



Republika e Kosovës
Republika Kosova - Republic of Kosovo



KOMISIONI I PAVARUR PËR MEDIA
NEZAVISNA KOMISJA ZA MEDIJE - INDEPENDENT MEDIA COMMISSION

Report on the meeting on strategies for re-licensing and digitalisation

July 2008

Table of contents:

Introduction	3
Licensing	3
Re-licensing process and challenges.....	3
A background of regulatory development and current situation in Kosova	4
Re-licensing strategy – options.....	6
Objectives of process and necessary actions	9
Conclusions on licensing process	12
Digitalization	12
Role of ITU and Regulatory Authority in planning digital frequencies – Stanko Perpar	13
Perspective and experience of Macedonia – Zoran Stefanovski	15
Perspective and experiences of Slovenia – Stanko Perpar.....	16
Perspective and experiences of Albania – Elton Poga.....	17
Digitalization process in Kosova	18
Objectives of digitalization process and required actions.....	20
Conclusions from the session on digitalization	20
Executive Summary	21
Annex 1 - Meeting Agenda	24
Annex 2 - Participants List	27

Introduction

This report presents the discussions and conclusions from the first meeting of the IMC Council and IMC Staff and experts in relation to re-licensing and digitalization of the media sector in Kosova. The meeting, the first of this kind organized by the IMC, was held in Skopje from 21 to 24 July 2008 and a wide group of participants from the IMC and stakeholders from the media sector took part in it. The discussion on the strategies of these two processes was divided into two parts.

The first part was focused on the re-licensing process, respectively issuing of long-term licenses to the broadcast media in Kosova. The first session commenced with a presentation on the current situation of the regulatory media climate in Kosova. Afterwards, IMC representatives presented possible scenarios for the re-licensing process as well as the advantages and disadvantages of those scenarios. The current situation of the frequencies, used by Kosovar broadcasters, as well as the standards of the International Telecommunication Union (ITU), which regulates allocation of these frequencies, were presented there. Various ideas were given after these presentations about the approach that should be applied in this process, which was renamed as the long-term media licensing process. During the discussions, participants agreed about the principles of this process, its objectives, as well as the actions the IMC should take to implement it.

The second part of the meeting was focused on the digitalization process of the media broadcasting in Kosova. Representatives of Kosovar media, IREX, an organization that supports Kosovar media, and a number of experts who shared their experiences on this process with the group, joined the meeting for these discussions. Three presenters from Slovenia, Macedonia, and Albania spoke about their experiences and how digitalization process was applied in their countries. The Slovenian expert also presented his experience about the ITU and Kosova's position towards this body. The participants began the discussions about the first steps that Kosova should take to commence the long digitalization process, towards which no step has been taken. At the end, an agreement was reached on the first steps the IMC should take in this regard.

Licensing

Re-licensing process and challenges

The meeting began with the welcoming speech delivered by the Chairwoman of the IMC Council, Ms. Grazhdani. She highlighted that the re-licensing process is

very important and qualified it as one of IMC's biggest challenges. The goal of this process should be achievement of an understandable and simple strategy, which is in the interest of the society and which can be presented to the public. Another challenge of this process is the voluminous work that should be done by the IMC. In this process, according to Ms. Grazhdani, pressure comes from two sides. On one side are those who consider that the entire market is in chaos and should be regulated. The other side thinks that the market is self-regulatory and there should not be much interference. The IMC should work in the interest of the society and this element should be IMC's guide during the process.

A background of regulatory development and current situation in Kosova

Ms. Naile Selimaj-Krasniqi, the Chief Executive Officer of the IMC Office, delivered a presentation on the current situation in the media regulatory field in Kosova. According to her, there was a media chaos at the beginning and international organizations in Kosova tried to regulate it. The licensing model applied in Bosnia was preliminarily used in Kosova. The regulatory office was established in 2000 and improvements were made in this field. Several licensing rounds were held over the next three years and Kosovar media were issued temporary licenses. The licensing process was competitive and applicants competed for a frequency. A problem in this aspect was that Licensing Panels set their own criteria in each round, therefore there were no standard licensing criteria. Temporary licenses were issued in this way until 2006 when competencies were transferred from the international media commissioner to the Independent Media Commission (IMC). In 2006, the IMC decided to not issue licenses anymore in order to consolidate the market before commencing to issue long-term licenses.

