42nd EPRA Meeting
Nuremberg: 28-30 October 2015

Ad hoc Working Group 3:
Local/Regional TV: Financing Models
Background Comparative Document[1]

By WG Coordinator Oliver Gerber, OFCOM (CH)

(Final Version of 14 December)

1 Introduction

Local, regional and community media, although sometimes overlooked by mainstream media and regulatory frameworks, have been a regular topic of discussion at EPRA level, and a recurring item since the beginning of 2012, resulting in the creation of a dedicated working group. The group aim was to discuss and exchange best practices around the regulation of local and community media and more specifically with regard to licensing, assessing and monitoring content requirements, analysing necessary prerequisites for a sustainable sector - not to forget issues raised by digital transition.

After exchanging on community media in Portorož in May 2012, the WG meeting of May 2013 in Kraków focused on the issue of local advertising and, more generally, the sustainability of local TV and local radio. The ultimate group session in Vilnius in October 2013 focused inter alia on local TV and its prominence on Electronic Programme Guides (EPGs) and adopted a comparative report as the final deliverable of the working group.

Two years later, the ad-hoc working group of the EPRA meeting in Nuremberg will revisit the issue of local and regional media with this time an emphasis on television and on financing models.

The present paper was prepared on the basis of a questionnaire circulated in September-October 2015 to EPRA members which received answers from the following 29 regulatory authorities[2]: Audiovisual Media Authority (AL); Communications Regulatory Agency (BA); Conseil supérieur de l'audiovisuel (CSA - BE); Flemish Regulatory Authority for the Media (VRM - BE); Cyprus Radio Television Authority (CY); Council for Radio and TV Broadcasting (CZ); Directors' Conference of the Media Authorities (DE); Radio and Television Board (DK); Technical Surveillance Authority (EE); Audiovisual Council of Catalonia (CAC - ES); Conseil supérieur de l'audiovisuel (CSA -FR); Ofcom (GB); National Council for Radio and Television (GR); Agency for Electronic Media (HR); Broadcasting Authority of Ireland (IE); the Second Authority for Television and radio (IL), Communications Commission of the Isle of Man (IM); Radio and Television Commission of Lithuania (LT); Council for Council for Coordination on the audiovisual activity (MD); Agency for Audio and Audiovisual Media Services (MK); Broadcasting Authority (MT); Commissariaat voor de Media (NL); Norwegian Media Authority (NO); National Broadcasting Council (PL); Regulatory Authority for the Media (PT); National Audiovisual Council (RO); Regulatory Authority of Electronic Media (RS); the Swedish Broadcasting Authority (SE) and the National Council of TV and Radio Broadcasting of Ukraine (UA).

[1] **Disclaimer: This document has been produced by EPRA, an informal network of 52 regulatory authorities in the field of broadcasting. It is not a fully comprehensive overview of the issues, nor does it purport to represent the views or the official position of EPRA or of any member within the EPRA network.**

[2] For further information, please check the full survey results on the EPRA-website: (EPRA members only) http://www.epra.org/surveys/wg3-nuremberg-questionnaire-on-local-regional-television/results

In addition, the present paper draws further expertise from a comparative study commissioned by OFCOM (CH) on "Future prospects of regional television", encompassing best practices in Germany, Belgium, France and the UK[3].

1.1 Definition

The following definition serves as a simple way of delimiting local and regional television (hereinafter: LRT), in order to determine the subject matter of Working Group 3.

- For this purpose, LRTs should above all be differentiated from supraregional, national and international television stations.

- In addition, however, they should also be differentiated from the so-called "regional and local windows" which are produced by the above-mentioned supraregional, national and international television stations. Though these programming windows serve to transmit regional information, they are not produced by an LRT. The specific questions to be dealt with here concerning the economic efficiency of LRT are not posed in this context.

There is no uniform definition of the term local or regional television. The boundaries between the two terms are often fluid; they are often conflated or the term "regional television" or "local television" is used only unilaterally. For the purposes of the working group, we use the following definition of the term:

- "Local television" is generally understood to be a television station which focuses its information provision on a town, city or municipality, typically featuring reports and people from this locality, as well as shopping tips and notifications of events. Often the technical coverage is limited to the city or municipality. Individual transmitters may broadcast their programming to parts of the municipality or city using closed cable systems and may supply only a few hundred households.

