

Parliament of the Czech Republic

Chamber of Deputies

2008

5th Electoral Term

438

**REPORT ON THE STATE OF BROADCASTING AND THE ACTIVITY OF
THE COUNCIL FOR RADIO AND TELEVISION BROADCASTING**

for 2007

Submitted by
the Council for Radio and Television Broadcasting
in accordance with Section 6 (1) and within the deadline pursuant to Section 6 (2) of Act No. 231/2001
Coll.

The Council for Radio and Television Broadcasting approved this Annual Report at its 4th meeting on February 26, 2008 through a resolution concerned with item 2 on the agenda

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A. INFORMATION ON THE SITUATION IN RADIO AND TELEVISION BROADCASTING AND RADIO AND TELEVISION RETRANSMISSION

[Section 6 (1) (b) of the Broadcasting Act]

The state of affairs in radio and television broadcasting in the Czech Republic was affected last year by the following important events:

- adoption of Act No. 304/2007 Coll., amending some laws in relation to completion of the transition from terrestrial analogue television broadcasting to terrestrial digital television broadcasting;
- shutting down analogue broadcasting in the area around Domažlice;
- continuing concentration of ownership in the area of private terrestrial radio broadcasting;
- increase in the share of advertising on the Internet;
- changes in the legislation of the European Union: adoption of Directive 2007/65/EC concerning audiovisual media services;
- adoption of Act No. 160/2007 Coll., amending some laws in the area of consumer protection;
- commencement of “full-fledged” terrestrial digital broadcasting from Buková hora;
- extension of the digital satellite platform and digitalization of cable broadcasting

Situation in the domestic market

The Czech Republic has a developed system of dual broadcasting.

Survey of the number of licenses for radio and television broadcasting and radio and television retransmission

	as of December 31, 2006	as of December 31, 2007
Television broadcasting via terrestrial transmitters	29	28
Radio broadcasting via terrestrial transmitters	78	83
Television broadcasting via cable systems	86	97
Television broadcasting via satellites	21	29
Radio and television retransmission via cable systems	103	113
Radio and television retransmission via satellites	5	6
Television broadcasting via cable systems and satellites	5	7

Trends

Digitalization leads particularly to a change in the relations amongst individual platforms of delivery of signal. As follows from the following table, there has been an increase in the number of users of satellites. In cable broadcasting, there has been a relatively rapid growth in the number of viewers who can access cable digital broadcasting.

In radio broadcasting, the competition between nationwide and regional broadcasters has led to consolidation and concentration of property relations of the regional broadcasters.

In terrestrial television broadcasting, the possibility of receiving digital signal was extended to approx. 43 % of the population of the Czech Republic in 2007 (source: Czech Radiocommunications); analogue broadcasting was even shut down in a small part of the territory. However, the most important change in 2007 took the form of a strategic decision that the Czech Television would play a key role in the transition to digital broadcasting, as 1) the construction of digital networks would primarily involve the frequencies assigned to it; 2) due to postponing of the prohibition of advertising, it would obtain earmarked funds that

may be used for financing the transition to digital broadcasting. This change will be reflected in the modified Technical Transition Plan, which should be adopted in 2008.

Share of various systems in reception of television broadcasting

		2006	2007
Number of households with a TV set		3 800 000	3 900 000
Cable connection	analogue	800 000	900 000
	digital	40 000	150 000
Satellite reception		500 000	780 000
Terrestrial	analogue	3 300 000	3 200 000
	digital	200 000	390 000

Note: as some households have several TV sets and receive the TV signal through several systems, the above-specified figures cannot be added together (Estimate of the CRTB)

Listener rating of radio channels in the 3rd and 4th quarters of 2007 (10 most successful) (in 1000)

Program	Weekly reach in 2006	Daily reach in 2006	Weekly reach in 2007	Daily reach in 2007	Type of station
Radio Impuls	1865	934	2193	1109	nationwide
Evropa 2	1695	911	1664	838	regional
Frekvence 1	1664	904	1649	804	nationwide
ČRo 1 – Radiožurnál	1274	738	1188	700	nationwide
Rádio Blaník	736	402	754	408	regional
ČRo 2 Praha	682	428	648	386	nationwide
Rádio Čas	392	215	392	231	regional
ČRo Brno	310	211	305	203	regional
Rádio OK	251	144	276	144	regional
Country Rádio	247	130	290	142	regional

(Source: Mediaprojekt)

Note: Weekly Reach – summary weekly rating. Daily Reach – summary daily rating.

The all-day share of adult viewers over 15 years of age for December 2006 and December 2007 is provided as an example of the viewer rating of television programs (share of TVs tuned into a certain channel in all TVs turned on at the given time):

Share of viewers of television stations (in per cent), adults 15+, time from 7:00 P.M. to 11:00 P.M.

	December 2006	December 2007
Nova	46.48	41.02
Prima	18.04	17.45
1ČT	24.38	25.59
2ČT	5.28	5.33
24ČT	0.49	0.73
Sport 4ČT	0.16	0.55
Other	5.17	9.33

(Source: ATO – Mediaresearch)

The chart of expenditures for advertising in the years 2000-2007 provides very interesting information. It indicates that, in 2007, the expenditures for Internet advertising reached the level of expenditures for advertising in radio or outdoor advertisements. Indeed, this is the most rapidly growing medium. This is an important shift and means that, in the future, the Internet will display higher-quality audiovisual programs financed from advertising income, whether on websites of the current media – radio, TV, press – or on entirely new websites.

Table of information provided by the Association of Operators of Cable Televisions as of December 31, 2007 and comparison with 2006

	Organization	Contact address	Active plugs 12/31, 2006	Active plugs 12/31, 2007	Change compared 12/31, 2006	Number of TV programs 12/31 2006	Number of TV programs 12/31, 2007	Change compared to 12/31, 2006	Internet connections December 31, 2006	Internet connections December 31, 2007	Change compared to 12/31 2006	Digital format	Other services
1	AQUA a.s.	Mukařovská 25 100 00 Praha 10	1200	1401	201	21	21	0	700	1000	300	IPTV*	
2	CATR spol. s r.o.	Jeremenkova 41 140 00 Praha 4	780	8149	369	31	31	0	965	1375	410	NE	
3	ELSAT s.r.o.	Bezdrevská 1082/9 370 11 Č. Budějovice	10800	10835	35	32	32	0	1450	2500	1050	DVB-C	
4	GTT a. s.	Hornátecká 1772/19 182 00 Praha 8	47	47	0	15	15	0	0	0	0	NE	
5	HBTV s.r.o.	Ledečská 2848 580 01 Havlíčkův Brod	2187	3415	1228	61	61	0	320	870	550	DVB-C	
6	HDD s.r.o.	Kyselova 1185/2, Praha 8, 183 00	100	267	167	35	35	0	0	0	0	DVB-C IPTV	
7	Jiří Florián - Elektro	Viničné Šumice 349 664 06	301	301	0	19	19	0	0	0	0	NE	
8	K + K cable s.r.o.	Masarykova 159 399 01, Milevsko	6476	6710	234	24	24	0	2600	3700	1100	DVB-C	
9	Kabelová Televize CZ s.r.o.	Nádražní 115, 560 02 Česká Třebová	14859	17123	2264	55	55	0	2325	4639	2314	DVB-C	
10	KATEL s.r.o.	Zlatá stezka 167 383 01 Prachatice	462	453	-9	30	30	0	0	0	0	NE	
11	Katro Servis spol. s r. o.	U Potoka 267, 513 01 Semily	8000	9418	1418	29	29	0	799	1221	422	NE	
12	KONSAT s.r.o.	Livornská 427 109 00 Praha 10	170	204	34	68	68	0	0	0	0	DVB-C	
13	KT Jeseník s.r.o.	Dukelská 1240 790 01 Jeseník	1590	1660	70	24	24	0	113	338	225	NE	
14	KT Kadaň a.s.	Jungmanova 742 432 01 Kadaň	6868	6982	114	47	47	0	1967	2948	981	DVB-C*	
15	KT Přerov	U Bečvy 2883 750 02 Přerov I - město	16449	17423	974	25	25	0	4644	6973	2329	DVB-C DVB-T	VoIP
16	KT Třinec	nám. Svobody 526 739 61 Třinec	8338	9732	1394	44	44	0	1976	4108	2132	DVB-C*	VoIP
17	K.T.V.M., s.r.o.	Komenského 16/3 594 01 Velké Meziříčí	2078	2238	160	28	28	0	220	300	80	DVB-C*	
18	MAME Morav. Budějovice s.r.o.	Tovačovského sady 98 676 02 Moravské Budějovice 2	1759	1964	205	23	23	0	523	1208	685	NE	
19	NOEL v.o.s.	Na Pískách 3 695 01 Hodonín	4641	4767	126	47	47	0	105	214	109	NE	
20	RTV - 5 s.r.o.	P.O.Box 20 Pošta 2, Slovácká 39 690 02 Břeclav	2854	3195	341	25	25	0	785	1557	772	DVB-C	
21	Teletrans s.r.o.,	Příhon 19 – 21 Klobouky u Brna 691 72	785	0	-785	0	0	0	0	0	0	NE	
22	TKR Jašek s.r.o.	Nádražní 628 756 61 Rožnov pod Radhoštěm	2199	2399	200	35	35	0	1284	2950	1666	DVB-C* IPTV*	VoIP
23	TVNET s.r.o.	Rezlerova 304, 109 00 Praha 10	3090	3110	20	30	30	0	0	0	0	NE	
	Total		103033	111793	8760	109	141	32	20776	35901	15125		

Annual Report of the Association of Operators of Cable Televisions for 2006 is available at www.apkt.cz

Note:

On January 1, 2007, Teletrans s.r.o. merged with KT.cz a.s.

* = experimental operation

Comparison of 2007 with 2006:

The number of members of AOCT decreased from 23 to 22 (by incorporating Teletrans in KT.cz)

The number of operated broadband networks (localities) remained unchanged (150)

Number of active plugs in TCN of members of AOCT increased by 8760 (+ 8.5 %)

The number of channels (domestic + foreign) disseminated in TCN operated by the members of AOCT increased from 109 to 141

The number of channels of the individual operators remained practically unchanged. However, there was a change in the composition of offers – new channels were disseminated

A number members began experimental broadcasting and some of them (4) also commercial provision of DVB-C simultaneously with analogue transmission, or cable DVB-T format. IPTV (incl. VoD) is still only experimental

Some members also began to provide other services, e.g. telephone on the basis of the IP protocol (VoIP)

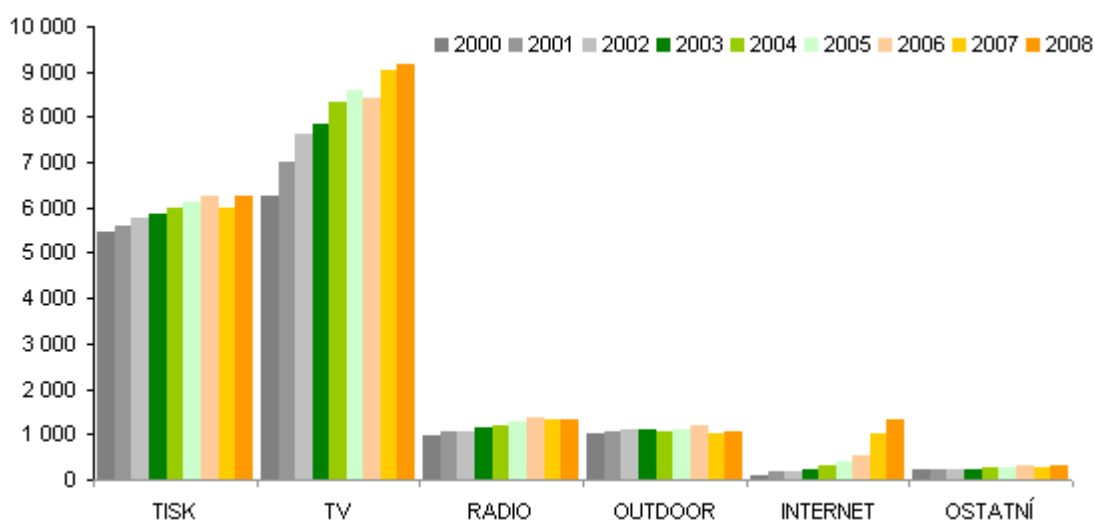
The increase in the number of Internet connections was the most marked: This number increased by 15 125 (by 73 %). The revenues of some members for Internet connections exceed their revenues from the provision of TV programs, even though the fees for this service are lower than the fees charged by the competition.

A majority of TCN locations were connected to the backbone Internet network by optical connections. In one case, this also included receipt of the DVB-C multiplex.