Currently, there are 113 licensed media outlets in Kosova. Of them, 20 are TV stations and 93 radio stations, categorized into national, regional and local broadcasters, and low power media. The frequency band is overloaded and it is not in line with the frequency plan of Kosova and the ITU. Many interference problems have also been identified.

The work of the IMC is covered by the IMC Law, which provides a strong support for the IMC. The law authorizes the IMC to pass secondary legislation in regard to the media regulatory activity. According to Ms. Selimaj-Krasniqi, the challenges IMC faces with are long-term licensing and digitalization processes, the image of the IMC before Kosovar public and the logistic possibilities for using all transmitting sites in Kosova, including Golesh.

Speaking about the current situation in the frequency band, Mr. Besim Govori,

the Head of the Frequency Management Division, presented the work and analyses done by the IMC. Mr. Govori presented the measurements taken by this IMC Division and conclusions drawn based on those measurements. These measurements were taken through ICS Telecom programme and analyzed the analogue transmissions. Mr. Govori also presented the situation in international regulation of analogue transmission (according to Stockholm 61) and digital transmission (according to Geneva 06).

The distribution of frequencies for VHF and UHF TV services for Kosova has been carried out according to the Stockholm plan within the analogue broadcast frequency plan for Kosova. With this plan, four national networks have been envisioned to be built in Kosova. As far as the local-municipal and commercial TV stations are concerned, the ITU had not envisioned this service at that time. The distribution of frequencies in the FM/VHF band for Kosova is defined according to ITU Geneva 84 Plan. This plan contains four national radio networks and additional networks in the local level.

After the war in Kosova, KFOR- J6 managed the broadcast frequency band. In 2000, the management of this band was transferred to the OSCE, respectively to the Temporary Media Commissioner (TMC). In the same year, the TMC, in cooperation with experts from England, modified Kosova's TV and FM frequency band according to the ITU Stockholm 61 and Geneva 84 frequency plan. According to Mr. Govori, this modification was carried out without a genuine strategy for broadcast development in Kosova, which caused problems to establishing of a genuine Frequency Plan of Kosova.

As Mr. Govori said, the broadcast frequency band in Kosova is overloaded because of a high number of local frequencies and those for KFOR needs, which were issued without a strategy on the broadcast development in Kosova. The limited number of TV channels in the TV and VHF band, 59, is determined by international recommendations on terrestrial television network planning and implies that the frequency band should be used rationally due to the limited number of channels. Although the frequency band is overloaded, according to Mr. Govori, one can conclude that, based on the measurements taken in the field, free frequencies may be still found in Kosova's municipalities.

Issuing frequencies for use is a complicated process and the regulatory authority holds responsibility for it, because, besides respecting the standards and technical conditions for transmission covering certain territories, issuing of any frequency based on international agreements should be coordinated with all the neighboring countries, within the coordinated distance, determined by the documents that were adopted in international conferences. According to Mr. Govori, this will be one of the biggest challenges for the IMC during the long-

term licensing process.

Mr. Govori highlighted that activation of the transmission site in Golesh is very important for the use of the local TV transmissions. This site, which is currently under KFOR exclusive control, was envisioned according to all international plans as a transmission site in Kosovo and those plans oblige us to activate it. By activating the Golesh site, as Mr. Govori said, the capacities of many local broadcasters, which may be used for local and regional transmissions, will be freed.

Commenting on this, Ms. Grazhdani pointed out that it is important to look at the possibilities for reaching an agreement with KFOR as that would affect the long-term licensing process.

Ms. Grazhdani asked the Frequency Management Division to draft a frequency plan including Golesh as the transmission site and a plan, which does not include Golesh. She also demanded that IMC Office plans include an analysis about the problematic frequencies and the recommended ones. This plan should include transmission sites from the sea level, allowed according to standards.