- "Regional television" on the other hand refers in principle to a larger coherent area which extends beyond city or municipality limits. Recipients can be assigned economically, culturally and politically to a unit and feel subjectively connected to each other. In the case of regional television, information and advertising is primarily from the regional environment.

1.2 History

Generally the development of local and regional media in Europe is associated with social change and technical innovations. The following explanations refer in particular to the historical development in Western Europe. In this region it was in particular the social changes which began in the ‘sixties with student unrest and which was reinforced in the 'seventies by citizens' initiatives and action groups. This generated a critical attitude to government, education, the church, science and also the established mass media. In the context of the so-called "democracy discussion", more political participation and a greater say by citizens were demanded. For the most part, the national broadcasters paid insufficient attention to these demands, so active circles demanded the

[3] The full study, commissioned to the Wagner Hatfield consulting group, is available in French at the following link: (http://www.bakom.admin.ch/dokumentation/zahlen/00545/01234/04999/index.html?lang=fr); a 15-page executive summary is available in English (http://www.bakom.admin.ch/dokumentation/zahlen/00545/01234/04999/index.html?lang=en), in German (http://www.bakom.admin.ch/dokumentation/zahlen/00545/01234/04999/index.html?lang=de), and in Italian (http://www.bakom.admin.ch/dokumentation/zahlen/00545/01234/04999/index.html?lang=it).

decentralisation of broadcasting or disseminated, legally or illegally, their own new broadcast formats.

This development was furthered by technical evolution. Thanks to the ongoing development of video technology, the cable network system and the provision of frequencies, and the associated cheaper technical infrastructure, it became possible for many different local and regional media formats to be established in Europe. In the television sector, open channels, local cable and citizens' television stations developed; they were often broadcast for a limited time within the framework of authorised trials.

2 Structural diversity

2.1 General

Since then, a diverse multiplicity of LRTs has become established in most European States. Exceptions are mostly small states such as CY, IM or MT, in which, understandably, no regional or local television offering exists. In contrast, in densely populated European countries which are strongly regionalised, such as ES, IT, AT, CH and BE, there is a high density of LRTs. Some examples:

- In DE, there is a pronounced regionalisation of the broadcasting market, as well as in regulation. In the 16 states of the Federal Republic, 14 regional regulatory authorities are active. In all, DE has 232 LRTs. As an example, the state of Saxony has the highest number of LRTs in DE: between 1999 and 2000 there were over 100 LRTs and today there are still almost 60. Today, small community broadcasters still constitute the majority of the local television broadcasters in Saxony, but there are also some which have expanded their transmission area to one of the large cities or to a region.

- In BE, LRTs are registered as "non-profit associations" since this legal form makes possible and facilitates the payment of public subsidies. In the Flemish-speaking part of Belgium, 11 transmission areas have been defined. In 1993 the first five television broadcasters were recognised; six more were added in subsequent months. Today, the French-speaking Community of BE has 12 LRTs, which broadcast their programme services throughout the entire area of the community; though the transmission areas are not evenly distributed between the LRTs. The local television landscape is remarkably stable: all the LRTs established at that time are still in existence.

- In FR, there is a very heterogeneous LRT landscape, which is shaped by the centralist structure of the state and by the paramount importance of terrestrial broadcasting. The French LRTs differ very greatly in terms of range, organisation and method of funding. Also, they do not cover the whole country. On 1st October 2015, 40 LRT are existing, which are holding a license granted by CSA France to broadcast their programme terrestrially. The French LRT have concluded an agreement with the CSA, which sets their obligations, notably the main features of their programming. At the end of 2014, a total of 74 non-terrestrial LRT have concluded such an agreement. 37 of these LRT are operative.

- In Catalonia, there are besides 8 free to air national channels, at present, 50 local televisions: 39 commercial and 11 public service broadcasters. More than half of these channels (26) are located in the area of Barcelona and surroundings. All of these local TV channels broadcast through Catalan language.

- In DK, 35 private non-commercial local TV broadcasters in 8 regions have been licensed. Furthermore there is one regional public service TV broadcaster in each of the 8 regions (regional TV 2 companies), and they broadcast according to a contract with the Minister of Culture. Each of them has one channel covering their region and they also broadcast news from their region and to viewers in the region in windows on the national commercial public service broadcaster, TV 2/ DENMARK Ltd. They are however independent companies and not part of TV 2/DENMARK Ltd.

- In MK, a total of 28 TV stations have a licence to broadcast television on a regional level and 24 TV stations have a local broadcasting licence.

