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8. Terrestrial broadcasting

The practice of separation of the regulatory functions in the media sector continued also in 2006, where the regulation of the telecommunications activity for terrestrial broadcasting of radio and/or television signals is performed by CRC and the regulation of the program content – by the Council for Electronic Media (CEM). The licensing regime for the telecommunications activity is directly related to the licensing of the programs for radio and television activity, which is in compliance with the provisions of the European legislation.

The second concluding session of the Regional Radiocommunication Conference of the International Telecommunications Union took place in the period from 15.05.2006 to 16.06.2006 in Geneva, during which a Regional agreement for the digital broadcasting was signed and a Plan for introduction of terrestrial digital radio and television broadcasting in the frequency bands 174-230 MHz and 470-862 MHz was adopted. The Regional agreement Stockholm 1961 concerning terrestrial analogue television broadcasting was revised in the ranges related to the introduction of digital broadcasting. A Declaration was also signed, to which all EU member states have joined, obliging Bulgaria to apply the provisions of the final acts of the Regional Radio Conference as adopted, in compliance with the commitments ensuing from the Treaty for the European Communities.

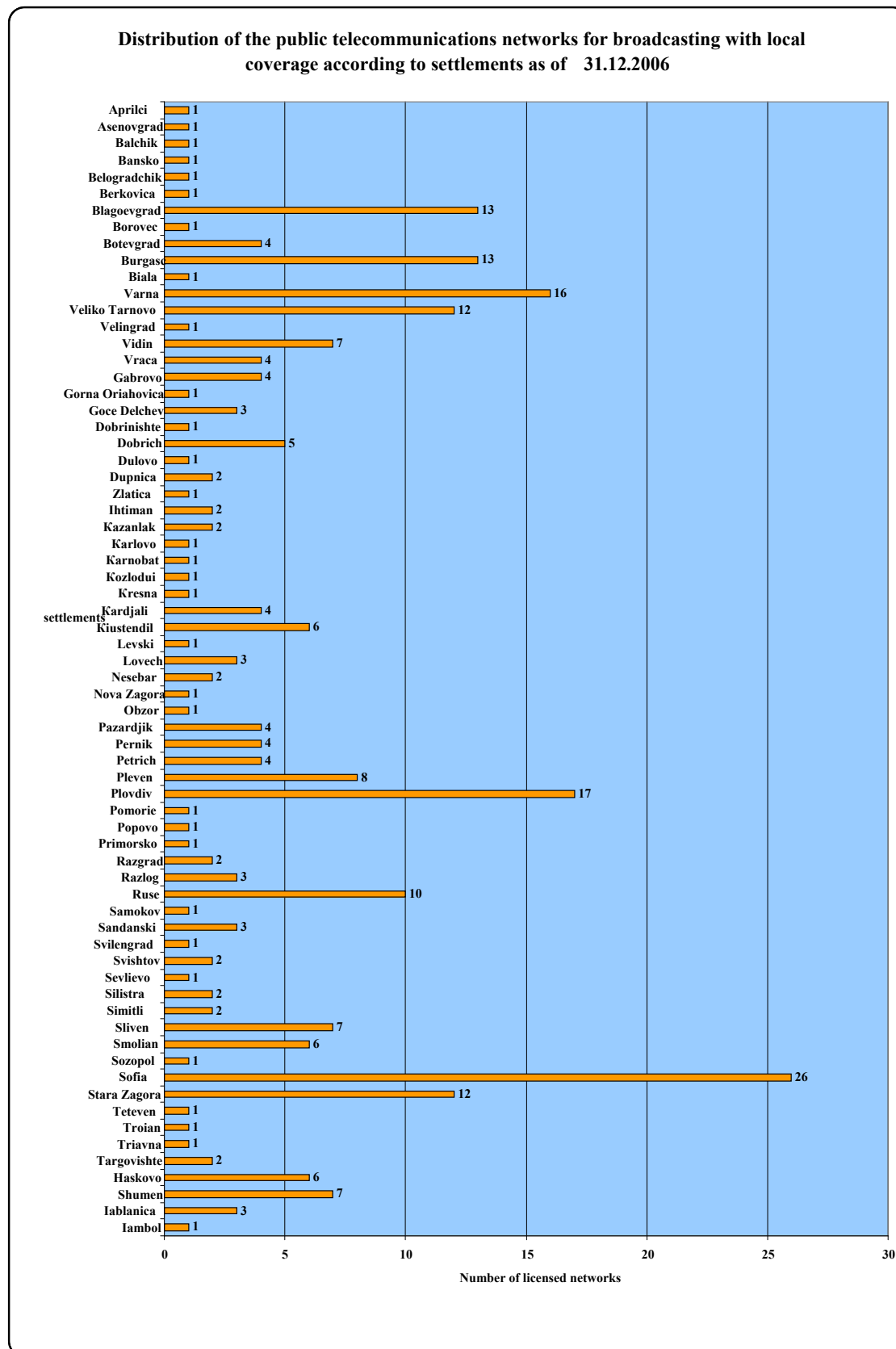
In connection with the need to meet the international commitments of Bulgaria for introduction of terrestrial digital television CRC took a decision in July to withdraw temporarily the information about the available frequency resource for terrestrial analogue television broadcasting and to cease the analogue licensing until the adoption of the Plan for introduction of terrestrial digital television in Bulgaria.

