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8. Terrestrial broadcasting

In 2005 the regulation of the telecommunications activities of terrestrial broadcasting of radio and television signals is carried out by the CRC and of the programme content – by the Council for Electronic Media (CEM). According to the provisions of the European legislation, the licensing regime for the telecommunications activities is directly bound to the licensing of the radio and television programmes.

8.1. VHF FM radio broadcasting

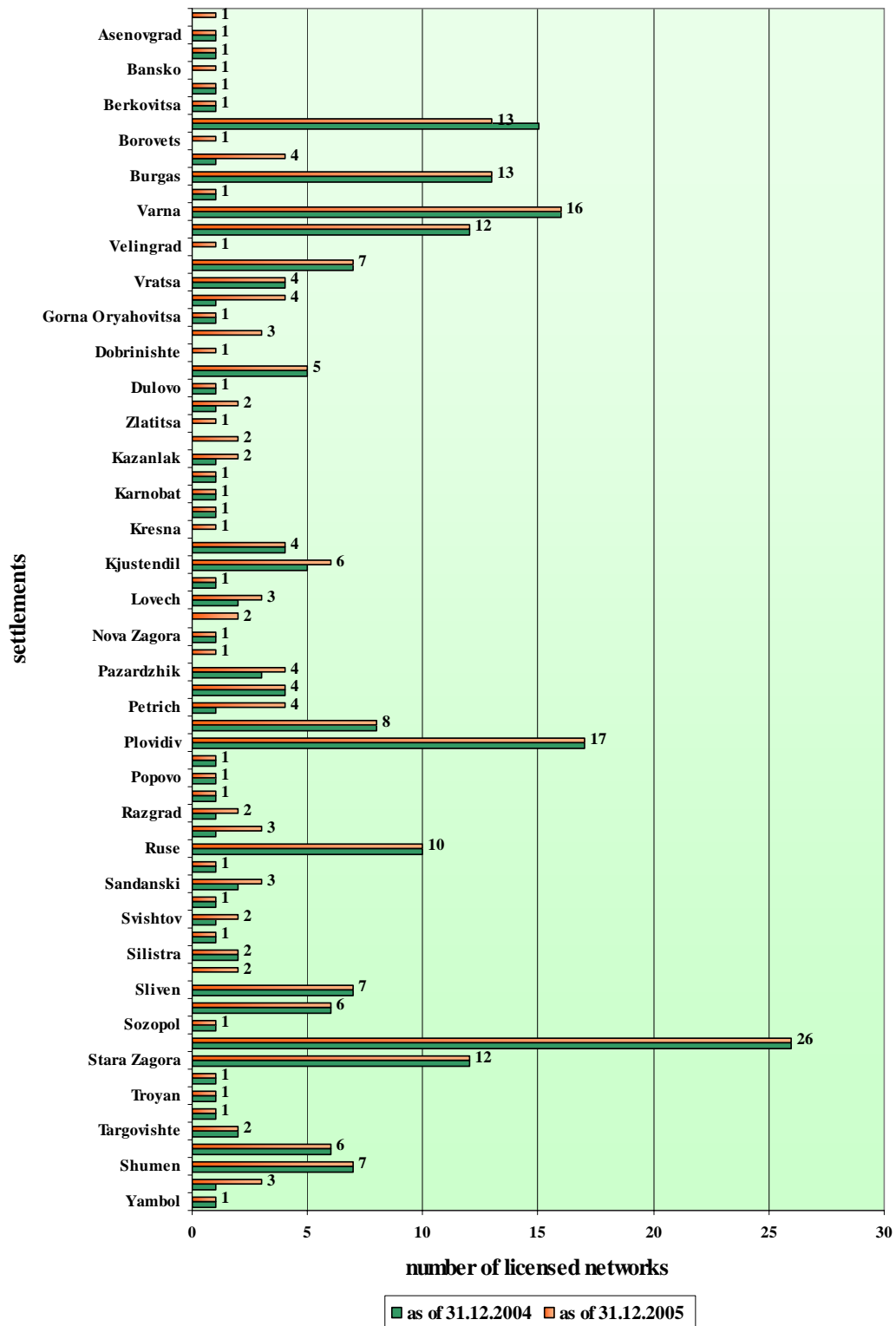
At the beginning of 2005 96 operators with 227 licenses with local territorial coverage, as well as two operators with issued licenses with national coverage – BULGARIAN NATIONAL RADIO and DARIK RADIO AD, are carrying out terrestrial broadcasting of radio signals. In pursuance of the provisions of § 2, para. 5 of the Transitional and Final Provisions of the Radio and Television Act Amendment Act, in 2005 36 individual licenses for terrestrial broadcasting of radio signals with local coverage were issued. That represents around twice less compared to the number of the individual licenses issued in 2004. The newly licensed operators during the year are those who:

- have received individual licenses issued pursuant to the provisions of the Telecommunications Act, the term of which has expired and has not been prolonged, as well as those that carry out or have carried out activities of terrestrial broadcasting in settlements for which license contests have not been carried out yet;
- possess or have possessed individual telecommunications license for radio and television broadcasting, issued pursuant to legal grounds cancelled by decision of the Supreme Administrative Court and carry out or have carried out radio and television activities through terrestrial broadcasting;
- carry out or have carried out telecommunications activities and have applied for issuance of license for settlements for which license contests have not been carried out yet.

At the end of the year the number of operators with individual licenses for radio broadcasting with local coverage is 101 and the number of the licenses issued has increased to 263.

Around 32% of the operators carry out activities in more than one settlement. 17 of the licenses issued during the year are for twelve new settlements: Apriltsi, Bansko, Borovets, Velingrad, Goce Delchev, Dobrinishte, Zlatitsa, Ichtiman, Kresna, Nessebar, Obzor, Simitli.

