# POLICIES OF ALLOCATION OF PERMITS TO BROADCAST PROGRAMMES AND THE FUTURE OF DISTRIBUTION OF TELEVISION

POLICY BRIEF

MEDIA DEVELOPMENT CENTER

EUROPEAN ENDOWMENT FOR DEMOCRACY

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# INTRODUCTION

The switchover from analogue to digital terrestrial television has introduced a number of benefits[1] for the broadcasters, the audience/television consumers, and the states, through expanded offer of programming and other services, the release of new transmission capacities and the so-called "digital dividend". The benefits are important, in spite of the strong pressure of the new digital services, not only by cable and satellite television, but especially in Internet Protocol Television (IPTV) segment and the new online services, such as the Over the Top (OTT), streaming services.

The new digital services are taking away growing shares of audience from traditional platforms for distribution and consumption of television contents. The exodus of audiences from terrestrial to cable, satellite and IPTV services is now accompanied by a parallel process of move from linear to non-linear, on-demand services.

Here, in North Macedonia, those benefits may not be as evident because of the influence of existing legal solutions and policies on the digital switchover. Also, in a small and unsustainable market, the broadcasters showed little, if any, interest to invest in new programming services or additional services to offer to their audiences and the general public.

As a result, the citizens got no significant improvement in terms of quality of television offer, and we shouldn't even mention other additional services in that context.

The Media Development Centre, but the media community in general, is forced to periodically address and raise to key issues – the limitations to ownership related to prevention of media concentration, and the policies for distribution and allocation of available resources for transmission of programming services. This document is an attempt to offer new solutions, adapted to incorporate the latest trends in this area.

1. For the list of possible benefits, we referred to the study "Benefits of Digital Broadcasting", PLUM Consulting, January 2014, available on URL

# INTERNATIONAL EXPERIENCES

The digitalisation of terrestrial television, which often lagged behind cable and satellite TV, has brought to the table many benefits to all stakeholders - broadcasters, the audience/consumers, and states that distribute and reallocate the newly liberated transmission capacities.

To the broadcasting (audiovisual media services) industry, the digitalization brought increased carrying capacities for transmission networks through improved efficiency of use of frequency spectrum. A frequency that used to carry a single analogue TV service in digital television can typically carry between 4 and 18 services. Furthermore, digitalisation brought about reduced energy and maintenance costs, as well as more flexible and more efficient use of infrastructure, through application of Single Frequency Networks (SFN) that replaced the former parallel analogue networks.

For the consumers, the digitalisation means greater choice of programming contents and services with improved signal quality, interactivity, possibility to view contents at a time of our choice, through "on demand" systems or as "catch up viewing", as well as possibility for parental control to prevent children and minors from accessing contents that may be harmful for their mental health.

Finally, digitalisation also introduced some benefits of more general public interest. It helps reduce the "digital divide" because it allows improved access to information to citizens that don't have access to the internet. The digital multiplexes, in addition to television programming services, can also provide internet access, as well as access to government and other services. At one point, many countries developed different e-Government platforms, as additional services. In Croatia, for example, the public information service "My Administration" ("Moja Uprava") was introduced, presenting information from the central portal of the state administration www.mojauprava.hr. Although the development of quality braodband internet, including in our region, contributed to that service being shut down rather quickly, that possibility remains for other similar services.

In addition, the digital TV switchover released a large portion of the spectrum in the form of digital dividend, and that spectrum can be used for other services (mobile telephony, early warning systems, etc.). Finally, DTT (digital terrestrial television) strengthens the resilience of communication infrastructure by offering an alternative communication platform, especially in times of crises, natural disasters or cyber-attacks.

As already noted, the fast development and expansion of fast broadband internet has led to a situation in which such additional services have become redundant and unnecessary. Digital multiplexes, at this time, are almost fully dedicated to transmission of television and radio programming services.

In most countries, the broadcasters have used the newly available transmission capacity to expand into new, specialized thematic programming services, in addition to their flagship generalist programming services that were, until then, broadcast as analogue transmissions. Whether a country chose the U.S. approach, where the management of digital multiplexes was left to the existing national TV networks to develop their services, or the European approach where the newly released capacities were allocated in public calls, just as any other limited public resource, the results were rather similar. The opening of new resources for transmission doesn't mean automatically an increase of number of active players in the market, but expanded offer of the already existing players.