Re-licensing strategy – options

The session with discussions on potential scenarios regarding the re-licensing process began with presentation of some options by Ms. Selimaj-Krasniqi. After her, Ms. Samra Cmpara from the OSCE presented her proposal. The session continued with discussions over the possible options regarding this process.

Ms. Selimaj-Krasniqi highlighted that the IMC has received many requests for licenses from various media outlets, but it has not issued any license in order to standardize its work and to resume the long-term licensing process of the Kosovar media. The licensing process is very important, it is a legal obligation which will enable further development of the media sector in Kosovo. According to Ms. Selimaj Krasniqi, there are two possibilities for the development of this process: to re-tender the frequencies or to extend licenses to the current broadcasters.

The first way, re-tendering of all frequencies, would overload the IMC and would not guarantee results. According to this scenario, a tender for 100 licenses would open, except for the public broadcaster. Such an approach would create a chaotic and insecure situation. It would delay the process and would postpone it for a long time while the IMC should end this process and focus more on the digitalization process. This method, according to Ms. Selimaj Krasniqi, would jeopardize the results achieved so far and would cause problems to the

development of IMC plans.

The second alternative, extending the licenses to the current broadcasters, would be faster. New criteria, set by the IMC, would be the condition for extension of the licenses. The new criteria would ensure that the media that win long-term licenses will be sustainable, will have good program that is in the interest of the public, will comply with copyright law, and will meet technical transmission standards. The media should submit their financial reports, which is also a legal request. Also, according to Ms. Selimaj-Krasniqi, the IMC should fulfill its obligations towards the media and offer an unbiased process which will enable their unhindered development. The IMC should prepare the application documents and set the frequency plan that should be followed. All this work should be done in cooperation with all the interest groups and through a transparent process.

According to Ms. Selimaj-Krasniqi, the IMC Office recommends application of the second method, which is not a perfect solution but the best possible alternative.

After the presentation of the IMC Office, Ms. Campara from the OSCE presented her proposal regarding the re-licensing process. According to her, Kosovo's accession to the ITU should be the focus of this process in long-term aspect. Ms. Campara proposed the following steps for achieving this. First of all, the country should be divided into five or more regions. Tenders for allocation of the media frequencies should be announced for these regions. Finally, frequencies should be allocated based on the categories in which the media have been classified. For this process, according to Ms. Campara, criteria should be set for evaluation of the applications, where certain points would be determined to make an assessment for the quality of program, financial reports, technical capacities, and for compliance with the IMC regulation. To achieve this, Ms. Campara proposed preparation of a series of documents, such as code of conduct, competition process, defining of payment level, etc. Ms. Campara offered the help of the OSCE for drafting of regulations and norms and added that help from the colleagues in the region may be sought for this process as well. Also, we should take into account the deadlines so that the process begins as soon as possible. Such a process, according to Ms. Campara, was applied in Bosnia and Herzegovina and although it was not a miracle, it resolved lots of problems.

IMC Council Member Mr. Karol Jakubowicz offered his proposal for this process. First of all, he pointed out that we do not need a re-licensing process. He stressed out the need for finding a more suitable and neutral term, which would soften the concerns of the existing media. The IMC, according to him, should work by taking into account two viewpoints: the viewpoint of the regulatory authority

and that of the broadcasters. “Normalization of the broadcasting market” is a term, according to Mr. Jakubowicz, that would take into account these two viewpoints.

Mr. Jakubowicz presented three possible scenarios for the process. The first, which would challenge the entire regulatory system, is launching of re-licensing process by re-tendering the frequencies. Such a process would cause headaches to the IMC as well as to the broadcasters and would not guarantee a successful process. Another extreme scenario is to rename all the temporary licenses as permanent ones, which would also not regulate the market. The third scenario, which Mr. Jakubowicz prefers the most, is a combined approach which would divide the current broadcasters into three groups: the good ones, broadcasters with problems, and bad broadcasters.