Distribution of the public telecommunications networks for broadcasting of radio signals by settlements as of 31.12.2004 and 31.12.2005



Source: CRC

Figure 86

The revenues from the major activity of the two radio operators with national licenses – BULGARIAN NATIONAL RADIO and DARIK RADIO have increased by 10% in comparison to last year.

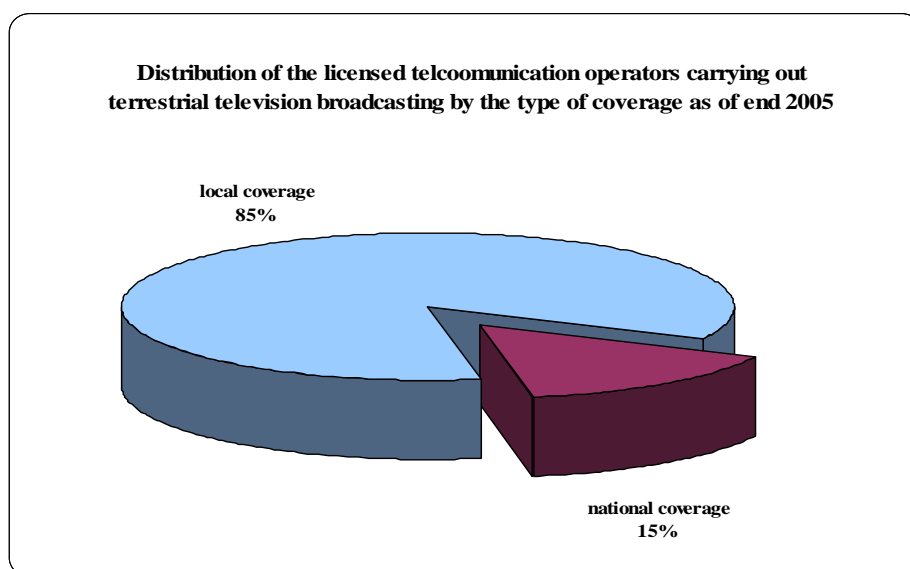
In 2005 CEM, in cooperation with CRC, has elaborated Strategy for development of the radio and television activities through terrestrial broadcasting (the Strategy). The document develops further the non-discrimination and loyal competition principles for the operators in a liberalized market, stipulated in the Telecommunications Act and the Radio and Television Act. The Strategy is adopted by the Parliament and is effective as of 01.01.2006. On the basis of it CEM may start contest procedures for the settlements where free frequencies are available. That gives reasons to predict that in 2006 more dynamics could be expected on the market of terrestrial radio broadcasting.

In accordance with the European practice of transition from analogue to digital broadcasting, the Strategy stipulates for the start of two pilot projects in short-term period: frequency assignments for terrestrial - digital audio broadcasting (T-DAB) and frequency assignments for terrestrial digital radio broadcasting in the frequency range under 30 MHz (DRM).

8.2. Television broadcasting

As of 31.12.2005 right to carry out telecommunications through the licenses issued for terrestrial broadcasting of television signals have 20 operators in total, while the networks of 17 of them have local coverage. The operators newly licensed during the year for carrying out telecommunications through terrestrial broadcasting of television signals with local coverage are ten: DUBRUDZHA CABLE EOOD, MUNICIPALITY OF KARNOBAT, MUNICIPALITY OF SHUMEN (MUNICIPALITY MEDIA CENTER EOOD), RECORDING OOD, ET STRIMON- PRES-KIRIL PETSEV – STEFKA PETSEVA, SLIVEN TELEVISION AD, VARNA TELEVISION AD, RODOPI TELEVISION EOOD, TECHNOSTEEL EOOD and TRIADA COMMUNICATIONS EOOD. The number of the new licenses with local coverage issued during the year is 29 what is twice more compared to 2004.

BULGARIAN NATIONAL TELEVISION (BNT), BALKAN NEW CORPORATION EAD and NEW TELEVISION – FIRST PRIVATE CHANNEL EAD possess licenses for terrestrial broadcasting of television signals with national coverage.



Source: CRC

Figure 87

In 2005 the revenues for the major activity of the television operators amount to over 153 mln. BGN what is by 38% more compared to 2004. Over 97% of the realized revenues are from broadcasting of commercials.

The total amount of investment made in 2005 is around 5 mln. BGN and it is almost twice less in comparison to 2004.

The coverage by population achieved by the programmes of Bulgarian National Television as of 31.12.2005 is 98%, those of bTV - 97.50% and of NEW TELEVISION – FIRST PRIVATE CHANNEL EAD – 67%.

The trend highlighted in 2004 the operators licensed for radio and television broadcasting to use alternative ways for transmission of the radio and television signals – satellite, cable and through fibre optic will continue in 2005.

In perspective, the introduction of digital television in our country is important, as it would cost less to the consumers compared to the satellite broadcasting of television, which would make the terrestrial digital television in the future more competitive to the existing cable networks. Pursuant to the individual license issued for digital terrestrial television broadcasting on the territory of Sofia, for a first time in 2005, BTC AD is testing digital broadcasting. It gives reasons to predict that in the following years the provision of digital terrestrial television will be a fact in our country. The potential market for digital television in Bulgaria are the big cities with population over 100 000 inhabitants. There exists real consumer demand for receipt of television programmes in combination with various interactive services of high quality. In addition, the level of consumption in the big cities would generate enough revenues for the operators, which would enable their development in the future and would compensate the significant costs for maintenance of the digital network. An important step in the television broadcasting market development is the Strategy for development of the radio and television activities. With regard to digital television, the Strategy provides for implementation of pilot projects for digital television (DVB-T) in several regions in the country, assurance of conditions for access of the national public television to digital broadcasting, etc.