We don't have to go too far to illustrate that point. In Croatia (an example listed in AVMS's Study), there are four broadcasters that hold permits to broadcast programmes on national level – the public broadcasting services HRT, and the commercial TV broadcasters "Nova", "RTL", "Autor" and "HOO"[2]. The first three listed above, in addition to their flagship channels, air specialized services, "CMC" (Autor) broadcasts a specialized music services, and "Sportska Televizija" is a specialized sports channel. All broadcasters also operate additional specialized, thematic programming services over the internet (IPTV) or satellite. The situation is similar in the Netherlands (in addition to the public broadcasting service, two commercial national networks broadcast programmes on air), Spain, the UK, Italy. Of course, the remaining free capacities of the digital multiplexes are open, mainly, for the major international media companies and their specialized channels (Paramount, Warner Bros Discovery, etc.).

## *Trends in development of television*

Television, just like the other traditional media, print and radio, couldn't avoid being influenced by the digital disruption. The audiences' habits on consumption of television/video contents is constantly changing and linear television means nothing to the young population (especially those digitally native, born in the digital era). The exodus of audiences from terrestrial to cable, satellite and IPTV services is now accompanied by a parallel process of move towards new online platforms and streaming services to access high-quality contents they offer, thanks to their investments in production and aggregation of high-quality content.

Equally important is the fact that a huge sections of the public, especially the younger generations, increasingly list social networks as main source of information on social and political life, although the number of people that get their information on current affairs remains high. That is an important indicator, especially for television broadcasters in North Macedonia, knowing that they make most serious investments in news and current affairs and the public (especially the academia and the expert community, but also the civil sector working in media) holds the view that news and information is the most important function of television.

What could we expect? Articles and studies dedicated to the issues of "future of television" make it clear that there is a high level of agreement about several points:

The audiences will continue to move to the internet as the main platform for access to TV contents. The availability of "smart TV" devices, the investments of streaming services in production of new contents, but also the aggregation of attractive contents will only accelerate that trend.

Linear television will likely fully step out in favour of video-on-demand and streaming services. Although there are some who believe that it will remain important, especially for coverage of live events, primarily broadcasts of sports competitions, it is not quite clear why that would be the case. As with other live events, it is likely that they will be accessed in a combination of catch-up viewing, subscription video-on-demand (SVOD), streaming services, probably for some time in combination with linear television.

There is a possibility that we may see total separation of industry of news from television industry. Naturally, there will be news in audio-visual formats, but primarily as VOD services. As noted, it already happens, knowing that most TV broadcasters use their websites as platforms for catch-up viewing of news (and other aired pro-

2. The data was taken from the registry of providers of media services in Croatia, "Knjiga davatelja medijskih usluga", kept by the Agency for Electronic Media of Croatia, available on URL

grammes). There is also a great likelihood that those who want to work in broadcast journalism and news reporting (or audiovisual news reporting) will found general purpose websites that will offer multimedia services (combination of audio, video, text and images).

In general, it is difficult to imagine how would a general purpose TV broadcaster function as a streaming service, primarily because of the very nature of the internet that prefers and promotes specialisation and niche interest. Perhaps some of the generalist TV channels will try streaming a linear service at the beginning[3], but expectations are that linear services will slowly shut down and only streaming and VOD services will remain (either as SVOD or for free viewing). Because of the obligation of the state (it is not clear what will happen to that obligation with the advance of new technologies) to ensure free access television services, and because of the public funding and the remit "to inform, entertain and educate", there is a chance that programming services of public broadcasters may survive longest as linear generalist channels. On the other hand, the need for their transformation into "public media services" has been discussed for quite some time, and under that transformation they would be expected to offer audiovisual, audio and other contents in many or all available platforms. The leading public broadcasting services in the world have been paying attention, for some time now, to streaming on internet as the best (if not the only) way to reach the young audiences that have already acquired and fortified their content consumption habits.

It is already evident that the forms of "daytime television" (daytime talk shows, interviews, political or entertainment panel shows, etc.) will mainly transform into different types of podcasts, available over the video or audio sharing platforms (the latter is important because of the fact that, ultimately, those are originally talk radio formats).