- In HR, there are currently 19 local and regional broadcasters that use a terrestrial platform for distribution.

- In the NL, 13 regional public service broadcasters and 268 local public service broadcasters are currently active.

2.2 Local and regional information transmissions in particular

LRT is intended to play a key role in the integration and cohesion of its coverage area. This follows on from its natural local-regional roots, which are a feature of the broadcaster's business model. The citizen is interested in information from his or her region and television continues to be an appropriate and successful medium for its transmission. There is accordingly a market for LRT.

Often, because of legislation, a contract or a licence, all or selected LRTs are obliged to fulfil a corresponding performance mandate or public service which serves the above-mentioned integration objectives. Among other things, LRTs are intended to strengthen opinion-forming and the political participation of citizens in the assigned broadcasting area by disseminating information.

The national configuration of these missions varies greatly – from strict programming targets in terms of time and the provision of services accessible to the disabled to compliance with specific, relatively broadly defined principles ("strengthening of cultural values", "free formation of opinions"). The independence of broadcasting and autonomy in terms of programming should be taken into account within this framework. However, performance mandates are by no means prescribed for all LRTs and in the European broadcasting landscape there are liberal regimes which do not impose any such obligations on LRTs, e.g. in LT, MK, CZ or AL.

Some examples:

- In the federal state of Bavaria in DE, LRTs are legally obliged to report on the political, economic and social events of the day in their local transmission area and to guarantee diversity of opinions and adherence to professional journalistic ethics. Each LRT must broadcast an information transmission of 20 minutes duration on weekdays.

- In the federal state of Saxony in DE, a more liberal regime prevails. A few LRTs benefit from public financial support if they broadcast a 15-minute newscast on weekdays and a weekly cultural broadcast of 30 minutes duration.

- In CH, on the basis of a licence in their area, certain private LRTs must take account of the specific local or regional features by means of comprehensive information, in particular about political, economic and social relationships, and must contribute to the development of cultural life in the coverage area. However, this obligation must be met only in information transmissions in prime time. Otherwise these LRTs are in principle unrestricted in the make-up of their programming. One new feature is that in future they must sub-title their main daily newscast.

- In the Flemish region of BE, LRTs must also fulfil an information and cultural remit, in accordance with a decree. Against a background of decreasing viewer-shares, the decree was amended in 2014: now the LRTs are to achieve the greatest possible number of viewers in their broadcasting area, and to this end they must offer interactive applications and orientate their programming towards greater diversity. The cable operators are under an obligation to transmit the programme services of the LRTs.

- Some private LRT in FR, which are broadcasting terrestrially, are also obliged to pursue public service goals according to their specific “contracts of Objectives” from local institutions (from the municipalities, city administrations, départements and regions). The LRTs in question must produce local news programmes, which help reinforce the local or regional identity as well as accompany and acknowledge local and regional initiatives.

- In the UK, the existence of genuine LRTs is a relatively new phenomenon. They are subject to only a few restrictions in terms of imposed guidelines and programming restrictions relating to content. Applicants for a licence are obliged to submit programming projects which feature content with location-specific elements.

- In GR, private audio-visual media services which broadcast their programming regionally must broadcast in their area with at least 30 percent local information.

- In NL, LRTs are also subject to a public service mandate; whereas at least 50 per cent of the programming must consist of information, cultural and educational transmissions which are specifically relevant to the local/regional target audience.

- In BA, there is no public service remit, but there is quite a significant number of public broadcasters which are mostly aimed at local audiences. Those are established either by the state (or its entities, cities, municipalities), by public entities or on a public- private partnership basis. Public broadcasters have certain obligations in terms of programming and the existence of editorial councils, stemming from the fact that they are financed by public funds and that they have to meet the needs of a wider audience with regards to informational, educational and cultural content.

- IE has a relatively small TV market, where the only non-national services are community TV services. There is a community remit, services must be owned and controlled by the community served, be non-profit and serve the interests of that community in their programming.

- In RO, the public service remit is the same as for national and regional/local TV broadcasters, and is defined by law provisions. The main objectives are: to create TV programs in Romanian language, in minority languages or other languages, for information, entertainment, cultural and educational purposes; broadcasting of programs by stations and program transmission lines owned, or by renting audiovisual telecommunications networks; the pursuit of management for its own artistic formations; producing advertising activities through its programs and publications; conducting research and planning; storing and archiving of audiovisual recordings and documents of interest to the national heritage etc.