Survey of expenditures for the media in billion CZK from 2000, with an outlook for 2008

Estimate of net expenditures for the media (in CZK million)

	2000	2001	2002	2003	2004	2005	2006	2007	2008
PRESS	5 450	5 600	5 750	5 840	6 000	6 120	6 270	6 000	6 250
TV	6 250	7 000	7 600	7 850	8 330	8 590	8 420	9 050	9 150
RADIO	985	1 040	1 050	1 130	1 190	1 270	1 360	1 315	1 315
OUTDOOR	1 015	1 070	1 100	1 100	1 050	1 100	1 175	1 000	1 050
INTERNET	110	160	190	235	310	410	540	1 020	1 315
OTHER	210	220	230	235	255	275	300	285	300
TOTAL	14 020	15 090	15 920	16 390	17 135	17 765	18 065	18 670	19 380



- excluding barter operations
- excluding autopromotion
- media
- after deduction of all discounts and mediabuyer bonuses
- including 15 % agency commission or, as appropriate, the commission for media agency

Source: estimates of ARBOmedia, November 2007

Estimated net expenditures for advertising in 2007 - comparison

Media	CZK billion		per cent	
	ARBOmedia	ACA	ARBOmedia	ACA
TV	9.05	9.90	48.5%	39.1%
Press	6.00	8.40	32.1%	33.1%
Radio	1.32	2.27	7.0%	9.0%
Outdoor	1.00	2.12	5.4%	8.4%
Internet	1.02	2.57	5.5%	10.1%
Other	0.29	0.08	1.5%	0.3%
TOTAL	18.67	25.34	100.0%	100.0%

Source: Association of Communication Agencies (= ACA), ARBOmedia

Legislative changes related to the operation of television and radio broadcasting

Amendment to the Broadcasting Act in 2008

Several changes occurred in the media legislation during 2007; on the one hand, the Council evaluated the experience gained in more than one year of application of Act No. 231/2001 Coll., in the version following from the latest major amendment brought by Act No. 235/2006 Coll., i.e. in the version effective as of May 31, 2006 and, on the other hand, particularly at the end of 2007, it began intensive theoretical preparations for application of the "digital amendment" which was ultimately adopted as Act No. 304/2007 Coll., with effect from January 1, 2008.

Two particular observations can be made in the framework of evaluation of the practical experience with application of amendment No. 235/2006 Coll. First, from the viewpoint of the former strategy of the license proceedings for broadcasting via terrestrial transmitters, where the Council used to announce the license proceedings exclusively ex officio, a fundamental breakthrough consisted in the possibility of initiating license proceedings on the basis of an instigation put forth by the license applicant. After an instigation is received, the Act requires that the Council request, within the set deadlines, an opinion of the CTO, delimiting the territorial scope of the broadcasting. However, in practice, the conflicts between license proceedings and proceedings on a change in the set of technical parameters or on a change in the territorial scope of broadcasting (the issue of "supplementary frequencies") still need to be resolved from the legislative point of view. Second, already in the annual report for 2006, the Council noted the impact of the prohibition of "vertical integration" between broadcasting operators and operators of digital networks; Section 17 (4) banned this integration also in retransmission. Applicants for registration of retransmission thus gradually resolved to connect a minor analogue part to their digital network, whereby their broadcasting ceased to be, in the words of the law, "only digital". The prohibition of vertical integration in relation to retransmission was cancelled by Act No. 304/2007 Coll. with effect from January 1, 2008.

Act No. 304/2007 Coll., i.e. the "digital amendment", is aimed particularly at unblocking the process of transition from terrestrial analogue television broadcasting to terrestrial digital television broadcasting. In addition to the Broadcasting Act, the aforementioned Act also amends the Electronic Communications Act; in this respect, administrative proceedings held before the Council will be directly affected particularly by the Technical Transition Plan, which is to be adopted through the Government resolution with the aim of establishing a network of electronic communications for the public service multiplex, other services for nationwide terrestrial digital television broadcasting and one network allowing for regional terrestrial digital television broadcasting. The original general measure of the Czech Telecommunication Office, i.e. measure No. OOP/15/12.2006/39, stipulating the Technical Transition Plan, issued pursuant to Art. IV of Act No. 235/2006 Coll., was cancelled as of the date of effect of the Government Resolution.

Within the transitory provisions, Act No. 304/2007 Coll. introduces two types of compensation licenses:

a compensation license for the operation of nationwide terrestrial digital television broadcasting by the holders of a license for nationwide terrestrial analogue and digital television broadcasting who deliver to the Council, within three months of the date of effect of the Technical Transition Plan, a declaration that they will return the set of technical parameters of broadcasting specified in the license in accordance with the Technical Transition Plan and a written undertaking to terminate terrestrial analogue television broadcasting by October 10, 2010, or by a later date set in the Technical Transition Plan

a compensation license for those applicants who had been granted, prior to the date of effect of Act No. 304/2007 Coll., a license for nationwide terrestrial digital television broadcasting by a decision of the Council that has been contested by a court action.

Only the applicant is a party to the proceedings on granting a compensation license. In the former case, the Council stipulates the license conditions according to the application while, in the latter case, the decision of the Council contains license conditions for broadcasting that are identical to the conditions stipulated in the decision on granting a license for nationwide terrestrial digital television broadcasting that has been contested by a court action.

Furthermore, the transitory provisions allow the holder of a license for nationwide terrestrial analogue and digital television broadcasting to apply to the Council for extension of the part of the license that provides authorization for terrestrial digital television broadcasting by up to 8 years provided that the holder is simultaneously the holder of a compensation license where the legal effects of the Council decision on extension of the term of the license expire on the date of expiry of the compensation license.

However, the applicable legal regulation raises doubts regarding its conformity with the Constitution. It should be noted that there is a potential risk of it being challenged, e.g. by unsuccessful applicants for a license.

Furthermore, Act No. 304/2007 fundamentally amends Act No. 231/2001 Coll. with respect to the part concerning operation of terrestrial digital television broadcasting disseminated via transmitters. This type of license proceedings will no longer take the form of joint proceedings that are commenced by announcement, but will rather newly become proceedings commenced at request and will be held with a single party in a simplified (summary) regime pursuant to Section 25 (1); this corresponds to the current proceedings on a license for operation of broadcasting disseminated via satellites and cable systems. Therefore, if the applicant complies with all the requisites of the application and the set statutory conditions, he will be legally entitled to a license for operation of terrestrial digital television broadcasting.

Another important change consists in the regulation of special conditions for the operation of retransmission via transmitters pursuant to new Section 28a, which allows for registration of retransmission in networks of terrestrial digital television broadcasting. This innovation is expected to resolve, on the one hand, the issue of new broadcasting technologies and, on the other hand, the issue of temporarily unused capacity of the network that could be temporarily used by the operator for retransmission, subject to the priority of programs broadcast on the basis of a license or temporary license.

The procedure of the Council is hindered, inter alia, also by the general provisions of Section 134 (1) of the Code of Administrative Procedure, which do not fully reflect the special features of its decision-making process. With respect to activities of the Council, this should be regulated in the Broadcasting Act, including particularly the aspect of presence of other persons (employees of the Office and, as appropriate, entities providing legal services on the basis of a special law) in meetings of the Council and its voting.

Consumer protection

Act No. 160/2007 Coll., amending some laws in the area of protection of consumers, was published in the Collection of Laws on July 2, 2007. This Act amended, inter alia, Act No. 40/1995 Coll., on advertising, and Act No. 231/2001 Coll., on radio and television broadcasting. The Act requires that the Council perform supervision related to transborder cooperation and, in this respect proceed pursuant to Regulation of the European Parliament and of the Council (EC) No 2006/2004 within the scope of material competence pursuant to the special regulations transposing the Directives set forth in paragraph 4 of the Annex to the Regulation. The Council was forced to set aside capacities for this agenda, whose scope is currently hard to predict. The explanatory report states: "It is likely that implementation of the draft Act will require the allocation of funds from the State budget and from public budgets. However, it is very difficult to estimate the specific requirements as this is an entirely new EC regulation and there is no experience with its application in other Member States. At the present time, it is unknown, and cannot be estimated, how many cases will be implemented pursuant to the Regulation in the individual areas every year. In relation to the State supervisory bodies, it is anticipated that the potential higher financial demands related to the application of the Regulation will be resolved within the individual sectoral budgets. The same is true for the establishment and activities of focal points."

In 2007, the Parliament discussed an amendment to Act No. 40/1995 Coll., on advertising, which unifies the European regulation of misleading advertising. The draft Act delimits two types of commercial practices which are by far the most common, namely misleading commercial practices and aggressive commercial practices. In accordance with the Directive, prohibition of misleading advertising is replaced by prohibition of advertising that constitutes an unfair commercial practice.

Definition of this term is contained in Act No. 634/1992 Coll., on consumer protection. However, the Act will probably become effective during 2008.

European Directive on Audiovisual Media Services (AVMS)

After many years of discussions, the European Parliament adopted an extensive amendment to the Television without Frontiers Directive, which established the rules applicable to the unified television market for the Member States of the European Union. The Directive introduces a substantial alteration in a number of approaches that were mostly required by a significant change in the technologies of transporting the television signal, not only to households, which has taken place over the recent years. AVMS covers all audiovisual media services, i.e. traditional television broadcasting with a program prepared by the operator that is known in advance, as well as “on-demand services”, which have been exempted from regulation to date. Services are subject to regulation only in the case of “the provision of programmes in order to inform, entertain or educate, to the general public by electronic communications networks”. Inclusion of on-demand services is related to their growing importance. Given the specific character of on-demand services, their regulation differs from regulation of “classical” television broadcasting. Only several basic requirements are imposed on these services. Stricter rules apply to advertising and protection of minors in television broadcasting.

The Directive attaches greater importance to the principle of the “country of origin”. This means that service providers are subject to regulation only in the country where they have their registered office and no other countries may place additional requirements on them. This should increase legal certainty of entrepreneurs and allow for implementation of international business plans.

As regards satellite broadcasting, the Directive specifies the country whose jurisdiction covers operators who are not established in the EU. AVMS allows the Member States to restrict the access to some on-demand service if their national laws differ from other Member States. E.g., this provision will allow a Member State to adopt a measure aimed against forms of Nazi propaganda that are not prohibited in all Member States.

The Directive stipulates the possibility of undertaking consultations amongst regulatory bodies with respect to regulation of programs that are broadcast to other countries and, simultaneously, contains procedures that enable to prevent attempts to evade the national rules based on the country of origin principle.

Article 3a of AVMS requires that all audiovisual media service providers make accessible all the relevant data for their identification. This duty is necessary for determining the editorial responsibility for the contents of the service. The Directive enables all broadcasters established in EU to access events of high interest to the public, which are transmitted on the basis of exclusive rights enabling the broadcasters to broadcast short news shots.

The Directive requires the Member States to “promote, where practicable and by appropriate means, the production of and access to European works”. This means that this duty is also borne by the providers of on-demand services.

The long-discussed product placement is generally prohibited by the Directive; however, it permits a deviating regulation in individual Member States. For those countries that resolve to permit product placement, the Directive prescribes what duties must be borne by the operators under their jurisdiction for it to be possible to include the work containing placed products in broadcasting. The Member States may adopt a stricter regulation.

As regards advertising, the Directive introduces a more flexible regime. The total limit of advertising of 12 minutes during one hour has been maintained; however, the position of advertisements is more flexible. Only for television broadcasting (some types of programs), it holds that it “may be interrupted by television advertising and/or teleshopping once for each scheduled period of at least thirty minutes”. Otherwise, the operator is solely obliged to ensure that the natural integrity of programs is not impaired. The Commission presumed that a channel that overburdens its broadcasting by advertisements will lose its viewers.

Based on positive experience of some countries (United Kingdom, the Netherlands), the Directive encourages the Member States to incorporate these mechanisms of self- and co-regulation in their national legislation. One of these measures should consist in regulation of “unhealthy food and

beverages” in programs for children. With respect to protection of youth, AVMS is practically identical to the regulation introduced by the former Directive.

The Directive also requires that the Member States strive to encourage providers to ensure that their services are gradually made accessible to people with a visual or hearing disability by means of subtitles or audio-description.

For the purpose of enforcement of the provisions of the Directive, emphasis is placed on mutual cooperation amongst independent regulatory bodies of the individual countries and their collaboration with the Commission.

New programs and monitoring of the contents of broadcasting

Section 5 (g) of Act No. 231/2001 Coll. stipulates, as part of the competence of the Council, that the Council shall monitor the contents of radio and television broadcasting. This control of contents is carried out from the viewpoint of compliance with legal regulations in the area of radio and television broadcasting and with the conditions stipulated in the decisions on granting the license or in the decisions on registration (see subparagraph a) of the same provision). This statutory delimitation of the Council's control function in relation to the contents of the broadcasting is a fundamental aspect, which, however, does not in itself enable the administrative body to duly perform the control function contemplated by the law in practice. The Council can duly perform the control function in relation to the contents of the broadcasting only through appropriate means.

It is rightly assumed as being a matter of fact that the Council will fulfill its functions – including the control of the contents of broadcasting – in a dynamically developing and growing sector of radio and television broadcasting. This administrative body, including a comprehensive background, i.e. the Office of the Council, was established in a situation where broadcasting in the Czech Republic was entirely different than in 2007, or 2008. This is true not only terrestrial nationwide broadcasting, which is traditionally the subject of the greatest attention – particularly at the present time, during transition to digital broadcasting. It also includes other terrestrial means of broadcasting, cable broadcasting and satellite broadcasting, not only cable and satellite broadcasting by providers with authorization obtained in the Czech Republic. This issue also includes broadcasting disseminated by entities with a foreign license, which is, in some cases, directly intended for the Czech viewers and which is also subject to the control powers of the Council. In short, e.g., the introduction of digital broadcasting does not bring only a substantially higher number of programs for viewers or listeners, but also more programs that will need to be controlled. However, in the long term, the increase in the number of programs subject to control is not related only to digital terrestrial broadcasting.