Having in mind all of the above, it is clear that in the mid-term (all estimates agree that these processes should be completed sometime between 2035 and 2040, if not earlier) we need policies for allocation of permits and distribution of available resources for transmission of programming services that will promote specialisation and orientation towards specialized thematic services, focused primarily on different types and genres of feature programming and drama, music and sports. ***We believe that one of the best ways to promote thematic or genre specific programming services is to radically cut the amounts of the fees for permits to broadcast specialized programming services. Having in mind that we propose to reduce the permits for cable or satellite transmission to a minimal mandatory registration of programming services, the amounts of related frees should be symbolic, i.e. at maximum, they should cover the costs of registration and maintenance of registries and records, i.e., instead of tens of thousands of Euros, they should not exceed several hundred Euros (naturally, their equivalence in Denars).***

3. We already mentioned cases in which print media venture into production of audiovisual media contents that are by form and organisation 0de facto forms of linear television.

# PAST EXPERIENCES IN NORTH MACEDONIA

In North Macedonia, too, the focus of the digital switchover was put on the transmission of television programming services. Additional services, such as video on demand or catch-up viewing ability are offered by some (not all) operators of IPTV public communications networks. Also, although existing multiplexes are used in an extremely inefficient way with lots of free capacities[4], no space was opened, for instance, to use them to transmit digital radio.

The digital switchover wasn't used to consolidate the television market, which remains oversaturated and unsustainable, in view of the limited advertising spending in the country. Instead of using the opportunity, following the dominant model in Europe and the world, in general, to use the digital multiplexes to ensure that we will have specialized programming services on air, thematic (or even genre specific) or to satisfy the needs of different categories of audiences (male, female, youth, children), we worried how to ensure the survival of the existing holders of licences for terrestrial broadcasting (on national, regional or local level). For example, the 2013 Law on Audio and Audiovisual Media Services (LAAMS) directly blocked the possibility for re-design and re-planning of allocation of capacities by renewing the licenses of existing holders by default. Instead, we simply replicated the existing scene (in 2013, at the time of the digital switchover, there were a total of 64 commercial TV broadcasters in the country).

As a result, apart from the digital dividend[5], the digitalization of broadcasting has failed to bring about any of the assumed benefits noted above. The invoking of the need to promote and protect media pluralism has resulted in a situation in which we got only numerical pluralism (i.e., a huge number of broadcasters) that air very similar programming offer dominated by different forms of talk show (political panels, daytime talk television, call-in programmes), news and current affairs and feature series, mostly of Turkish, Indian or Latin American origin.

The audiences didn't get a more varied offer of diverse programming services, including specialized channels formatted thematically (or even genre specific) or to satisfy the needs of different categories of audiences. The Analysis of Needs and Possibilities for Introduction of DVB-T2[6] also points out that the absence of such specialized programming services has contributed to a situation in which there is almost no interest to invest in production of quality domestic drama series. The scene is dominated by TV channels of general, predominantly entertainment format. Specialized programming services – for example, documentary, educational, film or sports channels – are non-existent and the audiences are directed to satisfy needs for that kind of content on foreign TV channels carried by the operators of public electronic communications networks (cable, satellite or IPTV networks). It seems that additional services, such as the option to choose the language of the broadcasts, or subtitles in several languages or catch-up TV viewing[7] have not been considered.

At the same time, since the switchover from analogue to digital broadcasting, digital terrestrial television (DTT) has faced the problem of low interest in the public to use DTT services as main access to television. There are two main reasons

4. See in "Analysis of opportunities and needs for introduction of DVB-T2", Target Communications for AVMS, available on URL
5. The 1st Digital Dividend was implemented at the digital switchover and the 2nd, in 2019, brought additional consolidation of capacities and repurposing of free capacities for introduction of 5G technology.
6. See in Analysis of Possibilities and Needs for Introduction of DVB-T2", Target Communications for AVMS, available on URL
7. The only exception is Max TV IPTV provider, which keeps the programmes for a number of days to be watched whenever their subscribers want. We should note here that most broadcasters use their internet extensions and profiles on video-sharing platforms (such as YouTube, for instance) to offer possibility for catch up viewing, usually of their news and current affairs programmes, but also other contents.

# PAST EXPERIENCES IN NORTH MACEDONIA



for such a low interest. The first is the high penetration of cable, satellite and IPTV operators that list all domestic and huge numbers of foreign channels in their catalogues. The second reason is the "migration" of audiences to the internet, with huge swaths of the publication today satisfying their needs for television and audiovisual contents from IPTV platforms, on video-sharing or streaming OTTs such as "Netflix" or the local service "Gley.TV". Also, there is a notable decrease of interest in linear television with growing numbers of people oriented towards VOD viewing, primarily on the internet. While linear television remains, by some margin, the most popular form for consumption of video contents, the new internet-based competition is changing video viewing habits, especially for the young population.

