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Plea for freely receivable television

ARD and ZDF reject private sector's encryption plans "Basic encryption" is a scam that contradicts fundamental European principles

The Chair of ARD, Thomas Gruber, and the Director-General of ZDF, [Markus Schächter](#), have submitted an important position paper today to the Broadcasting Commission of the Länder (states), chaired by state premier Kurt Beck. In the document Germany's public-service broadcasters strongly reject the plans for "basic encryption" being pursued by the satellite operator SES-Astra.

SES-Astra have announced that, starting next year, they will be transmitting all their digital satellite services with "basic encryption". This plan was set out in statement by the company in February 2006 made jointly with the commercial TV broadcasters in the RTL-Group and the Pro7/SAT1 networks.

In response, ARD and ZDF's statement to the Broadcasting Commission of the Länder points out that this "basic encryption" is a deliberate misnomer. What it ultimately signals, say Gruber and Schächter, is nothing less than the intention to introduce a far-reaching pay-TV system. This would do no service whatsoever to the universally welcomed process of digitalising television broadcasting in Germany. ARD and ZDF hope that the arguments and facts they present against any kind of encoding of free TV will trigger a wider debate on these important issues.

This comprehensive discussion paper examines the various negative impacts that flow from SES-Astra's encryption plans. Among other things it points out that:

The term "basic encryption" is a *misnomer and scam*: it does not designate a procedure that promotes digitalisation or technical measures to this end, but entails the beginning of moves towards commercial *pay*-based business models.

"Basic encryption" raises the spectre of creating a *digital divide* in the population. It would fundamentally transform the German media system with its characteristically comprehensive and diverse *free-tv* provision.

The use of "basic encryption" is not required for protection against *piracy*. *Copyright* legislation expressly opens up opportunities for cross-border broadcasting. The erecting of digital barriers around territories contradicts fundamental European principles.

"Basic encryption" automatically pushes the costs of an infrastructure needed for the use of *pay-tv* services onto every viewer.



The *addressability* of the terminal equipment throws up some major risks, particular with regard to *data protection* (control over consumers and surveillance of their behaviour).

The existing *free-tv* transmissions via satellite already proves that there is no need for a "basic encryption" system. It is already possible to individually address and invoice digital pay services.

Although the situation in other European countries cannot be compared with the German system, it is important to note that Germany's neighbours do not have "basic encryption" of their *free-tv* transmissions with a separate monthly fee.

Arguments for "basic encryption" based on alleged benefits for *the protection of minors in the media* are merely a rationalisation. All possible technical and programming measures should be sued to prevent minors from having access to harmful content, but this would in no way contribute to that end.

"Basic encryption" will hinder the development and use of all digital distribution channels. The introduction of such an encryption arrangement advances the roll-out not of new developments but of new business models.

"Basic encryption" is also highly questionable in terms of *competition law*: technical standards are to be imposed without any good reasons for the specifications. This would create obstacles for decoder manufacturers and lead to discrimination against small broadcasters.

"Basic encryption" is aimed at *erecting barriers around markets* and creating dependencies. It will disadvantage the equipment makers and any broadcaster not involved in the encryption business project.

"Basic encryption" is not needed to finance *investments*.

The reference to *pay models* being used in cable and DSL transmission is not valid here.

"Basic encryption" would only promote further *media concentration* by creating stronger vertical integration of the players involved.

Public-service broadcasting must be freely receivable by all, without additional costs or technical outlay. Public-service broadcasters cannot be told they must either use an encrypted distribution channel or stick to remaining distribution channels.

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