It should be noted in this respect that the number of responses from viewers or listeners addressed to the Council grows, not only together with the mere increase in the number of programs, but also together with growing availability and use of new forms of communication, particularly electronic mail. In 2007, e-mail petitions became the basic form of contacting the Council, as far as the contents of broadcasting is concerned. Dealing with these petitions will require a certain working capacity. The number of complaints regarding the contents of the program in proportion to the capacity of the Council in the area of program control in practice requires a decision whether monitoring of the contents of the broadcasting that is to be performed by the Council pursuant to the law should be understood as a service responding to complaints, while giving up, to a major degree, on active systematic monitoring, or whether the Council should engage more in systematic monitoring. The number of complaints is so high that, increasingly, for reasons of inadequate capacity, they cannot be resolved in good time, as would be fitting in the area of television and radio broadcasting. Furthermore, it can be stated that, given the personnel capacities of the Council, the number of petitions concerning the contents of broadcasting that had to be dealt with in 2007 became an obstacle to maintaining at least the current level of monitoring of the contents of broadcasting. Therefore, the Council resolved to make changes in the system of monitoring, where emphasis is newly placed on regular systematic monitoring. Thereby, it is possible, to a certain degree, to prevent some complaints concerning the contents of programs, or a substantial part of questionable cases should already be covered by systematic monitoring and, therefore, it is not or will not be necessary to deal with them on the basis of complaints.

It cannot be overlooked that technical aspects of broadcasting have developed, and are further developing, during the term of existence of the Council. In this respect, the year 2007 was an important milestone. A fundamental change is currently taking place, consisting in introduction and extension of digital broadcasting; however, from historical point of view, this is not the sole

technological change that has occurred, not to mention future developments. It is clear that a control body, if it is to monitor the contents of broadcasting in the entire territory of the Czech Republic, including, e.g., teletext or services directly related to programs, must have available technical means and not be dependent only on recordings kept by the providers. It is a question whether it should have charge-free access to programs with conditional access. Technical needs are or will be different than they used to be. The professional technical background required for monitoring the contents of broadcasting in the era of digital broadcasting is more complex from the viewpoint of investments and operation than are the costs of acquisition and operation of technical equipment that can currently be obtained from the Council's budget.

In practice, the performance of the Council's program control function is also affected by the quality of the legal regulations and other legal documents on which this work is based. Higher effectiveness of the program control function of the Council is partly prevented by inaccurate or inadequate legislation – e.g.:

- shortcomings and gaps in legal definitions in the programming area, including key terms;
- certain basic statutory duties of providers are related only to individual programs, rather than to the entire channel broadcast by them;
- unclear specification of the broadcaster's duties in 30-day maintenance of recordings required by the law (in what form, what specifically should be maintained) that are required for the performance of control;
- lack of the duty of the providers to provide the control body with information on the broadcast program (enumeration of programs and other components of broadcasting, broadcasting times, etc.);
- non-existence of the duty of cable system operators to maintain recordings in retransmission of programs of foreign broadcasters, whose broadcasting is otherwise not recorded and maintained for the purposes of control in the Czech Republic;
- some basic statutory duties of the providers are stipulated without any link to penalties;
- impossibility of initiating a process of removing historical or obsolete aspects of license conditions by the Council; in general, non-specification of the structure of a license in a legal regulation, etc.

In this relation, it can be noted that amendments to the Broadcasting Act regularly resolve pressing fundamental issues, such as regulation of digital broadcasting, harmonization with the European legislation or the basic status of the Council; nevertheless, the need for improving the quality of the entire wording of the Act in its details is usually neglected. This is certainly partly caused by the fact that the responsibility for the media legislation is borne within the government by a body that does not perform State administration in this area (i.e. within the scope of Act No. 231/2001 Coll., on radio and television broadcasting), i.e. the Ministry of Culture. Another issue is related to the lack of secondary legal rules in the area of broadcasting, which can be neither adopted nor initiated by the Council, and the Ministry of Culture has failed to adopt them (with the sole exception of the List of Events of High Social Importance); these rules could perhaps resolve some or many of the issues in the performance of the program control function, or some other functions of the Council that are generally stipulated in the Act. The approach taken by the providers to some requests made by the Council, attempting to fulfill part of its control function, would surely constitute disregard for an administrative body if the providers had been explicitly required by a law or some other legal regulation to comply with the Council's request. The imperfectness of the statutory delimitation, legal regulations and documents, including licenses (a substantial part of which originated at the time of the former legislation) also complicates, in turn, the performance of the Council's control function in relation to the contents of broadcasting and partly impairs its effectiveness.

The Council may perform its monitoring function within the limits of its capacity and the quality of the performance of this function must necessarily decrease if the means remain unchanged, while the scope of duties is being substantially extended. Of course, there is no simple direct proportion between the number of programs subject to the Council's control function and the number of employees who manage it; nevertheless, it cannot be overlooked that the agenda is growing and it cannot be expected that it could be handled by the same number of personnel having practically the same means. In practice, five permanent program analysts were employed by the Office of the Council in 2007 (occasionally supported by external analytical capacities), while there were dozens of television and radio programs channels contents had to be checked. The increase in the program-analytical activities has been dealt with in the long term particularly by higher intensity of work. In this relation, it should be noted that part of the funds from the increased budget of the Council for 2008 (approx. CZK 10 million), which has already been provided by the Ministry of Finance, was used

particularly for the creation of three new working positions in the Office of the Council – two program analysts and one lawyer since the beginning of 2008. The urgent situation was thus at least partly resolved. Monitoring of the contents of broadcasting (except for external support for monitoring of advertisements in nationwide television broadcasting) is not supported by any electronic system for monitoring the contents of broadcasting, whose utilization would require investments and operational costs that currently exceed the Council's possibilities. Active systematic monitoring of the contents of the broadcast programs in the full sense and to an appropriate extent cannot be currently conceived. However, substantial benefit in application of the technology of an electronic monitoring system as a support for the Council's control function could be ensured by support for the Smart Administration project from EU funds. The Council has been included in the project.

As follows from the analysis above, the performance and effectiveness of the Council's monitoring function is affected by a number of factors, some of which cannot be resolved immediately, such as improvement of the legal environment or fundamental investment in building and operating an electronic monitoring system. Discussion should be held on these systemic and fundamental factors. In order to maintain at least the current level of monitoring of the contents of broadcasting at the time of development of digital broadcasting and further trends in the area of broadcasting, it has been shown to be necessary to at least increase the personnel engaged in monitoring activities. An estimate of the increased demands on personnel must be based on data on the anticipated developments in the area of television and radio broadcasting. This development can be anticipated particularly in the area of television broadcasting, which simultaneously places the greatest part of requirements on monitoring of the contents of broadcasting.

It is difficult to estimate the number of television programs newly licensed in 2008 as, in all cases, the license proceedings will be held at request, either within license proceedings announced by the Council, license proceedings announced by the Council at instigation of the applicant or proceedings on granting a license with a single applicant (broadcasting via cable systems and satellites). In fact, this involves a market development projection. Nevertheless, from the viewpoint of statistical probability, the considerations can be based on data for previous years, particularly as regards broadcasting through cable systems and satellites – in this respect, the number of newly granted licenses can be estimated at approx. twenty per year (10 cable systems and 10 satellite systems). Digital televisions (DVB-T) will newly enter the market; here we can anticipate at least ten new programs within "compensation licenses". It cannot be estimated at the present time whether mobile digital television DVB-H will also be introduced in 2008. However, in all the aforementioned cases, it must be borne in mind that the newly licensed providers must comply with the statutory deadline for commencement of broadcasting and, thus, programs licensed in 2008 may commence broadcasting only in 2009. On the other hand, programs licensed in 2007 could be commenced in 2008.

An increase in the personnel should be reflected in all parts of the team that provides for monitoring of the contents of broadcasting, i.e. broadcasting analysts, who perform monitoring as such, lawyers, who provide for all requisites of the subsequent administrative and, as appropriate, court proceedings, and monitoring support, where the relevant employees provide for cooperation with external analysts or entities cooperating in monitoring of the contents of broadcasting, ensure correspondence related to the contents of broadcasting, etc. With regard to the partial lack of personnel required for monitoring in 2007 and the previous years, which led to the above-described consequences (such as delays in analysis caused by their high quantities or allocation of part of the working capacity for increased volumes of correspondence, etc.), it can be concluded with certainty, that the Office of the Council needs to be supplemented by analytical workers and lawyers, as well as employees providing monitoring support and the related activities. The greater extent of monitoring also requires a marked increase in the budgetary means for operational and technical purposes. During the discussions on the budget for 2007, the Council addressed the Chamber of Deputies with a request where it proposed a variant involving an investment for purchase of a monitoring system in the amount of CZK 100 million and a certain increase in the number of employees, or a variant of an increase in personnel without this investment. Based on this request, the Ministry of Finance increased the specified number of personnel of the Council by three persons, with an increase in the budget by CZK 10 million.

There is currently a project of procurement of a monitoring system from the EU Smart Administration Program, which would resolve the issue of monitoring equipment. The Council notes that, even if this system were procured, it will require increased personnel, not only for monitoring, but also with respect to the new obligations following from new legal regulations in the area of consumer protection.

Non-commercial broadcasters

Section 3a of Act No. 231/2001 Coll. stipulates the basic preconditions for participation of legal and natural persons in proceedings on granting a license for radio and television broadcasting or on registration for radio or television retransmission. It follows from Section 3a (1) that an application for a license or application for registration may be lodged only by a legal person that meets the conditions stipulated by the Commercial Code for operating a business in the Czech Republic. In practice, this includes particularly trading companies. In accordance with the prevailing interpretation of the relevant provisions of the Commercial Code, a license or registration may also be applied for by municipalities. However, a license or registration may not be obtained by entities, such as civic associations, beneficiary companies, public corporations (e.g. universities), etc., that could be financed from public sources and that are engaged, e.g. in promotion of local culture and improvement of social cohesion in the region, or implement educational or multicultural programs. The Council has already received a license application lodged by a civic association; however, according to the applicable legislation, such entity cannot be granted the license. However, it is common in a number of European countries that a broadcasting license is held by non-commercial entities which thus constitute a third pillar of the broadcasting system (e.g. in Austria, Germany, Belgium, Denmark and Slovenia). Similar to commercial broadcasters, these entities are also subject to license proceedings.

During discussions held in 2007 on the possibility of allowing access to the market also to entities other than commercial companies, it was shown that the aspect of law enforcement belongs amongst the limiting factors for extending the number of persons who can hold a license. While problems related to enforceability of a potential penalty are not likely with respect to foundations or public-law corporations, this is not true for civic associations. Thus, this issue was not legislatively resolved in 2007.

Situation in the radio market

Optimization of the frequency range

In 2007, TESTCOM drew up a study of use of the radio frequency range by the Czech Radio, based on a request of the CTO. In addition to the effectiveness of use of the frequency range, the study was also concerned with the fact that, in some areas, the Czech Radio failed to comply with the provisions of the law, which requires the possibility of receipt of its nationwide broadcasting by 95 % of the population of the Czech Republic.

Given the fact that the method of calculation of the number of population that can receive radio broadcasting has not been set to date, unlike in television broadcasting, where this methodology is stipulated by a Decree of the CTO, the study proposed two variants of possible calculation of this parameter. The second variant, where interference is included with a margin reduced by 6 dB, would require mere supplementation of the CRo2 radio program by several frequencies in Moravia, in order to fulfill the requirement of the law. The Czech Radio agreed on this proposal with both regulatory bodies. This issue will be finally resolved within the contemplated amendment to the Electronic Communications Act.

Changes in the set of technical parameters for providers of analogue radio broadcasting

Section 21 of Act No. 231/2001 Coll. provides for proceedings on a change in the license conditions. Pursuant to the wording of the Act, the Council must make a decision within a relatively short deadline; otherwise, the application is considered to be approved. The Council may dismiss the application only "if the change would result in non-granting the license on the basis of a public hearing". These are clear rules for all changes in the license conditions – except for an application for changes in the territorial scope of broadcasting. Indeed, it cannot be ascertained from the granted licenses whether the Council assigned the program solely the given territorial scope and would not grant the license for any other scope.

Given the fact that, pursuant to the Act, the Council “supervises over maintenance and development of plurality of the program offer and information in the area of radio and television broadcasting”, it is logical that, in case of an application for a change in the territorial scope of broadcasting, the Council should take into account whether the required frequency covers a territory related to the licensed territorial scope. If this is not so, it should be entitled to announce license proceedings and allocate the frequency in a tender procedure. If the Act were interpreted in that the Council is obliged to approve every application for a change in the territorial scope of broadcasting, as it cannot prove that the applicant would not obtain a license for the extended territorial scope, the Council would lose the ability to fulfill the duty stipulated by law, as it would be unable to control what programs are broadcast in the given territory.

The inherent contradiction of the Act results, in practice, in the fact that, if the Council dismisses an application for a change in the territorial scope of broadcasting and the provider brings the case to the courts, some senates of the Municipal Court in Prague force the Council to accept the application if it is unable to justify the dismissal pursuant to the aforementioned provisions, while other senates base their considerations on the logic of the tasks of the Council and provide, in these cases, the Council with discretion. Where the Council attempted to proceed pursuant to the judgments of the Municipal Court in 2007, this led to inconsistent decision-making by the Council. Given the fact that the analogue frequency range will continue to be used for radio broadcasting for a long period of time, a more precise legislative regulation of this issue is very desirable.