According to the latest available report on the reach of radio stations and audience ratings of TV stations (April-June 2023), a total of 29.2% of the polled citizens said they watched terrestrial television. Of that total, 24.7% were subscribed to DTT platform "A1 Lite" (subscription DTT) and just 4.5% watched free access (free to air) digital terrestrial television using an ordinary aerial antenna.

The data listed in the Annual report on electronic communications market[8] show that the DVB-T segment has a 9.3% share of the total number of subscribers of TV services, i.e. 40,783 of the total of 437,510 subscribers. Also, the number of subscribers of paid DTT (A1 Lite), after a period of steady growth that ended in 2018, is now constantly dropping. Thus, if in 2018 the number of subscribers of DVB-T service was 44,347 (6.84% increase over 2017, year on year), in 2023 the total number of subscribers was 40,783 (half a percent compared to 2022), or a drop of 8.03% over a period of five years.

Similar trends are noted globally, and the question what to do with digital terrestrial television is increasingly important. For example, in May 2024, UK communications regulator OFCOM published the market-report "Future of TV Distribution", intended for the Government of the United Kingdom. The document considers all options, from possibility of total shut down of DTT and reallocation of those resources to other telecommunication needs and services, to preservation of the existing system. The general impression is, however, that the "migration" of television audiences to the internet (in all forma of access to video contents it offers – IPTV, video-sharing platforms, SVOD streaming services) is an irreversible process and that an organized attempt is necessary to promote and guide that migration.

Evidently, there is still some interest in the permits for national digital terrestrial broadcasting. In September 2024, the Agency for Audio and Audiovisual Media Services published the Feasibility Study for publication of a public call for allocation of a permit for television broadcasting on national level over the digital terrestrial multiplex. The study, prepared on initiative of one television station that already holds a license for broadcasts over satellite, presents the same findings that have long been "accepted fact" in the discussions of the broadcasting sector (or the audiovisual media services sector) in the country: The scene is oversaturated, with far too many players in a small and unsustainable market, resulting in low sustainability levels of existing broadcasters; there is a deficit of diverse contents on offer and the Republic of North Macedonia needs specialized formats of television broadcasting, on all levels and platforms. Naturally, the main conclusion of the Study is that there is no need to open a public call for allocation a permit for terrestrial television broadcasting.

8. See in "Annual Report on the Development of the Electronic Communications Market for 2023", AEC, 2024, available on URL

# RECOMMENDED MEASURES

All of the above leads to a conclusion that it is the highest time to start reviewing the options of what it going to transpire in the age of "post-terrestrial broadcasting", and even what in "post-linear television age". We have to bear to mind the obligation of the state to provide free access television available on all of its territory and to all citizens. Having in mind the noted figures on the use of "free to air" television in the country, we will have to consider several possibilities. The first, extreme possibility is total migration of television/video contents on the IPTV platforms and repurposing the digital multiplexes to serve other telecommunications needs. The second opportunity is to maintain a basic DTT free access network that will carry the programming services of the public broadcasting service and several additional specialized channels (in the UK, OFCOM's proposal is to include several specialized news and information channels, something we don't have here). The third option is to stick to the current approach and wait, as we were doing so far, for the situation to resolve itself one way or another.

In the mid-term, and in view of the fact that we have been discussing the need for reform of the media sector and the media legislation, the aim is to offer some ideas about the directions that policies and approaches in the audiovisual media services sector should take.

The reforms will have to pay due attention to the need to promote media pluralism. It is evident that we need new approaches, new policies and related changes to the existing legislation to ensure that we will have quality offer of programming contents in the "free access broadcasting" segment. The new approach will also have to secure the development of structural pluralism that is not manifested only in numerical multitude of broadcasters, but also with diversity of types and genres of media outlets in the broadcasting scene.

The "Analysis of needs and opportunities for introduction of DVB-T2" we mentioned above finds that the capacities of the existing digital multiplexes for free-to-air broadcasting are not used rationally.