- In IL, there are specific obligations and requirements such as quotas for local production or certain genres, representation of social and geographical peripheries or investments in the movie industry.

2.3 In particular: public funding and public support

In most European states the main source of income for LRTs is advertising. In some states they fully depend on advertising revenues, such as in AL, GR, EE and PL. Some receive public funds, generally in return for their performance mandate or to promote specific public service objectives. Broadcasting costs are also frequently paid from the public purse. At the same time, such LRTs also benefit from other types of privilege such as must-carry status or more liberal rules governing advertising. Some examples:

- In the federal state of Bavaria in DE, on average 30 per cent of the funding is provided by the federal state; the regional regulator BLM handles the allocation. The largest proportion consists of financial assistance with broadcasting costs, which constitute on average 25 per cent of the revenue of all LRTs.

- In the French-speaking Community of BE, LRTs enjoy substantial political support. For example, they receive public funds in the form of subsidies, advertising investment and programme partnerships from provinces, cities and municipalities. They also benefit from employment aid for non-profit associations, disbursed by the French-speaking Community, the regions and the federal state.

- In CH, the licensed LRTs subject to a public service mandate receive a share of the total reception fee revenue, through the so-called "fee-splitting" arrangement. At present, this share amounts to CHF 54 m, out of a total of CHF 1.321 bn (the largest share goes to the national broadcaster SRG). The programme services of the 13 LRTs concerned also have must-carry status.

- LRTs in FR differ very greatly in terms of range, organisation and method of funding. As already mentioned, LRTs are subject to mandates from local institutions and do receive funding from said institutions. Further, LRT are financed by commercial activities for the private and the public sector (advertising, sponsoring, teleshopping, business and institutional communication etc.), profit and loss accounting of coproduction financing and operating contributions by the public sector. The consolidated income of LRT amount to 53.5 m € with an average budget of 1.6 m €. More than half of the financial sources of terrestrially broadcasting LRT is provided by public funding. On average 25 percent of their funding is provided by advertising.

- In LT, certain projects of LRT broadcasters may be financed by the State via a special Press, Radio and Television Support Foundation, which gets a part of finances from the State to support educational and cultural radio and TV projects of local and regional radio and television broadcasters. In order to get financing they have to apply the Foundation with a cultural/educational project and to participate in the contest if needed. The winner is entitled to the support.

- In HR, the LRTs are funded 56 percent from advertising and 23 percent from other sources. The proportion of state aid is currently approximately 20 per cent and is constantly increasing.

- In CZ, all LRT broadcasters are understood as commercial; they generate their funding from advertising but they can also get funding from local municipalities or local companies etc. (as a gift).

- The public service broadcasting service offered by the Catalan Broadcasting Service is mainly funded by budgetary provisions provided by the Catalan Government (Generalitat), and also by means of the sale and provision of services and advertising. The Governments' budgetary provision shall be transparent and in proportion to the public service missions and shall be effected by means of the programme contract. This programme contract shall be multi-year in scope; it shall establish, in accordance with this law, the public service objectives of the Catalan Broadcasting Corporation, and shall ensure a stable funding and financially healthy framework.

- In BA, no particular public funding system is in place for LRT, but public broadcasters as such are partly financed from public funds.

- In RO, LRT are mainly financed mainly by advertising and distribution by cable operators, additionally by other sources. For regional public television the main source of funding is the television fee, which is of a very low value.

- In UA, broadcasting companies, including LRT are financed by the budget, subscription fee, and other sources of income (for instance, production and broadcast of advertising, newspapers, magazines, newsletters and books publishing, creation of TV programmes on-demand, etc.). The level of their own financing is too low.

- In NO, LRT finance themselves mainly by advertising and sponsorships, a share of almost 85 percent. In addition the broadcasters can apply for grants through the local broadcasting fund. The share of this amounts to 7 per cent in 2014.

- In MD, financing of LRT is based on three pillars. Besides advertising revenues and public grants, there is a special fund developed by the Coordinating Council of Audiovisual to support broadcasters. The broadcasters pay an annual fee to cover the regulatory expenses for this fund; 1% from their annual business.

3 A difficult economic situation for LRTs

3.1 General

Although different structures have been established, LRTs in Europe face a common challenge: most of them are increasingly subject to considerable economic pressure. Generally they cannot cover their costs themselves and are dependent on public support. They hardly make any profits or returns. The problem is additionally aggravated by the background of the current financial and economic crisis.