Issue of disconnecting the program of licensed providers of nationwide radio broadcasting

On October 4, 2007, the Council received an instigation for review of violation of the Broadcasting Act and breach of the set license conditions from a radio broadcaster who notified the Council of the fact that some providers of nationwide radio broadcasting, inter alia, Frekvence 1, a.s., broadcasting program FREKVENCE 1, and LONDA, spol. s r.o., broadcasting program Rádio Impuls, violate the Broadcasting Act and the license conditions as they arbitrarily disconnect parts of advertising blocks from the program and, thus, different advertisements are broadcast in the individual regions of the country at the same time, even though this advertising is an integral part of the program as one of the parts of broadcasting. Based on the instigation, own monitoring and performance of its control duties, the Council ascertained that some providers of nationwide radio broadcasting disconnect regional frequencies assigned to them from the “central” program and, subsequently, broadcast regional advertising blocks related to the given area. An analysis showed that this was an important issue that had its roots in the early stages of private radio broadcasting. Unlike other countries, the regulation of disconnecting was not explicitly resolved either in Act No. 468/1991 Coll. or in Act No. 231/2001 Coll. E.g., in Bavaria, it is prohibited to disconnect radio broadcasting, while in Austria disconnection of nationwide programs is limited both by the minimum area where this is permissible and by time limits. Having reviewed the instigation, the Council commenced administrative proceedings with the two mentioned broadcasters for potential breach of the set license conditions. Simultaneously, the Council issued a resolution in which it designated the following companies as the parties to the administrative proceedings – Radio Dragon, s.r.o., RNDr. Pavel Foretník, Josef Hejl, Radio Contact Liberec, s.r.o., Radio Zlín, spol. s r.o., JUKE BOX, spol. s r.o. Oral hearings were also ordered within the on-going administrative proceedings, where the individual parties presented their opinions on the merits of the case. The relevant administrative proceedings have not been closed to date.

Survey of the shares of radio agencies in the advertising market

agency	main clients	market share
ARBOmedia	Czech Radio	20.8%
RRM	nationwide F1, Impuls; regional Evropa 2	37.2%
MMS	majority of regional stations	40.0%
Independent		1.9%

Source: SKMO-STEM/MARK MEDIAN - Radioprojekt (January 1, 2007 – June 30, 2007)

EPRA conference in Prague

In 2007, the Czech Republic organized the 25th meeting of EPRA. The European Platform of Regulatory Authorities (EPRA) is a professional association of 49 regulatory authorities from 41 European countries. It was established in 1995; the Czech Republic became a member on January 24, 1996. While EPRA is not a component part of the structures of the European Union, it very closely cooperates with the EU Commission (namely with the Directorate-General for Information Society and Media) and with the Council of Europe (media human rights department). Both the above-mentioned institutions have the status of permanent observers in EPRA and regularly participate in all its meetings. The administrative background for EPRA is ensured by the European Audiovisual Observatory in Strasbourg.

EPRA is currently the most important forum in Europe for effective sharing of information in the area of regulation of electronic media. The Council for Radio and Television Broadcasting actively participates in activities of EPRA. Cooperation of national regulatory authorities includes particularly discussions on practical solutions to legal issues related to interpretation and application of the media legislation. A specific result of the cooperation consists, e.g., in the uniform procedure against entities broadcasting illegal content, who attempt to evade the European media laws. The importance of membership of CRTB in EPRA increased with accession of the Czech Republic to the EU and the continuing globalization of electronic media. EPRA meets twice annually in the individual member countries. The high frequency of its meetings is based on frequent changes in the media legislation and reflects an attempt to keep pace with the rapid technological developments, particularly the arising digitalization of radio and television broadcasting and the on-going process of convergence of media.

The Council for Radio and Television Broadcasting hosted the 25th meeting of EPRA. 150 guests from 40 countries of Europe, including employees of the EU Commission and the Council of Europe, gathered in Prague on May 16 to 18, 2007. The status of observers was given to representatives of Russia, particularly representatives of the body for legal regulation of the massmedia and protection of the cultural heritage (Rosohrankultura).

The main topic of the plenary meeting consisted in independence of regulatory bodies. The key speech was presented by the Polish media consultant, Karol Jakubowicz. An important part of the conference was dedicated to information provided by the EU Commission with respect to modernization of the Television without Frontiers Directive, which is now, in its amended version, called Audiovisual Media Services Directive. (The mentioned amendment came into force on December 19, 2007 and is to be transposed to national laws within two years.) Three working groups discussed the effects of concentration of media on plurality of opinions, and also the more difficult distinguishing between editorial content and advertising, as well as evaluation of the performance of public-service broadcasting. The second day of the conference was dedicated to the issue of licensing new media and elections of the Executive Board of EPRA. Joan Botella of the Catalan CAC (Audiovisual Council of Catalonia) was replaced in the office of Chairperson by Dunja Mijatović of the regulatory authority of Bosnia and Herzegovina – CRA (Communications Regulatory Authority). Jürgen Brautmeier from Germany, Andris Mellakauls from Latvia and Sebastiano Sortino from Italy were elected as Vice-Chairpersons.

The organization by the Council for Radio and Television Broadcasting was highly appreciated both by the management of EPRA in Strasbourg and by the participants themselves as flawless and professional.

The 26th meeting of EPRA took place in October 2007 in Sofia, Bulgaria. It concentrated on the final modifications of the Audiovisual Media Services Directive and dealt in detail with the issues of digital radio and technical aspects of media monitoring.

B. INFORMATION ON COMPLIANCE WITH LEGAL REGULATIONS IN THE AREA OF RADIO AND TELEVISION BROADCASTING AND ON IMPOSED PENALTIES

[Section 6 (1) (c) of the Broadcasting Act]

Pursuant to Section 5 (a) of the Broadcasting Act, the Council supervises over compliance with legal regulations in the area of radio and television broadcasting and over the conditions stipulated in the decisions on granting the license or in the decisions on registration. Definition of the competence and powers of the Council is important in this respect. The Council, as a State administrative body, may carry out only acts that are expressly permitted by the law, within the statutory limits and in lawful manners. The legislature provided the Council with the power to impose penalties only under the Broadcasting Act and Act No. 40/1995 Coll., on regulation of advertising (the Advertising Act). In accordance with Section 66 of Act No. 231/2001 Coll., a court action may be lodged against a decision of the Council pursuant to the Code of Administrative Justice. If the court cancels the relevant decision of the Council and returns the case for further proceedings, the Council is then bound by the legal opinion expressed by the court in the canceling judgment in accordance with Section 78 of the Code of Administrative Justice. Upon canceling the decision, the proceedings before the Council go back to the procedural phase preceding the decision. A cassation complaint may be lodged against the court decision with the Supreme Administrative Court. If the Supreme Administrative Court quashes the decision of the first instance court, the latter is bound by the legal opinion expressed by the Supreme Administrative Court in its judgment. In accordance with Section 5 (s) of the Broadcasting Act, the Council publishes the court decisions on remedies and on actions against its decisions on its website at www.rrtv.cz.

The Council attaches all court decisions delivered in 2007 to its Annual Report for 2007 on a CD that is its integral part.

Further regulations that are directly related to decision-making by the Council:

- Act No. 140/1961 Coll., the Criminal Code, as amended
- Act No. 40/1964 Coll., the Civil Code, as amended
- Act No. 20/1966 Coll., on care for health of the population, as amended
- Act No. 202/1990 Coll., on lotteries and other similar games, as amended
- Act No. 483/1991 Coll., on the Czech Television, as amended
- Act No. 484/1991 Coll., on the Czech Radio, as amended
- Act No. 643/1992 Coll., on consumer protection, as amended
- Act No. 40/1995 Coll., on regulation of advertising and amending and supplementing Act No. 468/1991 Coll., as amended
- Act No. 22/1997 Coll., on technical requirements for products and amending and supplementing some laws
- Act No. 79/1997 Coll., on pharmaceuticals and amending and supplementing some related laws
- Act No. 110/1997 Coll., on foodstuffs and tobacco products and amending and supplementing some related laws, as amended
- Act No. 106/1999 Coll., on free access to information, as amended
- Act No. 101/2000 Coll., on personal data protection and amendment to some laws, as amended
- Act No. 121/2000 Coll., on copyright, as amended
- Act No. 123/2000 Coll., on medical devices and on amendment to some related laws
- Act No. 150/2002 Coll., the Code of Administrative Justice, as amended
- Act No. 480/2004 Coll., on certain services of the information society
- Act No. 500/2004 Coll., the Code of Administrative Procedure, as amended
- Act No. 127/2005 Coll., on electronic communications
- Act No. 348/2005 Coll., on radio and television fees, as amended
- Act No. 379/2005 Coll., on measures for protection against harm caused by tobacco products, alcohol and other addictive substances

- Decree No. 473/2000 Coll., laying down details of registrations, changes therein, prolonging thereof, specifying the manner of providing a medicinal preparation, the manner of reporting and evaluating undesirable effects of a medicinal preparation and the manner and extent of notification of the use of an unregistered medicinal preparation
- Decree No. 520/2005 Coll., on the scope of overhead expenses and lost earnings that are reimbursed by an administrative body to other persons and on the amount of the lump-sum costs of proceedings, as amended

Survey of the European legislation with a direct relation to decision-making by the Council:

Council Directive 89/552/EEC of 3 October 1989 on the coordination of certain provisions laid down by Law, Regulation or Administrative Action in Member States concerning the pursuit of television broadcasting activities, as amended by Directive 97/36/EC and Directive 2007/65/EC

Regulation (EC) No 2006/2004 of the European Parliament and of the Council of 27 October 2004 on cooperation between national authorities responsible for the enforcement of consumer protection laws
 Council framework Decision 2004/68/JHA of 22 December 2003 on combating the sexual exploitation of children and child pornography

98/560/EC: Council Recommendation of 24 September 1998 on the development of the competitiveness of the European audiovisual and information services industry by promoting national frameworks aimed at achieving a comparable and effective level of protection of minors and human dignity

Treaty on European Union, as amended by the Treaty of Nice (excerpt). Protocol on the system of public service broadcasting in the Member States

Directive 2002/19/EC of the European Parliament and of the Council of 7 March 2002 on access to, and interconnection of, electronic communications networks and associated facilities (Access Directive)

Directive 2002/22/EC of the European Parliament and of the Council of 7 March 2002 on universal service and users' rights relating to electronic communications networks and services (Universal Service Directive; Art. 31 provides for the "must carry" obligation)

Regulation (EC) No 1924/2006 of the European Parliament and of the Council of 20 December 2006 on nutrition and health claims made on foods

Directive 2002/20/EC of the European Parliament and of the Council of 7 March 2002 on the authorisation of electronic communications networks and services (Authorisation Directive)

Directive 2002/21/EC of the European Parliament and of the Council of 7 March 2002 on a common regulatory framework for electronic communications networks and services (Framework Directive)

Directive 2005/29/EC of the European Parliament and of the Council of 11 May 2005 concerning unfair business-to-consumer commercial practices in the internal market and amending Council Directive 84/450/EEC, Directives 97/7/EC, 98/27/EC and 2002/65/EC of the European Parliament and of the Council and Regulation (EC) No 2006/2004 of the European Parliament and of the Council (Unfair Commercial Practices Directive)

Directive 2003/33/EC of the European Parliament and of the Council of 26 May 2003 on the approximation of the laws, regulations and administrative provisions of the Member States relating to the advertising and sponsorship of tobacco products

Commission Directive 2002/77/EC of 16 September 2002 on competition in the market for electronic communications networks and services (Competition Directive)

Imposing penalties for breach of duties stipulated in the Broadcasting Act

Section 5 of the Broadcasting Act stipulates the competence of the Council for Radio and Television Broadcasting. Subparagraph a) imposes on the Council the duty to supervise over compliance with the legal regulations in the area of radio and television broadcasting and the conditions stipulated in a decision on granting a license or a decision on registration, while subparagraph f) stipulates the Council's competence to impose penalties pursuant to the Broadcasting Act.

The Broadcasting Act distinguishes two main types of penalties for breach of the set duties, namely a notice of breach of the Act and a fine. In case of an especially serious breach of the Act, the Council is authorized to suspend retransmission, withdraw a license or cancel registration.

The Council issues a notice in case of breach of the duties stipulated by the Broadcasting Act or the terms and conditions of the granted license, and sets a deadline for remedy corresponding to the character of the breached duty. If the operator provides for a remedy within the set deadline, the Council does not impose the penalty. A remedial measure is not imposed by the Council in case of breach of the following duties of the broadcaster: the duty to ensure that the broadcast programs do not incite to hatred due to race, sex, religion, nationality or association with a certain group of population; the duty to ensure that the broadcast programs do not contain subliminal messages; the duty not to include in the broadcasting programs that could seriously endanger physical, mental or moral development of children and youth, particularly by involving pornography and gross gratuitous violence. The Council issues a notice of breach of the Act or the license conditions in cases involving the first breach of the given statutory provision by a specific broadcaster or when it found the gravity of a repeated breach to be minor. Section 59 of the Broadcasting Act should be construed in that where a broadcaster commits further breach of the same provision of the Broadcasting Act before a decision on a notice of breach of the provision is delivered to him, any and all such further breaches shall be assessed by the Council as if these were the first breaches, subject only to a notice. However, if such breach is committed after delivery of a notice, the Council may impose a fine.

In case of breach of duties, where the provisions on a remedial measure (notice) is not employed and in cases of repeated breach (i.e. a broadcaster has already been served a decision on a notice) of other duties stipulated by law or in the license conditions, the Council shall impose a fine. When imposing a fine and determining the amount thereof, the Council takes into account the following: the nature of the broadcast program; the position of the broadcaster and operator of retransmission in the media market with respect to their responsibility towards the viewers in the area of provision of information, education, culture and entertainment; gravity of the breach and degree of fault; the extent, type and scope of the defective broadcasting; and the amount of any financial benefit. With respect to a majority of breaches, the Act stipulates the minimum and maximum limit of the penalty; there are a total of six ranges of penalties.

The Council resolves to suspend retransmission in cases where it has revealed repeated material breach of any statutory provisions regulating the contents of the programs and basic duties of broadcasters and retransmission operators.