*Therefore, we recommend that, after the expiration of the valid licence held by A1 Makedonija in 2033, we should consider the possibility for consolidation of multiplexes currently operated by A1 Makedonija (for commercial, subscription DTT) and the multiplexes operated by PE "National Broadcasting" (for the public broadcasting service). That, among other things, will release new capacities for a "3rd Digital Dividend". We suggest, following the example of Croatia, that it would be better to charge the management on the PE "National Broadcasting", because it would be a matter of free access transmission that would hardly be interesting for a commercial operator.*

How to get from the current situation of too many outlets in a limited advertising market (sales of ad time remains the main business model of media in North Macedonia) to a situation in which we would have fewer providers of audiovisual media services that will offer higher quality programmes that will meet the audiences demands for entertainment, education and information?

That task will require, above all, huge investments. The need to populate the aether (but also the other platforms for access to

television and audiovisual contents) with more specialized (thematically, genre-specific or dedicated to the needs of specific categories of the public) programming services has been recognized for a long time. That argument is invoked by the AVMS in the conclusion of the Feasibility Study on the need to open a public call, namely, that there is no need of a new general, predominantly entertainment programming service and that specialized, thematic programming services are needed. The specialized thematic (or genre-specific) formatted programming services come with high costs of operation, whether as investment in in-house production (or co-production projects), or as acquisition of expensive European or U.S. TV drama or even more expensive rights for live broadcasts of popular quality sports competitions.

In the existing situation of poor and oversaturated market, such investments are impossible to expect from domestic broadcasters. We believe that a consolidated market with a number of players that is adequate to the size of population and economic capacities of the country, would allow television broadcasters more finances to enter such investments into additional specialized channels, most likely in partnership with other entities, whether domestic or foreign. The second option is to wait for a foreign player to enter the market, or even promote such an entry. It would probably be one of the major international TV corporations that already have established presence in Europe and in the countries of the region. That approach, too, would require a review of LAAMS provisions on prevention of media concentration, which are largely outdated and inadequate in the current situation[9].

In that regard, we are focused on the provisions of LAAMS on allocation of permits to broadcast programmes and distribution of available transmission resources, i.e. on the digital terrestrial television that uses limited public resource.

The oversaturated TV and radio broadcasting market, the low rate of usage of DTT (both free to air and as paid television), the need to consolidate the market through cutting of number of active players in national DTT sector, as well as the need for greater pluralism and diversity of audiovisual contents available to the citizens/consumers of TV contents, will demand an intervention in the approach to different types of transmission of programmes - terrestrial vs. cable, satellite or IPTV transmission.

The existing legislation, by the way, makes that distinction. The fact is that the decision making when allocating permits for terrestrial broadcasting, because it includes use of limited public resources (the frequency spectrum) requires taking into consideration the public interest that will be met. It also recognizes that cable and satellite transmission are purely commercial ventures and that distribution of signals is a matter of commercial contract between those who produce the programming contents (or package programmes they acquired from other producers) and distribution channels, i.e. the operators of cable, satellite or IPTV networks. Therefore, it is only natural that there are different procedures for allocation of permits. For terrestrial television, which is the case all over Europe, the permits are allocated in a public competition that can be organized on initiative of the regulatory authority or on initiative of an interested party that wants to enter the DTT market.

9. The provisions on prevention of media concentration shall be subject of a separate policy brief.

Permits for cable or satellite transmission, on the other hand, are allocated in a much more simple procedure, on request of interested parties that want to transmit television programmes. However, knowing that things are moving towards full migration of distribution of video contents on the internet (IPTV), likely in the form of VOD although it is possible for some form of linear services to remain on that platform, we propose several interventions in the LAAMS.

***First of all, we should take into account the trend to make permits to broadcast programmes platform neutral***, in the sense that the holder, once securing a permit, could then offer its programming service to commercial operators of paid television - whether satellite, cable or even subscription DTT. Furthermore, the obligation to present pre-agreements with operators of public electronic communications networks as a condition to receive a permit for cable or satellite transmission should be eliminated. Naturally, today everybody has the option to move to transmissions over the internet protocol (which doesn't mean just a service similar to cable television, but also covers "streaming" of linear service over the internet).