Some examples:

- In ES, this development is particularly striking: of the 32 regional television stations created between 2008 and 2014, 21 have disappeared. Of the former 476 local television stations, 291 had ceased operations by the end of 2014. In SE, the broadcaster TV4 ceased operation of regional television windows and now only broadcasts regional advertising and microformats.

- In FR, NRJ Paris surrendered its licence; Télé Toulouse declared bankruptcy. Globally, the French LRT sector is barely profitable, even in deficit, with cumulated financial losses of over 9 m Euros. As a consequence of this precarious situation, an annual “mortality rate” of 6 to 8 percent of French LRT is observed. In each year, three to four LRT broadcasters cease their broadcasting activity.

- In NO, there has been a substantial decline in the local television economy, dropping from 174 m NOK in 2008 to 33.8 m NOK in 2014.

- In DE too, where the basic economic conditions for LRTs are rather favourable, there has been a drop in LRTs: from 267 in 2012 to 232 in 2014. Most recent example: in the beginning of 2015, the regional broadcaster Tele Südbaden in Baden-Württemberg had to stop its operation.

3.2 High costs and a shortage of revenue

It is a well-known fact that television broadcasting is associated with high fixed costs. In comparison with the regional/local competitors from radio or the press, production costs are significantly higher for content. Also, broadcasting costs, if little or no public support is provided, result in squeezed returns. The French broadcasters, for example, spend 10 to 20 percent of their budget on DVB-T broadcasting costs. DVB-T is the most important broadcasting vector in FR and is indispensable to most LRTs based there.

It has also become more difficult for LRTs on the revenue side. LRTs address an advertising market which differs from that of the national broadcasters. They mainly target smaller coverage areas; their radius of communication is limited. They therefore focus on customers from local-regional small businesses. However, LRTs are not sufficiently attractive for the broadcasting of distance-based country-wide advertising.

It is difficult to increase advertising revenue. The advertising market for LRTs is often exhausted. There is even greater market pressure on the LRTs since new competitors are emerging alongside local/regional newspaper publishers and radio broadcasters. On the one hand there are national broadcasters which appeal more to the public and which carry regional advertising windows. In DE, for example, the large private TV broadcasters recently started transmitting such advertising windows. The German Federal Administrative Court has decided that these advertising islands do not require any re-licensing. The German regulatory authorities are working on including a corresponding obligation in the state broadcasting contract.

On the other hand, social networks such as Google and Facebook are beginning to eat into the market with local awareness ads. Finally, the increasing shrinkage of traditional local and regional small businesses is contributing to the difficult economic situation of the LRTs.

Consequently, funds for major forward-looking activities such as marketing, improving programme quality, expansion of structures and technological investments are lacking. One example is the situation in HR. Here the digital switch-over has meant that LRTs are having to pay higher licence and broadcasting fees. In addition, the associated larger broadcasting radius is linked to new programming obligations, which in turn require more investment.

3.3 Lack of public visibility

The frequently low reach of LRTs, which are coming under even greater pressure, is closely connected with the difficult revenue situation. In the Flemish part of BE, this development is particularly evident; with the exception of the capital's channel Tele Brussels, some of the other 10 LRTs lost more than half their audience between 2008 and 2012.

LRTs are trapped in a large competitive environment which operates on many channels and platforms. The need for an LRT to be socially significant in its broadcasting area also means that it has to be available and visible to these platforms. Often this is not the case, partly because appropriate investment does not necessarily result in new revenues. The result is that the generally young audience of the LRTs becomes more remote; their audience is ageing. They are losing contact with young media users, who use the internet.

3.4 Restrictive regulation

In some states there are quantitative rules to prevent the concentration of the media. In the German federal state of Saxony, for example, publishing houses are not allowed to operate LRTs. In CH a company is not permitted to own more than 2 television and 2 radio licences. These rules, which aim to support pluralism, can actually inhibit the development of LRTs. Media concentration processes can also be favourable, by generating more professionalism and better quality of their services and being more attractive to the audience in the long run. In addition, media companies of a certain critical size are also economically more independent. For example, in the Flemish-speaking region of BE, restrictions on cross-ownership and media concentration have been lifted.