The Council shall decide on canceling registration if the broadcaster stated false data in the application or if he repeatedly breaches certain statutory provisions on the contents of programs and the basic duties of broadcasters and retransmission operators and a fine has already been imposed for such breach. The Council may decide to cancel registration if the operator of retransmission has seriously breached the Broadcasting Act or an international treaty binding on the Czech Republic, or if bankruptcy has been declared in relation to his assets.

The Council withdraws a license in cases where the broadcaster obtained the license on the basis of false data or if he has breached the duty to provide for plurality of information in broadcasting, if he repeatedly breaches certain duties imposed in the provision stipulating the basic duties of broadcasters and retransmission operators in an especially serious manner and a fine has been repeatedly imposed on him for such breach or if he repeatedly breaches the license conditions in an especially serious manner.

In the following cases, the Council may withdraw the license: the broadcaster has failed to commence broadcasting within 360 days, for television broadcasting, or within 180 days, for radio broadcasting, after the date of legal force of the decision on granting a license; the broadcaster has failed to broadcast for a total period of 30 days during a calendar year after commencement of broadcasting (except for the period when this was prevented by justified technical obstacles); or bankruptcy has been declared in relation to his assets.

A fine may be imposed within one year of the day when the Council learnt of the breach of duties, however, at the latest two years from the day when the breach of duties occurred. Administrative proceedings based on a request for provision of recording of the broadcast program pursuant to the

Broadcasting Act may be commenced at the latest within three months of the date when such recording was delivered to the Council.

In the proceedings, the Council acts pursuant to the provisions of the Code of Administrative Procedure, except for the provisions on appellate proceedings, proceedings on remonstrance, review proceedings and renewal of proceedings and a new decision. Section 66 of the Broadcasting Act provides an exhaustive list of the types of decisions against which an action may be lodged with the Municipal Court in Prague. These decisions include decisions on imposing a fine. The action has a suspensory effect and the court must make a decision thereon within 90 days.

The number of administrative proceedings initiated in 2007 was approximately the same as in the previous year. 470 administrative proceedings were commenced in 2007, which is approximately fifty less than in 2006. Also the total number of imposed penalties is similar to the previous year. In 2007, the Council issued 237 notices of breach of the law (for comparison, 187 notices were issued in 2006) and imposed a total of 110 fines (113 fines were imposed in 2006).

Approximately two thirds of the fines (68) were imposed for violation of a provision of the Advertising Act.

A vast majority of penalties, whether notices or fines, were imposed in relation to violation of the law detected through monitoring of broadcasting. The Council discussed and evaluated a total of 397 analyses of television and radio programs in 2007, which is an increase by 13 % compared to 2006, when 351 analyses were discussed.

With respect to the highest number of imposed fines, the Council believes that the most problematic issue lies in breach of duties following from the Advertising Act related to broadcasting of advertisements for food supplements and medicaments. In the relevant period, 52 fines were imposed for broadcasting an advertising spot that violated the provision prohibiting that an advertisement for foodstuffs be misleading by attributing to food the property of preventing, treating or curing human diseases or referring to such properties.

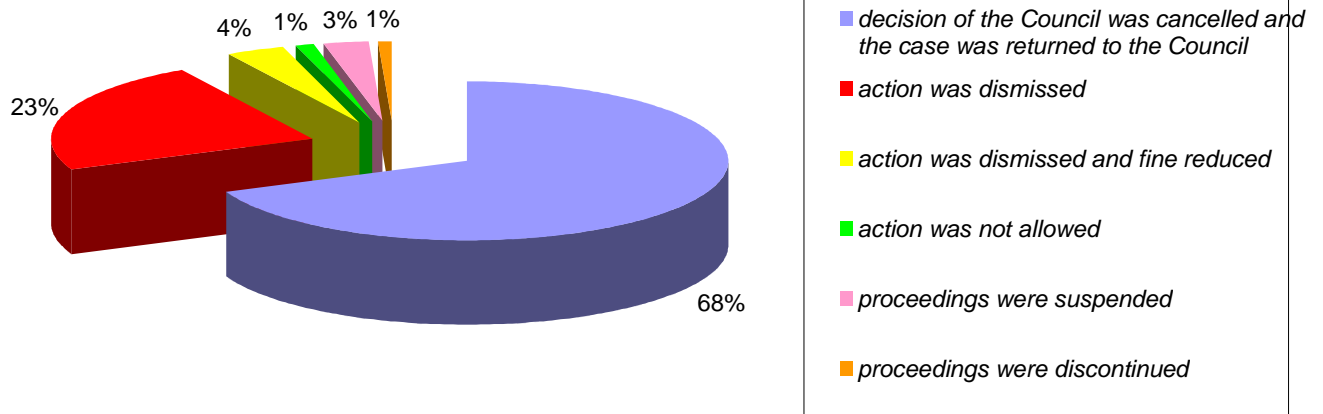
Similar to previous years, one of the most frequent violations of the Act in 2007, for which the Council imposed a penalty, consisted in violation of the provision imposing on the broadcaster the duty not to include in broadcasting from 6:00 A.M. to 10:00 P.M. programs that could endanger physical, mental or moral development of children and youth. 17 fines were imposed and 25 notices issued in 2007 in relation to breach of this statutory duty.

Very frequent violations of the Broadcasting Act, on the basis of which administrative proceedings are commenced and penalties imposed, also include failure to provide objective and balanced information required for free formation of opinions, i.e. failure to respect the principles of objectivity and balance. 4 fines were imposed and 11 notices issued in the relevant period for these violations.

A mention should be made of 7 notices issued with respect to breach of the provision imposing on the broadcaster the duty not to show, without justification, dying people or people exposed to heavy physical or mental torture, doing so in a manner detrimental to human dignity. A majority of these notices were issued to nationwide television broadcasters in relation to broadcasting images of a boy from Kuřim who was tortured by his own mother.

Further violations, for which numerous sanctions were imposed on the broadcasters in the relevant period, consisted in failure to keep recordings of the broadcast programs for a period of 30 days, failure to notify changes in certain facts and license conditions, failure to present the logo in broadcasting or unclear separation of advertisements from other parts of the program and also non-compliance with the license conditions.

Judgments of the Municipal Court in Prague delivered to the CRTB in 2007



When considering the data following from the chart (which are based on the verdicts of judgments delivered to the Council in 2007), it must be taken into account that a number of disputes were commenced in the period 2004-2005 (e.g. designation of sponsors – unseparated advertisements) and the courts rendered the second decision in the case after the first judgments were quashed by the Supreme Administrative Court, or that the actions were aimed against Council decisions of similar type and with similar contents (reality shows Big Brother and VyVolení), where the senates of the courts made identical decisions; several actions were lodged against one decision (granting of a license). However, it clearly follows from the above survey of court disputes that the later was the date of the decision the higher was the success rate of the Council in the litigations.

C. INFORMATION ON THE RESULTS OF CONTROL OF COMPLIANCE WITH THE DUTIES STIPULATED IN THIS ACT AND THE CONDITIONS IMPOSED ON BROADCASTERS AND RETRANSMISSION OPERATORS

[Section 6 (1) (d) of the Broadcasting Act]

Results of control of television broadcasting

Control of compliance with the legal regulations and license conditions by broadcasters is one of the basic duties of the Council, which follows from Section 5 of the Broadcasting Act. The Council monitors and evaluates the contents of broadcasting on the basis of external instigations, particularly from viewers and entities affected by broadcasting, and internal instigations related to specific programs, and also in the framework of planned comprehensive controls. A total of 351 television programs, advertisements, teleshopping spots and sponsor's messages were analyzed in 2007. For comparison, in 2006, the total number of analyses performed within control of television broadcasting equaled 290. Although this is merely indicative comparison, as the individual analyzed cases are hard to compare, it can be stated that the increase in the number of analyses equaled 21 %. The trend of marked increase in the number of analyzed programs or parts of programs has continued since 2004.

A total of 31 standard analyses of the program of the statutory television broadcaster – the Czech Television – took place in 2007. The Nova channel was analyzed a total of 22 times and the Prima televize channel 63 times in 2007, which is connected with broadcasting of the third series of the reality show VyVolení on the latter channel. Regional and local broadcasting and broadcasting via cable systems were analyzed in 23 cases. However, this number of standard analyses also includes cases where several programs were analyzed together (e.g. all programs within the reality show VyVolení broadcast on the same day or the entire broadcasting of a certain program of a regional television on one or more days, etc.).

A specific part of program consists in advertisements, teleshopping and sponsor's messages, which were analyzed a total of 212 times in 2007 (not including regular evaluation of data on advertising broadcasting, which does not involve analysis of the content). The increase in the number of analyzed cases is fundamental in this case, as only 41 similar analyses were performed in 2006.

Advertising, teleshopping, sponsoring

2007	advertising spots	teleshopping	sponsor's messages
January	313	58	55
February	401	62	118
March	399	50	280
April	470	85	267
May	464	83	198
June	417	94	162
July	239	66	86
August	250	71	107
September	443	86	152
October	600	86	366
November	521	165	377
December	349	165	274

A total of 4866 advertising spots, 1071 teleshopping spots and 2442 sponsor's messages were controlled in 2007. In addition to this continuous control, analyses were also drawn up of individual advertising spots, teleshopping spots and sponsor's messages on the basis of specific instigations.

VyVolení – Noví hrdinové (New Heroes)

Based on experience with monitoring the first (2005) and second (2006) series of the reality show VyVolení, which resulted in a number of administrative proceedings for potential violation of the Broadcasting Act and imposed fines, it was clear that it would be necessary to pay attention also to the announced third series. The series had a new subtitle and, thus, the entire title was VyVolení – Noví hrdinové (New Heroes). Prima Televize broadcast the third series of VyVolení from August 27, 2007 (with a short pre-premiere presentation on August 26). The broadcast then continued with one or two programs every day until December 1, 2007.

After information was published on the contemplated third series of VyVolení, the Council imposed on the Office of the Council to provide for analysis of the contents of the programs from the viewpoint of compliance with the duties of the broadcaster and, simultaneously, resolved to notify both FTV Prima, spol. s r.o., i.e. the broadcaster of Prima televize, and the public in detail of its plan, not only through a standard press release, but also on the website of the Council dedicated specially to this reality show at <http://www.rtv.cz/cz/static/realityshow/vyvoleninovichrdinove.htm>. Here it published, inter alia, the resolution of the Council adopted at the 12th meeting on July 10, 2007 in relation to the contemplated commencement of broadcasting of the program VyVolení – Noví hrdinové, as well as the letter in which the Council addressed the broadcaster in relation to the planned commencement of broadcasting of the series. The wording of the letter, which was drawn up on the basis of the experience gained in monitoring the first two series of VyVolení (and also the reality show Big Brother on the Nova channel), can be conceived, not only as a manner of addressing the broadcaster in relation to a specific case, but also as an illustration of the methodology of the Council in monitoring the contents of programs. Consequently, it should be quoted:

“Based on the administrative proceedings pursued to date against broadcasters of “reality shows”, i.e. programs Big Brother, VyVolení and VyVolení 2, the Council would like to advise you that:

it has decided to perform regular monitoring of all programs within the series VyVolení – Noví hrdinové, including its analyses, which will be concerned particularly with protection of physical, mental or moral development of children and youth (see Section 32 (1) (g) of Act No. 231/2001 Coll.);

occurrence of vulgar and swear words (see Section 32 (1) (j) of Act No. 231/2001 Coll.);

occurrence of pornography and violence.

it considers particularly the following contents of the program to be impermissible, i.e. violating Act No. 231/2001 Coll.:

rewarding the competitors with cigarettes and alcohol;

presentation of the consumption of alcohol and smoking, particularly if there is no appropriate verbal correction of this conduct by the host of the program;

presentation of sexual behavior of the competitors and communication with sexual topics;

disparagement of intimate relationships and manipulation of the competitors with the goal of harming their feelings;

imposing manipulative tasks that diminish human dignity;

imposing tasks that are at variance with the morals of society;

verbal and non-verbal aggressiveness;

occurrence of vulgar and swear words.

it will analyze the individual sponsor's designations in the programs within the broadcasting. In this relation it notes that

the sponsor's designation should not contain any advertising features or, otherwise, the spot will be assessed as unseparated advertising pursuant to Section 48 (4) (a) of Act No. 231/2001 Coll.

the sponsor's designation must identify the sponsor, i.e. the person who contributed to production of the program (see Section 53 (1) of Act No. 231/2001 Coll.).

it has defined the following uncertain terms used by Act No. 231/2001 Coll.:

the term children and youth, although, prima facie, this terminology is generally known. Pursuant to Art. 1 of the Convention on the Rights of the Child (hereinafter the Convention), a child means every human being below the age of eighteen years unless under the law applicable to the child, majority is attained earlier.

Pursuant to Art. 3 of the Convention, in all actions concerning children, whether undertaken by public or private social welfare institutions, courts of law, administrative authorities or legislative bodies, the best interests of the child shall be a primary consideration. Art. 17 then provides for an important function performed by the mass media (...) and to this end, State Parties shall encourage (Art. 17 (e) of the Convention) the development of appropriate guidelines for the protection of the child from information and material injurious to his or her well-being, bearing in mind the provisions of articles 13 and 18.

Act No. 94/1963 Coll. on the family, distinguishes children of legal age and minor children. Pursuant to Section 8 (2) of the Civil Code, legal age is attained upon reaching eighteen years of age. Prior to this age, legal age is attained only by marriage. The thus-attained legal age is not lost by dissolution of marriage or declaring the marriage null and void.

Pursuant to Section 74 of the Criminal Code, youth means a person who has reached fifteen years of age and not exceeded eighteen years of age at the time of committing the offense.