According to the combined scenario, the good broadcasters, which did not have any administrative problems with the IMC, should be offered the possibility to turn their temporary licenses automatically into long-term licenses only by submitting a request requesting that. We cannot anticipate if the current broadcasters want to continue their activities, therefore, the broadcaster should submit a request for automatic licensing. The IMC should set conditions for the broadcasters with problems and these broadcasters should meet them in order to get the long-term license. In the end, as far as bad broadcasters are concerned, the IMC may re-tender their frequencies and make these media compete with other applicants. Also, according to Mr. Jakubowicz, the IMC should offer the possibility for issuing licenses to new broadcasters in the market. Such a process, in his opinion, would be easier and would manage to push the process forward through a disintegrated approach and would not discredit the aimed goals. In the end, Mr. Jakubowicz requested from the IMC Legal Office to look at the lawfulness of such an approach. According to him, compliance with the law is the only criteria that should be taken into consideration. If we have facts that a broadcaster breached the law and is not in compliance with the conditions of the temporary license, then we should classify it as a problematic broadcaster.

After these presentations, Ms. Grazhdani thanked the presenters. She pointed out that re-licensing is a term that is scaring the licensed media. Commenting on the proposal of Mr. Jakubowicz, Ms. Grazhdani said that she fully agrees with it. According to her, it is not possible to review each license, therefore, such a disaggregated process is the most favorable one. Such a process allows the IMC to begin the long-term licensing of the good broadcasters and there may be various timelines for the problematic ones.

The discussion continued regarding an issue raised by Ms. Grazhdani – what

does this process mean and which problems we want to settle down through it. Some problems are technical, some are about the copyright law, others are related to the management of the process and setting of the deadlines. According to her, the IMC should also take into account the issue of a national broadcaster in the minorities' languages, as envisioned in the Ahtisaari Plan.

After the discussions, the participants agreed in principle with the model proposed by Mr. Jakubowicz. According to the IMC Council members, the categorization process may be carried out and there are clear legal criteria which should be respected by the broadcasting entities. This classification may be done based on how the broadcasters respected the criteria in the past.

Some comments, made by the participants, were focused on naming of the process as Normalization. As such, the term was considered to be weak, therefore, they agreed to name the process: "Long-term Licensing of the Media in Kosova."

Objectives of process and necessary actions

The participants agreed that the process that should be implemented by the IMC should be named: "Long-term Licensing of the Media in Kosova." Based on the group's discussions, it was decided that the general objective of the process shall be "Normalization of the media regulatory ambient in Kosova."

Further on, discussions were focused on setting the principles that should guide the process for long-term licensing of the media in Kosova. A consent was reached regarding the following principles:

- The process should be in line with the frequency plan of Kosova
- The process should contribute to long-term development of the media sector in Kosova
- The process should create possibilities for fulfillment of the needs of all communities for access to the media in their languages.
- The process should contribute to implementation of the broadcasting policies defined by the Law on the IMC.

The joint approach of all the participants was that this process should be friendly towards the broadcasting entities so that they feel comfortable with it.

As a result of discussions on potential scenarios regarding the long-term licensing process and the selected method, the objectives of the long-term

licensing process were set as following:

Objective 1: Issuing long-term licenses to the media by categorizing broadcasting entities into three categories (automatically, on condition, and re-tendering) based on how they complied with the legislation and conditions of the temporary contracts (depends on lawfulness) and issuing long-term licenses to new broadcasters.

Objective 2: Setting same criteria (requests) for all the media, including the following criteria: technical, copyright law, finances (financial sustainability); programming, and clarification of the ownership and managing structures.

Objective 3: Standardization of licensing procedures and documentation.

Objective 4: Creation of a frequency distribution plan (including the post-digitalization period) and determining of the transmission points.

Objective 5: Creation of possibilities for a national public broadcaster in the language of minorities.

