

V THE DIGITALIZATION PROCESS

On February 18, 2011, the then Ministry of Telecommunications and Information Society adopted Rule Book on switchover from analogue to digital broadcasting of radio and TV programs and access to multiplex, which was published in the Official Gazette of the Republic of Serbia no. 12/11 on February 25, 2011. The Ministry's press release said that the Rule Book was an important step in the process of digitalization of television program in Serbia and that its goal was to establish technical standards and ensure the necessary conditions for a successful digital switchover, in accordance with the Digital Switchover Strategy in Serbia, the recommendations of the European Union, practice of neighboring countries and the Law on Ratification of the Final Acts of the Regional Conference on Radio Communications (RRC-06).

We remind, however, that the adoption of the said Rule Book with the Action Plan accompanying the Digitalization Strategy, was planned for the second quarter of 2010, which means that the Rule Book is at least nine months late. Moreover, the Action Plan was expected to define the rights and obligations of commercial broadcasters in the digital switchover process, with full respect for the rights enjoyed by those broadcasters under the licenses whose term exceeds the deadline for the switchoff of analog signal. Instead, the sole innovation that the Rule Book has brought is the allocation of channels by allocation zones for the first and second multiplex in the scope of the network for the allocation, broadcasting and multiplexing of digital television program. Everything else was already presented in the Digitalization Strategy, whereas even the guaranteed throughput inside the multiplex per television channel was reduced to at least 3 Mb/s to 2 Mb/s. The good thing is that provision, stipulating that the conditions and the procedure for the issuance of broadcasting licenses will be determined after the switchover to digital terrestrial broadcasting by RATEL, in cooperation with the Ministry and the authority in charge of broadcasting, has been deleted from the Draft Rules. Such provision was unacceptable, since the conditions and the procedure for the issuance of broadcasting licenses are issues regulated by the Broadcasting Law, which expressly provides that the broadcasting licenses will be issued by the RBA under the procedure provided for by the Broadcasting Law and not under any other act passed by RATEL. Another good development is the removal of an article establishing the obligation of all broadcasters to take part in the promotion of the digital switchover not only free of charge, but also without any clear limit as to the extent of that obligation. The matter of defining the essential rights and obligations of commercial broadcasters in the digital switchover process remains unsolved. In the opinion of the authors of this Report, it should be dealt with through consultations between the holders of the license and the RBA, with an active participation of RATEL and the Ministry of Telecommunications and Information Society.

These consultations would concern the extension of the validity of the existing broadcasting licenses, pursuant to Article 59, paragraph 3 of the current Broadcasting Law, rather than changing the conditions of the license – which is a possibility unknown to the Broadcasting Law – namely negotiations with the license holders about the introduction, for all stakeholders acceptable regulatory obligations, as a precondition for the extension of the current licenses validity. At that, the regulatory obligations might be introduced in the form of binding or general binding orders under the Broadcasting Law.

VI THE PRIVATIZATION PROCESS

No breakthroughs were observed as to the privatization of media in the period covered by this Report. However, the media have reported about the problems faced by an ANEM member station, Radio Sombor. That station's Internet and phone connections were switched off due to unpaid bills and its employees have not been paid for more than a year. On February 25, electricity was also cut off and the station's program came to a halt. We remind that, after having annulled the privatization of Radio Sombor, the state took over the station through a representative appointed by the Privatization Agency. After three years state management, the debts of the station now exceed four times its assets and the last appointed Director resigned after only one month on her post. The agony of Radio Sombor has only confirmed the absence of any state concept or plan in the media sector, particularly relative to sustainable models of withdrawal of the state from media ownership.