



Provisional edition

## The funding of public service broadcasting

Recommendation 1878 (2009)<sup>1</sup>

1. The Parliamentary Assembly notes that public service broadcasters exist today in an environment which is marked by the simultaneous offer of a multitude of private channels free of charge, on-demand media services and the rapid increase of audiovisual content accessible on the Internet. This increased competition in the audiovisual media sector has led to political debates on the funding of public service broadcasting in Europe.
2. While the establishment and maintenance of broadcasting services was very costly and depended on the scarce infrastructural resource of radio-frequency spectrum, technological progress in the transmission of audiovisual content via cable, satellite and analogue or digital terrestrial means including fixed and mobile telephony has changed considerably the environment of audiovisual media.
3. Business models for commercial broadcasters, audiovisual content providers and the audiovisual advertising industry are also changing: advertising revenue is spread out over a wider range of media; pay-per-view broadcasting is challenged by growing thematic content on the Internet; the downloading of music from the Internet might also develop into audiovisual content.
4. Audience behaviour and user demands are changing accordingly, indicating a future trend away from linear broadcasting programmes to thematic channels and interactive or on-demand services using also the Internet as a further platform for providing such services.
5. Public service broadcasters must be an important public source of unbiased information and diverse political opinions; they must function under high editorial standards of objectivity, fairness and independence from party political or economic interference; they should be subject to higher public scrutiny and accountability for their programming than commercial broadcasters; they should contribute decisively to the production of audiovisual works of high quality; they should provide for the public at large free access to informal education and culture; they have the possibility and obligation to serve also minority viewers and people with special needs who would not be served in a purely commercial market; they should therefore support non-commercial objectives such as social progress, public interest in democratic processes, intercultural understanding and societal integration. When they fulfil these functions, public service broadcasters constitute an important public value which should not be diminished or abandoned.
6. Recalling its Recommendation 1641 (2004) on public service broadcasting, the Assembly reaffirms that public service broadcasting remains an essential element for member governments in meeting the needs of individuals and society as a whole with regard to information, education and culture. Such needs may be different among states in Europe depending on the national or regional circumstances including the national or regional media landscape, the cultural diversity of a given society as well as geographical and infrastructural facts.

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<sup>1</sup> *Assembly debate* on 25 June 2009 (25<sup>th</sup> Sitting) (see Doc. 11848, report of the Committee on Culture, Science and Education, rapporteur: Mr Laukkanen, and Doc. 11915, opinion of the Political Affairs Committee, rapporteur: Mr MacShane). *Text adopted by the Assembly* on 25 June 2009 (25<sup>th</sup> Sitting).

7. Therefore, the Assembly strongly supports the commitments made fifteen years ago at the 4th European Ministerial Conference on Mass Media Policy (Prague, 1994) in the Resolution on the future of public service broadcasting, in particular to:

7.1. guarantee at least one comprehensive wide-range programme service comprising information, education, culture and entertainment which is accessible to all members of the public, while acknowledging that public service broadcasters must also be permitted to provide, where appropriate, additional programme services such as thematic services;

7.2. define clearly the role, missions and responsibilities of public service broadcasters and to ensure their editorial independence against political and economic interference;

7.3. guarantee public service broadcasters secure and appropriate means necessary for the fulfilment of their missions.

8. The Assembly recalls the further standards on public service media set by its Resolution 1636 (2008) on indicators for media in a democracy, its Recommendation 1855 (2009) on the regulation of audiovisual media services as well as the Committee of Ministers' Recommendations Rec(1996)10 on the guarantee of the independence of public service broadcasting, Rec(2007)3 on the remit of public service media in the information society and Rec(2007)16 on measures to promote the public service value of the Internet as well as the Committee of Ministers' Declaration on the guarantee of the independence of public service broadcasting in the member states of 27 September 2006 and its Declaration on the allocation and management of the digital dividend and the public interest of 20 February 2008.

9. As media markets converge further and user demands change, public service broadcasters should diversify their services through thematic channels, on-demand media, recorded media and Internet-based media services in order to offer a comprehensive and competitive range of media services for the public at large in accordance with their public service mission. Technological progress in the field of audiovisual media and electronic communications requires from public service broadcasters to make use of new technologies.

10. Representing national parliaments in Europe, the Assembly emphasises the power and responsibility of national legislators to decide on the specific mission, structure and funding of their public service broadcasters in accordance with national or regional circumstances and requirements. The Assembly is concerned by tendencies within the European Union to restrict those national powers under Internal Market regulations and a growing number of complaints brought by private operators before the European Commission against EU member states. The application of EU law should not restrict member states' powers to adapt the public service broadcasting remit to their own national needs. In this respect, the Assembly recalls that the 1997 Amsterdam Protocol to the Treaty establishing the European Union clearly favours subsidiarity and national competencies for EU member states in this field.