Four issues were raised as part of the discussions on these objectives. The first was related to the digitalization process and it is connected to the long-term licensing process. According to the discussions, the participants agreed that although digitalization will follow the long-term licensing as a process, the long-term licenses that shall be issued by the IMC should specify that they are valid only until the transfer to the digital transmission because of the new technological possibilities offered by digitalization for the use of the frequency band. The limited validity of a license until digitalization should be highlighted in particular in the license's conditions. The second issue that was raised was about the development of the process regarding the broadcaster in the Serb language. The IMC Office informed the participants that these media have cooperated well with the IMC so far and they assumed that such a cooperation will continue in the future too as that is in their interest. The third issue was about opening of the media market in Kosovo through the long-term licensing process. Kosovar media are afraid that foreign media will come in and take over the market. This is dangerous in particular for the local broadcasters. Since there is no legal ground that forbids foreign investments in this sector, the best protection, according to the participants, is strengthening of the Kosovar media. It was proposed that Kosovar media may strengthen if expansion possibilities are offered to those broadcasting entities that want to do that. The last issue was about providing the possibility for national broadcasting in minorities' languages. The decision made after the discussions was that frequency management division reviews technical possibilities for offering the fourth network to national broadcasters in

minorities' languages.

The frequency plan issue is related to three aspects. First of all, shortcomings come up because it is not possible to use the two highest transmission sites, the ones of Golesh and Cvilen, which are currently used and under full control of KFOR. The IMC Council requested from the Frequency Management Division to draft two plans - one should include Golesh and Cvilen, and the other should not include these two sites. The issue of problematic frequencies, in terms of interferences and broadcasters that exceed the allowed transmission space, were discussed. This Division was also requested to draft a report on this issue. In the end, the issue of digitalization and the impact of this process on the available frequency band and IMC frequency plan were discussed, too.

After this, the discussion was focused on the steps that the IMC should undertake regarding the long-term licensing process, setting of the deadlines for this process, and appointment of the persons that will be in charge. Based on the objectives set and presented above, the participants worked on a Working Plan for the IMC in order to meet the objectives and achieve the goal of the process.

Participants agreed for the action plan as following:

ACTION	DEADLINE	RESPONSIBILITY
1. Media categorization criteria	15 August 2008	IMC
2. Creation of profiles for current media	30 October 2008	IMC
3. Setting licensing criteria	15 November 2008	IMC
4. Frequency distribution plan	30 October 2008	IMC
5. Standardization of documentation and procedures	30 December 2008	IMC
6. Announcement of tender (notification)	15 February 2009	IMC
7. Reviewing of applications and issuing of licenses	Group 1 (automatically) - 30 March 2009 Group 2 (on condition) - 30 June 2009 Group 3 (re-tendering) - 31 December 2009	IMC

Conclusions on licensing process

The main conclusions from the session of the long-term licensing process of the media in Kosova was about the methodology that should be applied, principles that shall guide this process, the objectives that should be achieved, and the action plan to reach these objectives.

A decision made during the discussions was that a hybrid process should be applied and current broadcasting entities should be profiled into three categories. This categorization shall serve as the ground for offering immediate extension of licenses, offering of frequencies on condition, and re-tendering of the frequencies.

Same standards and documents should be applied for all the media and the process should be open for all. A frequency distribution plan should also be drafted. The media will apply for long-term licenses based on this work as well as based on the categorization, fulfillment of the criteria and compliance with Kosova's frequency band. To some extent, the process will be almost similar for all the media, but achievement of specific goals will be divided into three phases for each category of broadcasting entities. The broadcaster that will receive licenses automatically will receive them by end of March the latest. Decisions regarding the problematic broadcasters are expected to be made in June 2009. In the end, the IMC will review for a long time the cases that should be re-tendered and complete this last segment of the long-term licensing process by the end of 2009.

Digitalization

Process of digitalization is a development that is taking place all over Europe. Aim is to transfer into digital broadcasting in European Union's countries by 2012. All countries of the region have also started the process of digitalization in order to transfer it until 2015. In this aspect, Kosovo is behind and it has not yet started to work in this direction. Kosova was not part of the ITU conference held in Geneva in 2006, where the frequencies for digital broadcasting in territory of Europe were allocated and as such it was harmed by this process.