***Second***, arising from the first, ***we should resolve the status of the new "linear" services on the internet.*** Namely, the traditional print media, but also some new online newspapers are increasingly moving into production of video. While the bulk of such content is available on-demand over video-sharing platforms, in at least one case there is a video service that is in all of its features - regular programming schedule, distinct segments (shows) separated by advertising blocs or regular newscasts – very similar to a linear TV service, only broadcast over the internet[10]. The changes of the LAAMS adopted in July 2023 introduced, under the auspices of alignment of national legislation with the new Audiovisual Media Services Directive (AMSD), The video sharing platforms within the scope of coverage of the LAAMS, in some aspects of their functioning. At the same time, we know that our first internet streaming OTT service "Gley.TV" registered withe Agency like any other VOD provider, in accordance with provisions of article 56 of the LAAMS. Therefore, we should consider the possibility to integrate the transmission over IPTV platforms, especially for such de facto linear services, into the system for allocation of permits to broadcast programmes.

***Third***, in view of the fact that these a platforms that are note a limited public resource, ***the allocation of permits should be further liberalized and reduced to mere registration procedure,*** similar to the provision of audiovisual media services on demand. Of course, these are paid-TV platforms which function on commercial basis and on an agreement between operators and providers of audiovisual media services. Therefore, in countries that have a dual system of DTT, there are free to air multiplexes and paid (subscription) DTT platforms, those platforms can carry programming services that don't, strictly speaking, hold permits for terrestrial broadcasting. Furthermore, in the United Kingdom, where all multiplexes are managed by a single company, "Freview" and are intended for free to air broadcasting, the operator carries such channels (for instance, the programming services of "Sky" that don't hold terrestrial per-

10. One example is "SlobodnaTV" of the "Sloboden pecat" daily. See on URL or their YouTube channel on URL

mits). We should also note that in some national systems, for instance in Sweden, one doesn't need any sort of permit to transmit programmes over the cable or satellite, the only obligation being to register some (not all) types of contents. In addition, the new IPTV platform offer an opportunity for the provider of the audiovisual media services to be located out of the country or the linguistic region for which a programming service is intended. In view of the above, some form of registration, with mandatory transparency of ownership and editorial structure, seems far better solution.

Knowing that MDC proposes some sort of "reset" of the broadcasting sector, with complete replanning and redistribution of available resources for terrestrial transmission, reduction of number of active players in the market, elimination of policy "one entity-one programming service", such a liberal approach will be useful for the broadcasters that will have to move from terrestrial to paid television platforms - cable, satellite or IPTV. In that regard, we repeat here the old recommendation to the regulatory body, within a certain period of time the expiration of which should coincide with the expiration date of the currently valid terrestrial broadcasting permits, to prepare a new call for allocation of permits for terrestrial broadcasting on basis of substantial and comprehensive research of capacities of the market and audience's needs. The process should include the decision-–aking bodies, to, primarily the Ministry for Digital Transformation, because it will require changes to the legal provisions on prevention of media concentration.

It would require also deletion of the latest changes to the LAAMS[11] that introduced an obligation for the regulatory body to renew the permits to broadcast radio or television programmes at a request filed by the holder of the permit (article 79 of LAAMS). In the previous version of the Law, the Agency would assess whether to renew a permit on basis of the "contribution a broadcaster made to the diversity and pluralism in Macedonian market" (which is of huge importance if we want a change of the existing situation in which all broadcasters offer rather uniform and very similar programming offer). No, the possibility for a decision not to renew a licence is practically non-existent, as such a decision will require that the regulator found serious violations of the special prohibitions of Article 48 (hate-speech, undermining national security, violent overthrow of the constitutional order, etc.) or violations of rules on fair, balanced and impartial electoral coverage. Those provisions should be deleted[12], because they deprive the regulatory body of its most important competence (and the very reason for its existence), namely, to decide on distribution and use of frequency spectrum as limited public resource in a manner that will protect and promote pluralism of audio and audiovisual media services.

***Fourth, the provisions on allotment zones*** – national, regional and local – for cable or satellite transmission are, to put it mildly, contrary to any logic. In view of the very nature of those platforms, those provisions are redundant and unjustified. There is no reason why a TV station established in one municipality shouldn't be able to enter an agreement with a cable or IPTV operator in another mu-

11. See Article 5 of the LAAMS, Off. Journal no. 55/2024 of March 6, 2024, available on URL
12. MDC already covered this issue in the „1st Quarterly Report for 2024: Instead of Systemic, we Get Bad Partial Solutions", available on URL

nicipality, if that operator believes that its subscribers would be interested in the contents offered by the TV station. By the way, that wouldn't be something unprecedented in Europe. In Serbia, for instance, it is quite normal for a regional terrestrial broadcaster to enter an arrangement with a cable operator in another region and thus be accessible to the subscribers of that operator. That is the case even with the provincial public broadcasting service of Vojvodina, available on a number of cable operators outside of the province.