11. The Assembly recalls the Unesco Convention on the Protection and Promotion of the Diversity of Cultural Expressions of 2005, which recognises that, within the framework of its cultural policies and measures and taking into account its own particular circumstances and needs, each Party to that Convention may adopt measures aimed at protecting and promoting the diversity of cultural expressions within its territory, in particular measures aimed at providing public financial assistance and enhancing diversity of the media including through public service broadcasting (Article 6, paragraph 2 (d) and (h) of the Convention). The UNESCO Convention has also been signed by the EU.

12. Member states have developed different rules for the funding of their public service broadcasters in accordance with their national traditions and circumstances. Smaller countries, countries with several languages and countries with a smaller pluralism of commercial broadcasters may need a specific funding of their public service broadcasting. However, public acceptance of funding public service broadcasting is decreasing in view of the increasing audiovisual content available through converging media platforms and the Internet.

13. Recalling that public service broadcasters must be independent from government and be able to function without political interference by government, the Assembly emphasises that their funding model should reflect this independence.

14. The funding of public service media may be ensured, through a flat broadcasting license fee, a tax, state subsidies, subscription fees, advertising and sponsoring revenue, specialised pay-per-view or on-demand services, the sale of related products such as books, videos or films, and the exploitation of their

audiovisual archives. In this regard, public service media may have a mixed funding similar to other public cultural institutions such as orchestras, theatres or museums. Each of these forms of funding must enable public service broadcasters to meet the public service requirement of accessibility and affordability for the public at large.

15. While funding of public service broadcasting is in the public interest, public service broadcasters must meet quality standards concerning audiovisual content and services. This requires that legislators and regulatory bodies define the public service mission as well as general policy guidelines for such quality standards, but leave daily editorial and managerial independence to public service broadcasters. Therefore, public accountability mechanisms for quality control should be established, including evaluations by users. However, audience share should not be a decisive factor.

16. The Assembly notes with interest the discussions currently held in national parliaments on the mission and funding of their public service broadcasters and calls on all member parliaments to:

16.1. ensure that their public service broadcasters have a clear mission and adequate long-term funding possibilities for fulfilling this mission in accordance with the Resolution on the future of public service broadcasting of the 4th European Ministerial Conference on Mass Media Policy (Prague, 1994);

16.2. ensure a sustainable structure of their public service broadcasters, which provides for adequate safeguards for their editorial and managerial independence in accordance with the Committee of Ministers' Recommendation Rec(1996)10 on the guarantee of the independence of public service broadcasting;

16.3. ensure accountability of public service broadcasters including regular reviews of their public service mission and their meeting public service objectives and user demands;

16.4. ensure the allocation of adequate radio-frequency spectrum for public service broadcasters during the digital switch-over and after analogue radio-frequencies will have been switched off, in accordance with the Committee of Ministers' Declaration of 20 February 2008 on the allocation and management of the digital dividend and the public interest;

16.5. analyse possibilities for commercial media to fulfil public service missions, for instance by providing specific audiovisual works, programmes, channels or services, and thus to receive public financial support;

16.6. ask their governments to sign and ratify the European Convention for the Protection of the Audiovisual Heritage (ETS No. 183), if they have not yet done so, and analyse possibilities for preserving the audiovisual archives of their public service broadcasters as part of cultural heritage in accordance with this convention.

17. The Assembly welcomes the Action Plan on public service media adopted by the ministers participating in the Council of Europe's Conference of Ministers responsible for Media and New Communication Services (Reykjavik, 28-29 May 2009) and invites the ministers to reaffirm at the national level:

17.1. the importance of public service media responding to their national or regional requirements through a clear mission, a sustainable structure and adequate long-term funding determined at national level;

17.2. that public service broadcasters should, in accordance with changing user demands, utilise new technologies to increase the accessibility of their services and offer new additional services including interactive and on-demand media services on all available platforms so as to reach all audiences, and in particular young people;

17.3. the importance of coordinating Europe-wide their national policies for public service broadcasting through regular ministerial meetings at the level of the Council of Europe as well as its Steering Committee for the Media and New Communication Services.

18. The Assembly recommends that the Committee of Ministers:

18.1. forward this Recommendation to competent ministries, regulatory bodies for broadcasting and public service broadcasters in their country;

18.2. ask the European Audiovisual Observatory to collect information about the funding of public service media in Europe;

18.3. analyse, together with the European Broadcasting Union, possibilities for cross-border co-operation of national public service broadcasters, for example in the joint production of audiovisual works and programmes, the joint use of archives, technical equipment and human resources as well as the joint acquisition of transmission rights;

18.4. call on member states' governments as well as the European Community to sign and ratify the European Convention for the Protection of the Audiovisual Heritage (ETS No 183), if they have not yet done so.