8.1. VHF FM broadcasting

In the beginning of 2006 the number of operators, holding a license for broadcasting with local coverage is 101 and the number of issued licenses - 263. The two operators with licenses for national coverage – BNR and „DARIK RADIO” Plc also continue to broadcast.

No new individual licenses for terrestrial broadcasting with local coverage have been issued during the year. At the end of the year the number of the operators holding such licenses has diminished to 99 due to license transfers completed with decisions of CEM and CRC.

The distribution towards 31.12.2006 of the public telecommunications networks for broadcasting with local coverage according to settlements is depicted on fig. 78 and there is no change in comparison with the previous year. About 33% of the operators perform activities in more than one settlement.



Source: CRC

Fig. 78

The revenues realized through the networks of radio operators in 2006 amount to 27,4 million BGN, 99% of them are from transmitted commercials, 0.9% are from contracts concluded with licensed operators for broadcasting their programs and 0.1% are from contracts concluded with licensed operators for transmission of an own program.

The investments made for construction, maintenance and use of telecommunications networks for broadcasting amount to 4,5 million BGN and the investments envisaged for 2007 are 4,7 million BGN.

The achieved population coverage as of 31.12.2006 of the BNR programs is 96% and of „DARIK RADIO” Plc - about 90%.

On 01.01.2006 the Strategy for development of the radio and television activity through terrestrial broadcasting (promulgated SG No. 82/14.10.2005) developed jointly by CEM and CRC entered into force, with the digitalization as a main priority. In compliance with the European practice for transition from analogue to digital broadcasting, the start of two pilot projects is envisaged in the Strategy for the period 2007-2008: for frequency assignments for terrestrial digital broadcasting (T-DAB¹) and for frequency assignments for digital terrestrial broadcasting in the range below 30 MHz (DRM⁸⁰).

The Communications Regulation Commission declared in November its intention to issue an individual license for carrying out telecommunications through a telecommunications network for terrestrial digital broadcasting using DRM technology. The broadcasting will be performed in the high frequency range of 5 900 kHz - 26 000 kHz for the territory of the city of Sofia, the Sofia region and also for broadcasts abroad

¹ T-DAB (Terrestrial-Digital Audio Broadcasting) and DRM (Digital Radio Mondiale) – standards for terrestrial digital broadcasting of radio signals

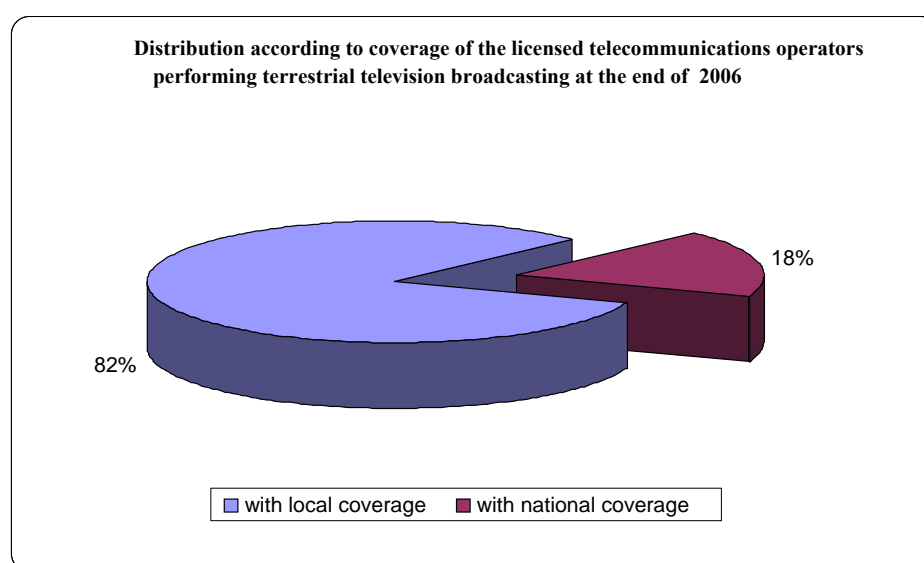
with propagation areas Western Europe and the USA. CRC took this decision as a result of a submitted application by an interested party. After exploring the technical issues, the Commission decided that there are technical conditions for the assignment of 10 frequency channels, subject to seasonal international coordination, in the frequency bands, identified in the National frequency plan². Following the requirements of the Telecommunications Act, with a CRC Decision No. 449/22.03.2007, a sealed bid tender was announced for granting an individual license to perform telecommunications through a telecommunications network for terrestrial digital broadcasting under the DRM technology. CRC adjourned the tender procedure with Decision No. 866/30.05.2007, since it is in contradiction with the Electronic Communications Act (ECA) which entered into force.