Different allotment zones should remain in the domain of terrestrial television, where they make sense because of the limited resources for transmission of programming services.

We also need policies for allocation of permits and distribution of available resources for transmission of programming services that will promote specialisation and orientation towards specialized thematic services, focused primarily on different types and genres of feature programming and drama, music and sports.

***We believe that one of the best ways to promote thematic or genre specific programming services*** is to radically cut the amounts of the fees for permits to broadcast specialized programming services. Having in mind that we propose to reduce the permits for cable or satellite transmission to a minimal mandatory registration of programming services, the amounts of related frees should be symbolic, i.e. at maximum, they should cover the costs of registration and maintenance of registries and records, i.e., instead of tens of thousands of Euros, they should not exceed several hundred Euros (naturally, their equivalence in Denars).

# VIEWS OF THE STAKE-HOLDERS

It is an established practice of the Media Development Centre to invite the stake-holders – media/broadcasters, trade and professional associations, CSOs that work in the field of the media, academic community, the regulatory body – to discuss our proposals and gather their views and opinions on the subject at hand. MDC organized such a round-table discussion on November 25, 2024, and about 15 representatives of different stake-holders accepted our invitation and took part.

IN addition to MDC's representatives, the introductory speeches were given by Snezhana Trpevska, expert in media policies and legislation, and Darko Perusevski, executive director of "Gley.mk", the first streaming service in North Macedonia.

Trpevska noted that the issue of rationalisation and consolidation of the broadcasting sector in the country is constantly re-emerging and that the current and past legislation did offer possibilities for regulatory intervention to ensure the development of structural pluralism. She did note the lack of media strategy. She also pointed out that all documents and analyses produced in 2023 under the auspices of an EU project and covering, among other things, the issues that are subject to this document, were presented to the decision-makers. Instead of those proposals, we got changes to the legislation that mean that issues related to pluralism are not any longer among the criteria that need to be met when renewing licences to broadcast programmes, disregarding the fact that care for and promotion of pluralism is one of the main goals of the LAAMS and the policies that need to arise from the law.

Perusevski presented a brief overview of the history of development of commercial television in the country. He, too, mentioned the lack of proper media strategy which is necessary in a period of such deep and comprehensive changes in the sector. Noting examples from markets of similar size to North Macedonia (POP TV in Slovenia) he emphasized that serious broadcasters are completely abandoning terrestrial broadcasting, and pointed out that it is not clear why would someone be interested in terrestrial broadcasting permit in this day and age. Another point of his presentation was that only the TV companies that adapt to the digital age will survive and prosper in the future.

Representatives of the regulatory body agreed that there is a need to review this segment of the Law that regulates the limitations to ownership and informed the present that the Agency has already presented an official initiative to the Ministry of Digital Transformation to change Chapter 4 of the LAAMS on Protection of pluralism and diversity of audiovisual media services.

The representatives of broadcasters present in the discussion, in their comments, raised several open questions. They do agree that the crisis was deep and that changes are necessary, adding that further regulatory intervention is needed to consolidate and rationalize the market. They did express their doubts if a consolidation of the market that would lead to fewer players getting a bigger share of the advertising spending would automatically mean that they will invest those funds in better quality programmes, new equipment or expanded newsrooms.

They also expressed doubts about the existence of willingness in the political parties to change a situation that obviously suits them well. As one representative of the broadcast media noted, "even if we reduced the number of TV stations to just two, they will find the way to ensure that one belongs to VMRO and the other to SDSM".

They pointed out the fact that the annual fees for permits are set too high, preventing the development of specialized channels and, by that, also the production of local content that would be used to fill the airtime on such specialized channels.

Finally, several participants mentioned the general crisis of television industry, both in terms of terrestrial broadcasting and the uncertain future of linear television in general.

POLICY BRIEF

# POLICIES OF ALLOCATION OF PERMITS TO BROADCAST PROGRAMMES AND THE FUTURE OF DISTRIBUTION OF TELEVISION

MEDIA DEVELOPMENT CENTER

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