Thus, the Council considers that, in accordance with its duty to supervise over compliance with laws in the area of broadcasting, it is also obliged to supervise, in the area of broadcasting, over the interests and well-being of children as follows particularly from the Convention. The other term used in the legislation, i.e. children and youth, is a subgroup of this definition and does not exceed its age limits.

Therefore, the Council states that, pursuant to Section 32 (1) (g) of Act No. 231/2001 Coll., the term children and youth means all persons under eighteen years of age without any further specification [hereinafter a child].

danger to physical, mental or moral development of children.

The Council believes that there need not be any discussion about the content of the word "development", as well as of the words "physical" (or bodily) and "mental", or ("psychical"), as, in its opinion, these terms are generally known.

With respect to the term "moral", the Council bases its considerations on the morals, i.e. the sphere of human conduct and behavior that can be observed from the viewpoint of ethical values; it considers "moral" to be a set of moral rules governing the conduct of people in a certain society. In this relation, the Council considers it suitable to also mention the term "good morals" – a measure of evaluating specific situations, corresponding to the generally recognized rules of decency in accordance with the general moral principles of democratic society.

The Council considers that a danger to healthy moral development is posed by all aspects that, on the one hand, impair the general ability of moral decision-making (ignoring the moral dimension and human conduct) and, on the other hand, prevent the development of moral life aimed at attaining the mature phase of autonomous morality based on the function of sensitive consciousness, where it refers to the existence of consent of society with respect to moral characteristics that should be particularly developed in children: Decency, respect, diligence, independence, responsibility, unselfishness, consistency Indeed, a very important role in the overall concept is played both by the context of broadcasting (e.g. whether or not there is any moral correction in the given program that would enable proper orientation of the child or youth), as well as the broader society-wide context (e.g., with respect to broadcasting whose influence will become an important part of broader social life, at least for a certain period of time).

Potential danger is then conceived by the Council as a potential, possible deviation from normal (usual, common, average) development of an individual as a consequence of viewing a program or a trailer in television broadcasting, which need not actually occur (can be prevented by timely intervention, e.g. of other persons).

The Council considers that it is its duty to oversee that a specific program or trailer cannot cause a deviation from normal and individual development of the child's personality, individually or simultaneously in all parts of its development, i.e. (either only) physical (and/or only) mental, as well as (simultaneously or only) the standards of its behavior.

The Council considers that the term normal development of an individual covers the development of an individual according to certain established society-wide standards in the specific historical period; nevertheless, it is clear that each individual is, in fact, a unique personality."

Without overestimating the preventive effects of this, previously and openly declared, attention of the Council and publication of its intention, it is true that it can be stated, on the basis of the results of the discussion of the analyses of the programs within the third series of VyVolení during the following months, that the broadcaster paid much more attention to due fulfillment of the duties than in the first two series of VyVolení. Of course, some problems occurred, but their gravity – if this term can be used – was not that high as in broadcasting of the previous series and involved mostly issues of a different kind. These findings also correspond to the fact that only very few complaints were lodged by the

viewers in relation to the third series of VyVolení, which is also a difference compared to the previous series of this reality show.

By the end of 2007, the Council managed to discuss a total of 48 analyses of a total of 78 programs broadcast within the series VyVolení – Noví hrdinové in the period from August 26 to October 14, 2007. Each of these analyses covered programs within the series VyVolení broadcast on a single day, i.e. mostly two programs. Subject to the fact that administrative proceedings are mostly still pending and, therefore, it is premature to mention the final results of monitoring, the experience to date can be summarized as follows:

By the end of 2007, the Council decided on commencement of a total of 22 administrative proceedings in relation to the contents of the programs broadcast within the series VyVolení – Noví hrdinové. As regards the basic duties of the broadcaster (Section 32 of the Broadcasting Act), the greatest issue was related to compliance with the duty not to include in broadcasting programs and advertisements containing vulgar and swear words, except for artistic works where this is necessary from the viewpoint of the context, where such works may be broadcast only at a time from 10:00 P.M. to 6:00 A.M. of the next day (Section 32 (1) (j)). Nevertheless, in seven administrative proceedings commenced for these reasons, the broadcaster maximally faces a notice of violation of the law and a deadline for remedy, as the Act does not stipulate any fine for this breach. Compliance with the duties of broadcasters in broadcasting advertising and teleshopping (Section 48 of the Broadcasting Act) proved to be a greater issue within monitoring of the new series of VyVolení. Seven administrative proceedings were commenced for potential violation of Section 48 (1) (g) of the Broadcasting Act (the duty not to include in broadcasting surreptitious and subliminal advertising and teleshopping) and seven administrative proceedings were also commenced for potential violation of Section 48 (4) (a) of the Broadcasting Act (the duty to ensure that advertisements and teleshopping are distinguishable and clearly separated, by sound by sound and picture, from other parts of the program). Problematic aspects consisted particularly in the manner of presenting the daily newspaper Šíp in the programs and other cases of potential surreptitious advertising, as well as verbal notes made by the hosts with respect to radio broadcasting of channels Frekvence 1 and Evropa 2. The Council will complete the evaluation of the analyses of the contents of the programs within the third series of VyVolení at the beginning of 2008.

The subject of advertising food supplements

Similar to the previous year, in 2007, the Council again paid considerable attention to advertisements for food supplements, particularly in relation to the potential breach of Section 5d (1) (d), Section 5d (2) and Section 2 (1) (c) of the Advertising Act:

Section 5d (1) (d) of the Advertising Act, as they attribute to food supplements the property of preventing, treating or curing human diseases or refer to such properties;

Section 5d (2) of the Advertising Act, as they do not contain a clear notice "food supplement", based on which the consumer would be able to ascertain that the relevant product is not a "medicament" (this provision does not apply for a period of three years if the client had concluded an agreement with the author of the advertisement before January 26, 2006);

Section 2 (1) (c) of the Advertising Act – misleading advertising – foods are attributed undemonstrated properties related to prevention or treatment of human diseases; in addition to misleading the consumers, they could also harm their health.

Characteristics of food supplement

Food supplement means a foodstuff defined by the Food Act (Section 2 (j)), according to which food supplements are foods intended for direct consumption that differ from foods for usual consumption by their high contents of vitamins, mineral substances or other substances with a nutritional or physiological effect and that were manufactured for the purpose of supplementing regular nutrition of consumers to a level that favorably affects his state of health.

Pursuant to Decree No. 446/2004 Coll., in addition to the information set forth in the Act on foodstuffs and in the special regulation, the package shall also be labeled with the following:

the words "food supplement" as part of the name,

the name of the category (vitamin, mineral substance) or name of substances that characterize the product or an indication of the nature of these substances,

numerical information on the amount of vitamins, mineral substances or other food supplements in a unit amount (tablet, capsule or pill, dose, etc.). The units set forth in Annex No. 1 to this Decree shall be employed for vitamins and mineral substances,
information on the content of added vitamins and mineral substances shall be given as the average values determined on the basis of analysis of the product by the manufacturer,
information on the content of added vitamins and mineral substances shall also be expressed in percentages of the recommended daily allowance set forth in Annex No. 5 to the Decree. Percentages may also be expressed in graphic form,
information on the number of units (tablets, capsules, pills, etc.) per consumer package,
the recommended dosage and other conditions for use,
a warning against exceeding the recommended daily dose,
the warning "Store out of the reach of children!",
information that the products are not intended for use as a substitute for a varied diet,
the warning "Not suitable for pregnant women" for products containing more than 800 units of vitamin A per daily dose.

The labelling, presentation and advertising of food supplements

Advertising:

must not attribute to food supplements the property of preventing, treating or curing human diseases or refer to such properties,
must not contain any mention stating or implying that a balanced and varied diet cannot provide appropriate quantities of nutrients.

In order to facilitate effective monitoring of food supplements, the manufacturers, as well as importers of food supplements, are obliged to notify the Ministry of Health by sending a sample of the label used for designating such foods. They are obliged to send the sample label prior to putting the food supplement into circulation.

Cooperation with other entities in relation to the aspects of food supplements

In relation to the aspects of food supplements, the Council closely cooperates with the State Institute for Drug Control (hereinafter SIDC). SIDC is the body competent to perform supervision over medicinal preparations and advertising of medicinal preparations. Pursuant to Act No. 79/1997 Coll., on pharmaceuticals, SIDC is obliged to make decisions in cases where there is doubt as to whether a certain product is a pharmaceutical (decision-making on the nature of the product pursuant to Section 9 (1) (h) of the Act on Pharmaceuticals).

The core of cooperation with SIDC lies in mutual consultations on expert issues. In particular, SIDC provides assistance in:

distinguishing as to whether or not a product is a medicinal preparation;
verifying the conformity of information in an advertisement with approved information on the medicament;
harmonizing the approach to application of the Advertising Act in borderline situations;
harmonizing the approach to imposing penalties pursuant to the Advertising Act;
specifying the boundaries of responsibilities in borderline aspects of supervision over advertising;
any other cases of doubt or uncertainty related to application of the Advertising Act in relation to medicinal preparations or related products.

SIDC also keeps a list of terms whose use in advertising raises doubt as to the correct classification of food supplements.

Furthermore, the Council closely cooperates with the Association of Manufacturers of Medicaments that are Sold without Limitation (hereinafter the Association). The objective of the Association is to:
harmonize the interests of the general public and the health-care system (health-care workers)
offer the general public and the physicians a sufficiently broad assortment of medicaments and means sold without limitation that can facilitate treatment of common (acute) diseases or contribute to healthier way of life
establish and apply the principles of self-treatment in Czech practice.

The Council also cooperates with CASF – the Czech Association for Special Foods. The CASF is a special-interest association of legal entities established in 2000. The Association represents the common interests of its members – producers and distributors of food supplements – both on national and on international level, and its main objective is to actively participate in the creation of an appropriate and balanced legislative framework for products supporting health. Simultaneously, all members of the association agree to maintain their own code of conduct for sale and marketing, which goes beyond the scope of the valid laws in the Czech Republic.

Another institution that should be mentioned is the Trade Authority, or the relevant trade authorities, which are required by the law to perform supervision over advertising. However, information on their specific activities in the given area is very difficult to obtain.

Finally, cooperation in the area of supervision over compliance with the laws regulating broadcasting of advertisements for food supplements and medicaments is also being pursued with the Ministry of Health of the Czech Republic.

Pending administrative proceedings

In addition to proceedings commenced in the previous year, several dozen new administrative proceedings were commenced in 2007 in relation to broadcasting of advertisements for food supplements. In a majority of cases, this constitutes violation of Section 5d (1) (d) of the Advertising Act, pursuant to which advertising of foodstuffs must not mislead by attributing to food supplements the property of preventing, treating or curing human diseases or refer to such properties; however, for foodstuffs for special medical purposes, this must not prevent stating information or recommendations intended exclusively for persons qualified in the field of medicine, nutrition or pharmacy; similarly, for mineral waters, this limitation must not prevent stating information that the mineral water supports or facilitates certain vital functions of a human organism.

Breach of Section 2 (1) (c) of the Advertising Act, which prohibits misleading advertising, is also very frequent. In certain cases, the commenced administrative proceedings were related to products that promised rapid loss of weight.

Another frequent misconduct consists in violation of Section 5d (2) of the Advertising Act, pursuant to which an advertisement for a food supplement must include a clear, in case of printed advertisements, readily legible, notice “food supplement”.

41 administrative proceedings were closed during the year 2007 by imposing a fine; in forty cases, this fine equaled CZK 100,000 and, in one case, CZK 1,000,000 (the client who ordered an advertisement for the product MaxiCor). The specific overview of imposed fines is contained in the chapter Survey of Notices and Fines for Breach of Duties Stipulated in the Broadcasting Act.

Advertisement for the product Berentzen – Fernet Premium

In April of 2007, television channels CT 1, Nova and Prima broadcast an advertisement for the product Fernet Premium called a Rainy-Day Friend. The advertisement was ordered by Berentzen Distillers CR, spol. s r.o., and made by FCB Prague s.r.o.

Description of the advertisement:

The main character (the actor Sagvan Tofi, one of the main heroes in the film Rainy-Day Friend) is running down a street at night in the rain and heads into a bar. The picture is accompanied by the words “When it is raining and the world seems mean, your girlfriend has left you ... and the other one too, and you don’t want to do anything, you need someone ... or something, to hold you together ... a friend”. They are dancing in the bar; the character sits down at the bar and orders a glass of Fernet, which he drinks.

At the end of the spot there are two bottles of Berentzen alcohol and two glasses containing a dark-coloured liquid; the picture is accompanied by the words “Berentzen Fernet Premium – a rainy-day friend”.

The advertisement presents an alcoholic beverage as a friend of the consumer, and simultaneously as a friend who can help us get over personal problems, who can resolve them (the world seems mean ... your girl has left you ...)

The Council considers it extremely dangerous to connect personal problems with solutions using alcohol. The style and urgency of the advertising message further emphasize the clear suggestion to consume the alcoholic beverage Berentzen Fernet Premium as a means of resolving personal problems.

Pursuant to Section 4 (e) of the Advertising Act, an advertisement for alcoholic beverages must not state that alcohol contained in the beverage has therapeutic properties or stimulating/relaxing effect or that it is a means of resolving personal problems. The Council stated that an advertisement was at variance with Section 4 (e) of the Advertising Act, where an alcoholic beverage was presented as a friend who can help us resolve (or get over) personal problems.

As the advertisement for the product Berentzen Fernet Premium (campaign Rainy-Day Friend) produced by Berentzen Distillers ČR spol. s r.o. was clearly at variance with the law, the Council used its powers stipulated by Section 7c (1) of the Advertising Act and ordered that broadcasting of this advertisement must be terminated. Simultaneously, the Council commenced administrative proceedings against Berentzen Distillers CR, spol. s r.o., i.e. the company that ordered the advertising spot, and also against FCB Prague s.r.o., the producer of the advertising spot. Within the administrative proceedings, both companies were given the opportunity to state their opinion on the matter. In both administrative proceedings, the Council imposed a penalty in the amount of CZK 100,000.