But it is not only rules governing competition which can adversely affect the development of LRTs. Although regulation in its traditional supportive form (must-carry, etc.) is welcomed in principle by many LRTs, since it provides a stable framework for their development, excessively strict regulatory provisions can also hinder their development. Such provisions concern the production volume or the funding of a full and diverse programming scheme. In Bavaria in DE, all local stations must have a distinct relationship with the local coverage area, and this restricts joint initiatives and co-operation between existing LRTs.

4 Swiss OFCOM study on the LRT situation in Europe

4.1 Background

A discussion is currently taking place in CH about the future form of the public service in the audio-visual sphere at both national and regional level. The current situation of the LRTs in CH is also characterised by financial and structural deficits. LRTs are also caught in a vicious circle of low staffing levels, low audience ratings, scant programming resources and a shortage of means to make technical investments.

The Swiss Federal Office of Communications (OFCOM) therefore recently commissioned a study from the Wagner Hatfield consulting group. The aim of this study, entitled "Future prospects of regional television[4]", is to analyse LRTs in selected European states in order to make recommendations about what measures legislators, regulators and the LRTs can take to help the LRTs achieve a better economic situation and enjoy greater resonance with the public. It is a comparative study in which the relevant overall conditions in Western Europe are compared, business successes are highlighted and specific best practices and promising initiatives concerning the key parameters for the strategic development of the LRTs are outlined.

[4] Ibid.

OFCOM therefore specified certain provisions to the authors concerning the states to be examined. The states concerned are:

- those in which financially relatively stable LRTs exist
- those whose LRTs report regularly on local political and social events
- those whose LRTs have a coverage area of max. 1.5 m inhabitants
- those whose LRTs can demonstrate successes in the area of information services

Wagner Hatfield consequently selected DE (Bavaria and Saxony), BE (Flemish-speaking Belgium and the French-speaking Community), FR and UK for its study and carried out local interviews and surveys.

4.2 General summary of the study

The following proposals for measures are based on the findings from the "Best Practices" of the LRTs investigated.

The study explains that the prevailing pessimism about the future of LRTs in Europe is thoroughly justified. However, it should not give rise to cautious fatalism or question the reason for the existence of LRTs. There are also some grounds for optimism.

One such is the creative dynamics and the entrepreneurial determination – two fundamental elements for the success of an audio-visual project – which characterise some media professionals. Moreover, in many countries, LRTs also enjoy considerable political support. Even if this might not constitute a critical element for success, it does make it possible to sound out new practices, models and initiatives in the programming and management sphere which can in turn positively affect the restructuring of the LRTs.

Generally the study draws the conclusion that the LRT sector has to re-invent itself. It must take into account the new consumer habits in the TV sector, emphasize its strengths and eliminate its weaknesses. Furthermore, LRTs must discover new ways of getting closer to the audience and must develop innovative and realistic business models.

5 Proposals for measures from the study

5.1 Public funding of studies

LRTs often have no budget for studies, even though these could help to better define their situation and solve the problems which exist. In this case, public funds could be used to commission studies to gather accurate data, carry out detailed analyses and address the use of LRTs by the public.

5.2 Must-carry / Must-offer / visibility

To enable LRTs to improve their position in the audience market, easy access for the TV audience must be guaranteed. The key element is the extension for network operators of the "must-carry" obligation to LRTs. Thus for example in BE (French and Flemish region) and CH those LRTs which have to provide a local/regional public service enjoy must-carry status. In BA there is a must-offer obligation stating that all distributors of media content (cable operators etc.) are obliged to include in their offer all audiovisual media services in terrestrial broadcasting, whose zone of broadcasting and adequate reception capacities are located in the zone of the telecommunication network used for the distribution.

Besides these traditional approaches, which continue to derive from the analogue linear world, rules for non-linear offerings can help LRTs which improve their searchability and visibility under the bywords "must-find", "must highlight" or "must list".

5.3 Channel numbering

Many stakeholders consider channel numbering to be a key element for facilitating audience access to LRT. On example is the situation in FR. The regulator CSA is legally responsible for the channel numbering of national and local broadcasters, but only in the case of DVB-T broadcasting. The channel numbering for the LRTs was changed as a result of the introduction of 6 new national stations. The channel numbers from 20 to 29 reserved for LRTs were increased by 10, which led to protests by the LRTs. For those LRTs which associated their channel number with their station (e.g. "Alsace 20") this was a serious consequence.