The introduction of terrestrial digital broadcasting shall provide significantly better sound quality in comparison with the existing VHF FM broadcasting and shall result in better mobile reception of radio programs. As far as the radio frequency spectrum management is concerned, the digital broadcasting shall guarantee more efficient spectrum use, allowing the release of frequency bands for other purposes.

8.2. Television broadcasting

As of 31.12.2006 a total of 17 operators have the right to perform telecommunications through licenses for terrestrial broadcasting of television signals, 14 of them with networks with local coverage. The licenses of ET „STRIMON - PRESS - KIRIL PECEV - STEFKA PECEVA” and „TELEVISION - SLIVEN” Plc have been transferred with CRC decisions No. 1613/03.08.2006 and No. 2152/22.11.2006 to „MAX CHANNEL” Plc and „TELEVISION VARNA” Plc, respectively. One license for television broadcasting has expired during the last year and 7 new licenses have been issued to „TECHNOSTEEL” Ltd to perform telecommunications through terrestrial broadcasting of television signals with local coverage for the following settlements: Vidin, Vraca, Kiustendil, Pazardjik, Pernik, Smolian and Tervel. As a result towards the end of the year the number of the issued individual licenses for terrestrial broadcasting of television signals with local coverage has increased from 36 to 42.

THE BULGARIAN NATIONAL TELEVISION (BNT), „BALKAN NEWS CORPORATION” Plc and „NOVA TELEVISION - FIRST PRIVATE CHANNEL” Plc possess licenses for terrestrial broadcasting of television signals with national coverage.



Source: CRC

Fig. 79

The revenues realized through the networks of the television operators in 2006 amount to 194,2 million BGN, which is 26.8% more compared to 2005. 99.5% of the revenues are from broadcasted commercials.

The investments made in 2006 for the construction, maintenance and use of telecommunications networks for television broadcasting amount to 4,5 million BGN, which is a decrease of 9.4% compared to the previous year. The investment envisaged for 2007 has a value of 2,5 million BGN.

The achieved population coverage as of 31.12.2006 of the BNT programs is 98.5%, of bTV - 97.5% and of „NOVA TELEVISION - FIRST PRIVATE CHANNEL” Plc - 72%.

² National plan for radio frequency spectrum allocation of radio frequencies and radio frequency bands for civil needs, for the national security and defense needs as well as for shared use between them (prom., SG, No. 60/ 2004; suppl., SG No. 69/ 2004; amend. and suppl., SG No. 31/2005; amend. and suppl., SG No. 16 /2006)

BTC Plc holds a license for terrestrial digital broadcasting of television signals under the DVB-T standard for the region of Sofia. The incumbent broadcasted gratuitously in 2006 the program of the BULGARIAN NATIONAL TELEVISION.

In September 2006 the Commission declared intention to issue an individual license for telecommunications network for terrestrial digital television broadcasting on the territory of the capital. CRC took this decision in response to submitted applications by interested parties for exploring the technical issues for the possibilities for issuance of a license for terrestrial digital television broadcasting on the territory of the country. After exploring the technical issues, CRC announced that before the final adoption of the Plan for introduction of terrestrial digital television in Bulgaria there are possibilities to declare intention for issuance of an individual license to perform such kind of activity only for Sofia. The declared intention confirms the readiness of the Commission to work for the fulfilment of the commitments of the country to introduce the digital television broadcasting in compliance with the signed in Geneva Regional agreement and the Strategy for development of the radio and television activity through terrestrial broadcasting.

Until the end of 2012 Bulgaria as an EU member state has to switch over completely from analogue to digital terrestrial television broadcasting. The introduction of the digital technology shall ensure more efficient use of the radio frequency spectrum compared to the analogue applications, as well as opportunities for access to interactive information services, reception of more programs with better technical quality, portable and mobile reception, etc.