Consumer protection

Regulation (EC) No 2006/2004 of the European Parliament and of the Council of 27 October 2004 on cooperation between national authorities responsible for the enforcement of consumer protection laws came into effect in 2007. This brought significant changes to the competencies of the Council in the area of consumer protection.

The Council is specifically responsible for supervision related to the Television without Frontiers Directive (currently the AVMS Directive). The powers contemplated by the Regulation were added to the Czech legislation within Act No 160/2007 Coll., amending some laws in the area of consumer protection; from the viewpoint of the competencies of the Council, these were particularly Acts No. 231/2001 Coll. and No. 40/1995 Coll.

In relation to this Regulation, the Council took the necessary steps to become involved in the database of the CPC system (Consumer Protection Cooperation), which is likely to take place in 2008.

Another EU regulation that is important for decision-making by the Council consists in Directive 2005/29/EC of the European Parliament and of the Council concerning unfair business-to-consumer commercial practices in the internal market. The Directive was to be transposed to the Czech legislation at the latest by December 12, 2007. This encompassed amendments to Act No. 231/2001 Coll. on regulation of radio and television broadcasting, as amended, Act No. 40/1995 Coll., on regulation of advertising, as amended, and Act No. 634/1992 Coll., on consumer protection, as amended; the regulation also marginally affected Act No. 513/1991 Coll., the Commercial Code, as amended.

The Council also became involved in the negotiations of the Contact Committee of the Directive 2007/65/EC of the European Parliament and of the Council of 11 December 2007 amending Council Directive 89/552/EEC on the coordination of certain provisions laid down by law, regulation or administrative action in Member States concerning the pursuit of television broadcasting activities, in relation to the issue of implementation and coordination of the new wording of this Directive. The new title now reads Directive 89/552/EEC of the European Parliament and of the Council on the coordination of certain provisions laid down by law, regulation or administrative action in Member States concerning the provision of audiovisual media services. The deadline for transposition of this Directive to national laws is December 19, 2009.

Simultaneously, the Council created and sent, at request of the Directorate General for Health and Consumer Affairs (DG SANCO), mediated by the Ministry of Industry and Trade, the statistics of consumer complaints which it received in 2006. The analysis indicates that a total of 687 petitions that can be considered to be complaints were lodged. A majority of these complaints (a total of 617)

tended rather to be concerned with the Council's competence in the area of regulation of broadcasting – complaints related to worse or low-quality signal, contents of programs that could unsuitably impair moral development of children and youth (reality shows and other programs that should be broadcast, given some of their aspects, after 10:00 P.M.), lack of balance in news and political programs, duties of providers of cable broadcasting related to commencement of broadcasting of new public-service television stations (CT4 and CT24), or increased volume in broadcasting advertisements compared to the volume of a movie. These complaints could have the character of a consumer complaint only if the viewer or listener were perceived as a consumer of broadcasting of the individual programs.

Other instigations where the character of a consumer complaint prevails include complaints related to telephone numbers with increased fees (some competitions), where information on the fees is either entirely missing or is written in very small letters (sometimes almost illegible) for a very short period of time. The Council received a total of 6 complaints of this nature in 2006.

A frequent type of a complaint, which is concerned with radio and television broadcasting, but which falls outside the Council's competence, is a complaint against non-compliance with the broadcasting times of the individual programs. It can be argued that such a complaint should be considered to be a consumer complaint particularly on the basis of the fact that a number of viewers (consumers) have purchased more expensive equipment ensuring higher quality of recording (show view, VPS) in order to record these programs, and the results are then unsatisfactory. Furthermore, a vast majority of viewers also buy various television journals with television programs, where time shifts sometimes amount to several tens of minutes per day. The Council received a total of 42 instigations and complaints of this nature in 2006.

Instigations received by the Council within its competence as the regulator of radio and television advertising undoubtedly fall within the group of consumer complaints. A total of 22 complaints of this nature were lodged in 2006 (however, some of them were instigations aimed against several advertisements). These include complaints about misleading advertisements in the area of human medicinal preparations and food supplements (a total of 63 cases); misleading advertisements containing a statement on the lowest price or unlimited transfer of data, which did not correspond to reality; advertisements lacking the obligatory requisites (information on RPSN) or information provided in very small letters for a short period of time (telephone operator); advertisements for an advantageous purchase of goods that, in fact, were not available or were available only in a very limited quantity and, therefore, were already sold out at the time of broadcasting the advertisement.

Results of control of radio broadcasting

In addition to ad hoc controls performed upon instigation of listeners or members of the Council, in 2007, the Council discussed analyses of a total of 27 providers of radio broadcasting, of which 26 were licensed broadcasters and one was a statutory broadcaster. The analyses were carried out on the basis of targeted monitoring (two-day) or on the basis of own instigation or instigations of listeners. A total of 46 analyses were carried out, of which 6 analyses were concerned with a statutory broadcaster and 40 with a licensed broadcaster. A survey of the specific analyses is given in an annex on CD.

D. INFORMATION ON GRANTED LICENSES AND CRITERIA, ON THE BASIS OF WHICH LICENSES WERE GRANTED TO APPLICANTS FOR A LICENSE AND ON THE BASIS OF WHICH APPLICATIONS OF ALL OTHER PARTIES TO THE PROCEEDINGS WERE DISMISSED

[Section 6 (1) (e) of the Broadcasting Act]

The Council grants licenses in two types of license proceedings, namely:

1) proceedings on granting a license to operate terrestrial radio and television broadcasting pursuant to Title I of the Broadcasting Act, which are announced by the Council at its own instigation or at the instigation of the applicant for a license by announcement of the license proceedings. Prior to commencement of the license proceedings, the Council requests an opinion from the CTO. These license proceedings are common for all applicants who lodge their application within the set deadline and meet the conditions stipulated in the Broadcasting Act. The license proceedings include a public hearing, where the applicants present their program plans and propose the wording of the license conditions. In making its decision as to which of the parties to the proceedings will be granted a license, the Council bases its considerations on facts important for decision-making as stipulated in Section 17 of the Broadcasting Act.

2) license proceedings on radio and television broadcasting disseminated via satellites and cable systems pursuant to Title II of the Broadcasting Act, which are commenced at instigation of the applicant who is the only party to the proceedings. In this type of the proceedings, the discretion of the Council is minimized by the Broadcasting Act. Under the Act, the Council is authorized to consider only whether the applicant for a license meets the conditions pursuant to Section 13 (3) and whether the proposed program structure meets the conditions pursuant to Sections 31 and 32 (1) of the Broadcasting Act. It has no other discretion within these license proceedings.

Furthermore, pursuant to Section 22 of the Broadcasting Act, the Council may grant a short-term license, including a license for test broadcasting. An application for a short-term license must contain the same requisites as an application lodged within license proceedings. The Council is obliged to make a decision on granting a short-term license in summary proceedings within 60 days of delivery of the application. The term of a short-term license may not exceed 60 days during a calendar year. This term may be either a continuous time period or an aggregate of shorter time periods or individual days, according to the needs of the broadcaster; however, it may not exceed a total of 60 days during a single calendar year.

The Council's competence also includes issuance of decisions on registration of retransmission. Therefore, for sake of completeness, this chapter also includes a survey of newly registered retransmission operators. A decision on registration of retransmission pursuant to Section 26 et seq. of the Broadcasting Act authorizes the operator to operate retransmission in a cable system or via satellite. There is legal entitlement to registration provided that the conditions set forth in Section 27 of the Broadcasting Act are fulfilled.

Survey of proceedings on granting a license

type of broadcasting	number of proceedings	decisions	pending
radio broadcasting via terrestrial transmitters	14	5	9
television broadcasting via terrestrial transmitters	-	-	-
television broadcasting in the DVB-T system	2	2	-

television broadcasting in the DVB-H standard	1	1	-
television broadcasting via satellites	14	13	1
television broadcasting via cable systems	19	18	1
television broadcasting via cable systems and satellites	-	-	-
radio broadcasting via satellites	1	1	-
radio broadcasting via cable systems	2	2	-
radio broadcasting via cable systems and satellites	1	1	-
short term license (terrestrial digital radio broadcasting in the T-DAB and DAB+ formats)	1	-	1

Proceedings on granting a license for broadcasting in the DVB-H standard

The public hearing took place on April 24, 2007. At request of T-Mobile Czech Republic a.s., the Council announced license proceedings for the DVB-H standard and stipulated:

the deadline for delivery of applications: February 24, 2007 by 4:00 P.M.

place of delivery: Council for Radio and Television Broadcasting, Krátká 10, Prague 10

time frame of broadcasting: at least 8 hours a day

term of the license: by May 31, 2007

territorial scope of broadcasting: 29th radio channel Prague – Strahov according to the chart of use of radio frequencies

In addition to T-Mobile Czech Republic a.s., companies Radio Proglas s.r.o. and Stanice O, a.s. also registered for the license proceedings.

The Council granted the license to Radio Proglas s.r.o. and Stanice O, a.s.

Proceedings on granting a short-term license for operation of terrestrial digital radio broadcasting in the T-DAB and DAB+ formats

List of parties to the proceedings

Party to the proceedings	Identification of program name	Council decision
Radio Proglas s.r.o.	Radio Proglas	proceedings suspended

Proceedings on registration of retransmission

Registration of retransmission pursuant to Section 26 et seq. of the Broadcasting Act authorizes the operator to operate retransmission via a cable system or via satellite. There is legal entitlement to registration provided that the conditions set forth in Section 27 are fulfilled.

Pursuant to Section 17 (4) of the Broadcasting Act, an entrepreneur providing an electronic communication network or a person that is interconnected by assets or personnel with an entrepreneur or group of entrepreneurs providing an electronic communication network cannot be registered as operators of retransmission that is disseminated only digitally. Interconnection by assets or personnel means that one person is directly or indirectly involved in management, control or assets of the other person or if identical legal or natural persons are directly or indirectly involved in management, control or assets of the two persons; involvement in control or assets means ownership of more than 20% interest in the registered capital or voting rights. In the relevant period, the Council did not dismiss any application for registration due to variance with the above-mentioned provision of Section 17 (4) of the Broadcasting Act.

Operators of analogue television broadcasting – arising of the right to pursue digital broadcasting

In accordance with Art. II (5) and (8) of the Transitory Provisions of Act No. 235/2006 Coll., some regional television broadcasters applied within the set deadline, including namely Genus TV a.s., Zak TV s.r.o., Regionální televize Dakr, s.r.o., TV Lyra s.r.o., TV Morava, s.r.o., TV Vřídlo s.r.o., RTA Východní Čechy, s.r.o., RTA Jižní Čechy, s.r.o., RTA Zlín, s.r.o., RTA Ostrava, s.r.o., Fatem-TV, a.s., Českomoravská televizní s.r.o. and FTV Prima spol. s r.o. (regional license 010), with a request for the right to disseminate their programs in unchanged form, during their term of the license, via a broadcasting network designated for terrestrial digital television broadcasting. Simultaneously, they delivered their written declaration that they intend to digitally disseminate their program, including services directly related to the program, within the technical and operational capacity of the regional broadcasting network. Furthermore, the declarations contained consent to changes in the set of technical parameters of broadcasting set in the license in accordance with the Technical Transition Plan, the obligation to terminate analogue broadcasting within the deadline set by the Technical Transition Plan and spatial graphic delimitation of the anticipated territorial scope of broadcasting.

On the basis of the opinion of the Czech Telecommunication Office and based on the decision of the Council of October 10, 2007, the arising of the right to disseminate their programs in unchanged form, during their term of the license, via a broadcasting network designated for terrestrial digital television broadcasting, was marked in the licenses of these operators and simultaneously, the territorial scope of broadcasting of these operators was set in accordance with the opinion of the Czech Telecommunication Office.

Thanks to these specifications, it was possible to grant up to two bonus licenses for digital television broadcasting for a nationwide television channel. The first of the two applications for the bonus license was delivered at the end of 2007.

FTV Prima spol. s r.o. – modification of license conditions

On January 18, 2007, the Council received an application of FTV Prima, spol. s r.o. for issuing a decision determining that FTV Prima, spol. s r.o. was authorized on the basis of license No. 012/94 to terrestrial digital television broadcasting of the Prima televize channel in the entire territory of the Czech Republic, in the framework of any electronic communication network intended for terrestrial digital broadcasting and that it became a broadcaster with an extended license for the purposes of Art. II (1) of Act No. 235/2006 Coll.

The Council accepted this application on February 6, 2007 and FTV Prima, spol. s r.o. became a broadcaster with an extended license, similar to CET 21, s.r.o.

The subject of frequencies shared by televisions FTV Prima spol. s r.o. and Genus TV a.s., Zak TV s.r.o., Regionální televize Dakr, s.r.o., TV Lyra s.r.o., TV Morava s.r.o., TV Vřídlo s.r.o., Českomoravská televizní s.r.o., RTA Východní Čechy, s.r.o., RTA Jižní Čechy, s.r.o., RTA Zlín, s.r.o., RTA Ostrava, s.r.o. and Fatem-TV a.s.