5.4 Deregulation of advertising

The relaxation of quantitative advertising regulations is also an instrument for improving the revenue situation of the LRTs. Nevertheless, this instrument must not be overrated. It must be borne in mind that the advertising market is exhausted for many LRTs. Even under more liberal advertising rules it is not guaranteed that the LRTs will generate additional revenue. Furthermore, viewers do not want to be permanently confronted with commercial breaks, teleshopping and infomercials.

However, there are creative ways of generating commercial income, particularly in connection with activities of the LRT which are specific to the locality or region. In Bavaria, so-called Business TV stations acquire a special status; they are produced by the LRTs and financed by the resident businesses. In the French-speaking Community of BE, advertising for cultural activities, tourism and social projects likewise enjoys a special status and their duration is computed separately to the envisaged hourly volume.

5.5 Improved financial support

Many LRTs receive a form of public support, directly or indirectly. Of course, the appropriate resources must also exist.

In CH, for example, parliament adopted a revision of the Radio and Television Act, which was accepted by the electorate in a referendum on 14 June 2015. Consequently, the share of fees for the licensed radio and television stations is being increased: they will receive between 4 percent and a maximum of 6 percent of the revenue from the reception fee. This increase in the percentage rate, however, is taken out of the income of the national public service broadcaster SRG and therefore represents a re-allocation.

In RS the public company „Emisiona tehnika i veze"(operating the multiplex and the network for the distribution of digital signal) initiated the idea that local and regional TV stations get 80 percent discount on the services of signal distribution. This suggestion was approved and adopted by the government.

The forms of financial support include:

- Dedicated subsidies in return for the achievement of specific goals of a local/regional public service
- Remuneration for broadcasting costs on specific platforms
- Funding of studies on audience-share and performance (see above, 5.1)
- Support for the quality assurance of the programming
- The promotion of common platforms for cost-sharing (for example: usage measurement, studies, advertising services, joint use of infrastructure).

5.6 Promotion of co-operation models

In some countries, cooperation between LRTs and other (LRT or supraregional) broadcasters is regulated and promoted by accompanying measures. The LRTs can combine forces as players in the market by means of such co-operation, make savings and exploit synergies.

For example, programming co-operation between the LRTs in the French-speaking Community of BE has long prospered in this way. In UK, the BBC was included in the technical implementation and funding of LRTs. Altogether £25 m was spent on this by the BBC. In addition, the BBC was obliged to purchase content to the value of £5 m / year from the LRTs for at least 3 years. In Bavaria in DE, there is a special form of indirect funding by a large commercial broadcaster, which broadcasts the LRT information window in prime time (18:00 to 18:30) in every broadcasting region and which pays remuneration of 0.85 euros per subscription in the broadcasting zone.

The following are conceivable:

- Groups of stations
- Joint management and planning
- Production of one-off events for other broadcasters
- Window programming on national channels

5.7 Other accompanying initiatives

The regulatory authorities could, as co-ordinating bodies, organise plans of action for greater awareness-raising and development of LRTs, information meetings, training courses, opportunities for exchange of experiences or exchanges of best practices in relation to specific themes.

In Bavaria, for example, the regulatory authority BLM holds the so-called "local broadcasting days", when several prizes for high-quality LRT performance are awarded, including best information station, best entertainment station, best host/moderator, etc. In co-operation with the federal state of Thuringia, Saxony organises a similar format, the "Central Germany Television Prize".

The CSA of the French-speaking Community in BE has announced it will be holding an event at which LRTs and the platform operators will debate various LRT broadcasting issues (channel numbering, distribution platforms, etc.).

In the NL, creating awareness is a tool that is frequently used by the regulatory authority CvdM, especially in the field of local and regional public service broadcasters. The CvdM furthermore strives to make its decisions and policy documents well accessible to all PSBs. In addition, at various levels the CvdM is involved in discussions on more cooperation between local and regional (and national) public service organisations.

The following further initiatives are up for debate:

- Dissemination of a newsletter in which information on LRT is provided.
- Organization of annual conferences for LRTs
- Awards of prizes
- Invitations to tender for inter-regional stations, targeted at independent producers.
- Communication of projects and initiatives of the regulators, annual reports on the development of the sector, press conferences on the results of studies concerning the sector.

6 Questions for discussion

- In your view, what are the reasons for the cited structural and financial problems of LRTs?
- Are there other circumstances which make the situation more difficult for LRTs?
- How do you assess the proposed measures in terms of their effectiveness and practicality?
- Do you have any other ideas for measures which have not yet been mentioned?