is necessary that the adopted model of transition to the digital terrestrial broadcasting must entail the implementation first in the urban and densely populated areas, and it has announced that it will in those terms advocate for pilot projects in the largest urban centres.

The stated positions of the Group for the Reform of the Media Sector are also supported by the existing experiences of the European countries that have already advanced with the digital system. The experience of Berlin – Brandenburg in Germany is of particular interest, where the last analogue television receiver was switched off already in April 2003.

The transition to the digital broadcasting in Berlin involved a practically coordinated joint action of the public service carriers (ARD, ZDF, RBB), commercial broadcasters (RTL Group and ProSiebenSAT.1 Media AG) and the regulatory body, and this action was defined by the signed memorandum of understanding. The transition was practically implemented in three phases. In the first phase, a multiplex was switched

off in order to demonstrate the quality of the digital terrestrial reception and prepare the citizens for the necessity of getting appropriate receivers. In the second phase, all national commercial broadcasters moved to solely digital broadcasting, while the public service carriers continued with the simultaneous analogue and digital broadcasting, whereas the analogue broadcasting was done only with the small-power transmitters. In the third phase, all analogue television transmitters were switched off.

Of particular significance are the experiences that concern the manner in which to ensure social acceptability of the transition to the digital broadcasting, particularly through receiver prices that were acceptable for the end users, but also to ensure that, if not all, then at least the most important commercial broadcasters are included in the whole process, particularly taking into account that for them the digitalisation initially did not entail additional revenues, but quite the contrary, a serious possibility to have a smaller number of viewers. On the other hand, if we take into account the obligation of the public service to keep the analogue broadcasting for sufficiently long period of time, it is precisely the commercial broadcasters those without whom sufficient attractiveness of the new digital offer cannot be provided and it is such attractiveness that would enhance a fast and complete transition to digital reception. This would on the other hand ensure that the phase of the parallel analogue and digital broadcasting does not last endlessly (which also reduces the high public service costs caused by the parallel analogue and digital broadcasting), that is, that the new channels for further expansion of the digital terrestrial offer are accessible. Without the expected and fast complete switching off of the analogue broadcasting, the digital terrestrial broadcasting system has no serious outlook to be accepted, either by the users or by commercial broadcasters or eventually by the public service itself which would be left without argumentation for justifying high costs of the parallel digital and analogue broadcasting. The possibilities of additional stimulation of commercial broadcasters (particularly in the urban areas that already have high levels of cable distribution penetration) do exist, whether they are seen in providing replacement of the existing analogue licences, valid until 2014, new licences for digital multiplexes (using the Berlin model, the digital distribution entailed the possibility of granting licences for complete multiplexes and not only for individual channels, provided that at least two more multiplexes are available for other broadcasters and new interested parties), in reducing the anyway far too high broadcasting fees, that is, the fees for the utilisation



of broadcasting facilities, that are now paid to the public service, in the guarantees for a fast switching off of the analogue transmitters of the public service carriers, or in the combination of all stated measures.

Also, it is necessary to work together with the broadcasters, as well as with other stakeholders, in order not to bring the digitalisation down to a mere conversion of the analogue broadcasting. The experiences of the European countries that have already advanced a great deal with the digitalisation say that the digital terrestrial broadcasting must offer more than the analogue one from the very introduction, and that 'surplus' must be recognised by the users as an added value. The digital terrestrial broadcasting system must very quickly become a serious competitor to the cable and satellite DTH distribution.

## VI

The justified discontent of commercial broadcasters and media professionals at large with the lack of respect for their legitimate interests when preparing strategic documents of importance for the further development of the media sector, particularly the lawsuits, suspicions, numerous challenging of the manner in which the Republic Broadcasting Agency conducted public tenders for the analogue terrestrial broadcasting, which was all characteristic of the analogue distribution in the last few years, should certainly be avoided in the new digital distribution. It would be, at that, unacceptable to blame the Republic Broadcasting Agency for all the problems faced by the Serbian broadcasting system during this period. It is indisputable that a part of the responsibility also lies in the lack of the political will of the authorities, the environment loaded with problems and challenges, some of which always turning out to be more important than the others, but also in the very media professionals, who couldn't always succeed in articulating their positions in a sufficiently clear way. If we look at the situation from that angle, the digitalisation provides us with a unique chance to relatively quickly correct the oversights, certainly before the new public tenders that will under normal flow of circumstances come to the agenda as late as 2014. In order to really take up this chance, we need primarily a much higher degree of responsibility of all the players in the process which is ahead of us. The stakes are far too high to allow ourselves to repeat the mistakes we have made before. Those

stakes lie not only in the development and advancement of the media industry, but also, and this should not be forgotten, in achieving full affirmation of the freedom of expression, media pluralism and independence of the media in Serbia.

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