In negotiations on a new agreement on broadcasting times on shared frequencies, which was initiated by the Council for the purpose of concluding an agreement effective from January 1, 2007, the regional broadcasters were divided into two groups – while the group of broadcasters owned by FTV Prima, spol. s r.o. and associated in Regio media (Zak TV s.r.o., Regionální televize Dakr, s.r.o., TV Lyra s.r.o., TV Morava, s.r.o., TV Vřídlo s.r.o.), together with Genus TV a.s., wanted to continue broadcasting pursuant to the conditions valid by the end of 2006, the second group, which was controlled by and associated in Regionální Televizní Agentura (RTA Východní Čechy, s.r.o., RTA Jižní Čechy, s.r.o., RTA Zlín, s.r.o., RTA Ostrava, s.r.o., Fatem-TV a.s.), together with Českomoravská televizní s.r.o. (where a litigation concerning the owner of the company is pending), wanted to change the broadcasting conditions and return to the state of affairs under the last temporally unlimited license conditions – i.e. broadcasting 3 hours a day.

As of January 1, 2007, a situation occurred on shared frequencies, where FTV Prima spol. s r.o. and regional television broadcasters had not reached agreement on regulation of broadcasting times. While applications with identical contents were delivered after December 10, 2006 by FTV Prima spol. s r.o. and some regional television broadcasters (Genus TV a.s., Zak TV s.r.o., Regionální televize Dakr, s.r.o., TV Lyra s.r.o., TV Morava, s.r.o., TV Vřídlo s.r.o.) requiring a change in the license conditions concerning the connection times in shared frequencies, the remaining regional television broadcasters (RTA Východní Čechy, s.r.o., RTA Jižní Čechy, s.r.o., RTA Zlín, s.r.o., RTA Ostrava, s.r.o., Fatem-TV a.s., Českomoravská televizní s.r.o.) and FTV Prima spol. s r.o. had not reached agreement concerning connection times in shared frequencies by December 31, 2006 and, therefore, from January 1, 2007, these regional broadcasters broadcast 3 hours a day in accordance with the last temporally unlimited license conditions providing for times of broadcasting (of March 4, 1998).

Consequently, from January 1, 2007, these two groups of regional broadcasters broadcast at different times. These times were confirmed by the Council both within a preliminary measure and in the Council's decision of January 10, 2007, approving the proposed regulation of broadcasting times, on the basis of application with the same contents lodged by FTV Prima spol. s r.o. and some regional television broadcasters (Genus TV a.s., Zak TV s.r.o., Regionální televize Dakr, s.r.o., TV Lyra s.r.o., TV Morava, s.r.o., TV Vřídlo s.r.o.). The next regulation of broadcasting for this group of broadcaster was made on the basis of the decision of the Council of April 26, 2007.

Conclusion of an agreement between FTV Prima, spol. s r.o. and regional broadcasters RTA Východní Čechy, s.r.o., RTA Jižní Čechy, s.r.o., RTA Zlín, s.r.o., RTA Ostrava, s.r.o. and Fatem-TV a.s. on broadcasting times and lodging of applications with identical contents by these broadcaster formed a basis for the Council decision of August 28, 2007.

The last decision of the Council that regulated the situation related to broadcasting times on shared frequencies was issued on October 1, 2007 and was concerned with FTV Prima and regional television broadcasters Genus TV a.s., Zak TV s.r.o., Regionální televize Dakr, s.r.o., TV Lyra s.r.o., TV Morava, s.r.o., and TV Vřídlo s.r.o.

F. INFORMATION ON PROMOTION OF EUROPEAN WORKS AND EUROPEAN INDEPENDENT WORKS IN TELEVISION BROADCASTING, ON COMPLIANCE WITH THE RATIO OF EUROPEAN WORKS (SECTION 42) AND EUROPEAN INDEPENDENT WORKS (SECTION 43), AND ON THE REASONS FOR NON-COMPLIANCE, IF APPROPRIATE

[Section 6 (1) (g) of the Broadcasting Act]

The requirements for representation of European works in broadcasting are stipulated in Sections 42 to 44 of the Broadcasting Act. According to these requirements, where feasible, the broadcaster is obliged to reserve over one half of the total broadcasting time for European works. 10 % of the total broadcasting time must be reserved for independent European works. The time reserved for broadcasting of newscasts, sports events, competitions, teletext, advertising and teleshopping is excluded from the total broadcasting time.

The third requirement is aimed at support for contemporary production, where the broadcaster is obliged to ensure that the broadcasting of the works first made public less than 5 years ago represents at least 10 % of the broadcasting time reserved for the broadcasting of European works produced by independent producers.

Results of control

For the purposes of evaluation of fulfillment of the requirements for representation of European and European independent works in the broadcasting of Czech television broadcasters, the Council requested data from nationwide television broadcasters, from regional television broadcasters and from television broadcasters broadcasting via satellites. This did not include technical channels that are not subject to the relevant quotas, i.e. channels concentrating exclusively on news, sports and teleshopping.

Furthermore, the broadcasters were requested to provide data on Czech works broadcast in 2007, based on Section 47 (d) of the Broadcasting Act, which imposes on the broadcasters the duty to provide the Council with data on the number and footage of broadcast Czech works.

Statistics of the ratio of European works and European independent and contemporary independent works in broadcasting during the period from January to December 2007 – nationwide broadcasters

television channel	Nova	Prima televize	ČT 1	ČT 2
European works	52.1 %	57 %	88.1 %	86.7%
Independent European works	27.2 %	22 %	21.1 %	16.9 %
Contemporary independent works	34.1 %	98 %	67.5 %	62 %
Czech works	1939 hours 30.6 %	1643 hours 28 %	6228 hours 71.1 %	5833 hours 66.6 %

On the basis of the data provided by nationwide television broadcasters, it can be concluded that all the required indicators are being fulfilled. The figures correspond to the supplied documents and ad hoc control of the classified works also showed no shortcomings.

Statistics of the ratio of European works and European independent and contemporary independent works in broadcasting during the period from January to December 2007 – television broadcasters via satellite

Broadcaster/television channel	European works	Independent European works	Contemporary independent works	Czech works
Česká programová společnost spol. s r.o./Spektrum	58.5 %	48.4 %	Data not available	33 hours 0.6 %
HBO Česká republika, spol. s r.o./HBO	19.9 %	2.2 %	2.2 %	210 hours 2.6 %
HBO Česká republika, spol. s r.o./HBO 2	17.2 %	1.4 %	1.4 %	0
HBO Česká republika, spol. s r.o./HBO PL	19.6 %	1.5 %	1.3 %	25 hours 0.3 %
HBO Česká republika, spol. s r.o./HBO 2 PL	20.7 %	1.8 %	1.8 %	25 hours 0.3 %
HBO Česká republika, spol. s r.o./HBO COMEDY POLAND	24.7 %	2.2 %	2.2 %	0
HBO Česká republika, spol. s r.o./HBO ADRIA	17.5 %	2.1 %	2 %	0
HBO Česká republika, spol. s r.o./Cinemax	17.9 %	3 %	3 %	0
HBO Česká republika, spol. s r.o./Cinemax 2	Data were not provided	Data were not provided	Data were not provided	Data were not provided
HBO Česká republika, spol. s r.o./HBO COMEDY ADRIA	17.6 %	4.3 %	1.3 %	0
HBO Česká republika, spol. s r.o./HBO COMEDY REGIONAL	19.1 %	2.7 %	2.5 %	0
HBO Česká republika, spol. s r.o./HBO HU	20.3 %	2 %	2 %	0
HBO Česká republika, spol. s r.o./HBO RO	19.4 %	2.1 %	2 %	0
Minimax Media s.r.o./Minimax	62 %	52 %	71 %	24 hours 0.46 %
Stanice O, a.s./Óčko	85 %	60 %	100 %	229 first runs of clips. 59 first runs of programs
SAT Plus, s.r.o./FUN 1	100 %	0	0	100 %
TELEPACE s.r.o./TV NOE	99.7 %	45.8 %	21.4 %	2161 hours 707 Czech works
Československá filmová společnost, s.r.o./CS film	100 %	3.6 %	0.8 %	2345 hours 75.6 %
HELP FILM, s.r.o./Filmbox	56.2 %	56.2 %	10.9 %	1581 hours 28.3 %
HELP FILM, s.r.o./Nonstop kino	32 %	32 %	21.2 %	18 hours 1 %
HELP FILM, s.r.o./Nonstop kino HD	25 %	25 %	15 %	0

When processing the data related to the performance of the duties following from Sections 42 to 44 by broadcasters broadcasting via satellites for 2006, the Council criticized the manner in which some of these broadcasters recorded and processed the data. Therefore, in 2007, these broadcasters, in

relation to whom shortcomings were found, were sent a request that they keep more exact and comprehensive records related to the individual programs, so that the data for 2007 would be complete and exact. It is clear that the broadcasters increased the accuracy of their records based on the request. The data provided for 2007 were mostly comprehensive and exact. Compliance with the quota for European works and European independent and contemporary independent works by broadcasters broadcasting via satellites is problematic. Some of the broadcasters (HBO Česká republika, spol. s r.o. and HELP FILM, s.r.o.) have the character of their program reflected in their conditions of the granted license, which does not allow for fulfillment of the quotas pursuant to the law.

Statistics of the ratio of European works and European independent and contemporary independent works in broadcasting during the period from January to December 2007 – regional terrestrial broadcasters

Broadcaster/television channel	European works	Independent European works	Contemporary independent works	Czech works
RTA ZLÍN, s.r.o./RTA ZLÍN	100 %	Not broadcast – not allowed by LC	Not broadcast – not allowed by LC	100 %
FATEM - TV a.s./RTA JIŽNÍ MORAVA-	100 %	Not broadcast – not allowed by LC	Not broadcast – not allowed by LC	100 %
GENUS TV a.s./GENUS TV	100 %	100 %	100 %	100 %
RTA JIŽNÍ ČECHY, s.r.o./RTA JIŽNÍ ČECHY	100 %	Not broadcast – not allowed by LC	Not broadcast – not allowed by LC	100 %
Regionální televize DAKR, s.r.o./DAKR	100 %	66,7 %	100 %	100 %
RTA Ostrava s.r.o./RTA OSTRAVA	100 %	Not broadcast – not allowed by LC	Not broadcast – not allowed by LC	100 %
Českomoravská televizní, s.r.o./Vysočina TV	100 %	100 %	100 %	100 %
TV LYRA s.r.o./LYRA TV	100 %	45,3 %	100 %	100 %
TV MORAVA, s.r.o./TV MORAVA	100 %	64,2 %	100 %	100 %
TV Vřídlo s.r.o./TV Vřídlo	100 %	87,7 %	100 %	100 %
RTA VÝCHODNÍ ČECHY, s.r.o./RTA VÝCHODNÍ ČECHY	100 %	Not broadcast – not allowed by LC	Not broadcast – not allowed by LC	100 %
ZAK TV s.r.o./ZAK	100 %	100 %	100 %	100 %

Note: LC = license conditions

The data provided by regional broadcasters indicate the specificity of this type of broadcasting. All programs broadcast by these broadcasters are Czech and, therefore, also the share of European works must equal 100 %. Regional broadcasters can be divided to two groups. First consists of broadcasters who operate under the uniform designation RTA (including broadcaster FATEM-TV a.s.), while the other encompasses the remaining broadcasters who broadcast in cooperation with FTV Prima, spol. s r.o. The broadcasters in the RTA group stated in response to the request for information that, in 2007, they broadcast no European works produced by independent authors and, thus, also no such works younger than five years, as this was not allowed by their license conditions. This argument must be accepted. These broadcasters broadcast on the basis of similar license conditions, which include solely programs produced by them and programs produced in co-production and do not envisage the purchase of programs from independent producers. On the contrary, regional broadcasters who broadcast in cooperation with FTV Prima, spol. s r.o. included in their broadcasting, to a various degree, programs purchased from independent producers. With respect to some broadcasters, the share of independent works equals up to one hundred per cent. It must be

emphasized in this relation that this figure includes only quotable programs and, therefore, it excludes, e.g. newscasts, which are prepared by the broadcasters themselves and that cannot be included in the provided summary data.

It can be stated that the resulting data for all nationwide television broadcasters are satisfactory, as they all comply with the requirements on representation of European, European independent works and also contemporary European independent works. Compliance with these quotas is more problematic with respect to broadcasters via satellites. Nevertheless, when assessing the data provided by these broadcasters, it must be taken into account that the percentage share of European works and independent works is stipulated beyond the scope of the law in their license conditions. However, the percentage representation of independent works and contemporary independent works is usually stipulated in their license conditions in conformity with the Broadcasting Act and they are unable to comply with this quota in their programs. Broadcasting by regional broadcasters is specific as regards its contents; this is also reflected by the quantification of the shares of European works, European independent works and contemporary independent works in their programs. Given the fact that broadcasting by these broadcasters is strictly defined by the license conditions, no substantial change is likely to occur with respect to the individual shares in their programs.

An improvement in keeping records and particularly in the actual compliance with the requirements related to broadcasting of European and European independent works was notable in recent years. However, when evaluating the data, the Council continues to encounter the same problems, particularly with respect to the limited possibility of checking the supplied data. Although a majority of the relevant broadcasters provide summary surveys of all broadcast programs, where they provide information on the footage, the country of origin, the producer, etc., it is almost impossible to verify all these data. The selection of programs that can be subject to quotas, i.e. programs that are included in the total volume of broadcast programs, based on which the individual relevant shares are quantified, is also problematic. Given the very rapid developments in the area of television broadcasting, which continuously brings new formats of programs, it is practically impossible to create a comprehensive database of programs that could be subjected to quotas. Due to the lack of uniformity in evaluation, the outputs of the individual broadcasters cannot be fully compared. However, this problem is encountered, not only by the Council for Radio and Television Broadcasting, but also by a number of similar bodies in other countries of the European Union.