In order to facilitate discussions about the beginning of digitalization process, IMC had invited three experts from the region, which have experience with functioning of ITU and that were closely connected with digitalization process in their countries. These experts were; Stanko Perpar from Slovenia, Zoran Stefanovski from Macedonia and Elton Poga from Albania.

Work of the second day was opened by Ms. Grazhdani by thanking experts for

their time and assistance in creation of digitalization strategy in Kosova. She emphasized the need to learn from regional experiences. Ms. Grazhadni also thanked the representatives of IREX, AMPEK and KTTN for their participation and assistance.

Role of ITU and Regulatory Authority in planning digital frequencies – Stanko Perpar

First presentation was related to the role of ITU and Regulatory authority in planning digital frequencies, and it was presented by Mr. Perpar, representative of Slovenia in ITU.

ITU is the United Nations agency dealing with information technology and communications and it is a focal point for governments and private sector. Role of ITU reaches three basic sectors: radio communications, standardization and development.

Structure of Union comprises from Plenary Conference, which is supreme body of ITU. Council is one level lower and is responsible for preparation of the conferences. After that come the world conferences on international telecommunications. ITU also contains Radio Communication Sector, Sector for Standardization of Telecommunications, and Sector for Development of Telecommunications and General Sector. ITU is an intergovernmental body comprising from member states and sector members (representatives of industries).

ITU promulgates its mandate from its Constitution and it is responsible for allocation of frequency spectrum and also for registration of frequency allocation, orbiting positions, and other parameters in order to avoid harmful interferences between stations from different countries. ITU divides the world in four regions in which it administers the frequency span, and which is considered as natural resource with limited capacities. Mr. Perpar afterwards made the presentation about the functioning of different ITU bodies and procedures for allocation of frequency spectrum and registration of allocations in its registrar.

Presentation continues by presenting the process of digital terrestrial broadcasting, where Mr. Perpar was focused on technical parameters of determining the power and required positions for broadcasting. Afterwards, he was focused on signal coverage area, by making comparisons with analogue broadcasting, where also a weak coverage can be viewed, and in digital broadcasting coverage should be very good, otherwise there will be interruptions and blockages of the picture, where for example from 3 dB in emission quality of digital broadcasting means absence of picture.

Further on, presentation was focused in differences of digital and analogue planning process. In digital broadcasting, according to Mr. Perpar, we have the scarp effect, where the signal is lost quickly with a small decrease of broadcasting power. On the other hand, we have the efficiency of frequency use with more channels for one frequency. Moreover, digital broadcasting does face the reflection problem. Possibility of Networks in one frequency and receiving also in movable equipments are some of the advantages of digital system.

Mr. Perpar presented some of the decisions taken by the ITU in Geneva conference in 2006, where it was decided about frequency planning for terrestrial and digital broadcasting in Domains III, IV and V. this plan should enter into force at the time when the analogue broadcasting is turned off. Before this takes place, a simultaneous broadcasting period is planned, where the digital broadcasting is limited due to protected analogue channels. However, after the 17 June 2015, with exclusion of some countries, analogue broadcasting will no longer be protected by ITU. European Union has proposed that the transfer into digital broadcasting should be completed by 2012.

Mr. Perpar afterwards presented the procedures that should be followed by different countries for amendment of plans and coordination of primary terrestrial services. Administration that proposes the changes of frequency plan should first obtain the consent of other administrations that may be affected by such changes. If there is such consent, then ITU is notified and new frequencies are registered.

In the end, Mr. Perpar presented his proposals for acceleration of transitional period in digital broadcastings. First, planned broadcasting point should enable portable reception from different equipments, in order to increase the coverage in a shortest possible time. Broadcasters should work in increasing the number of programs that are broadcasted by digital system and encourage new broadcasting services. According to Mr. Perpar, Regulatory authorities initially should not charge the fee for digital broadcasting, and also should not offer allocation of analogue frequencies for new services in market. The Government can assist by assisting in the cost of receivers (digital boxes) for population. Finally, all actors should be involved in a wide information campaign of terrestrial digital television.

According to Mr. Perpar, there are two things that Regulatory should take into consideration: standard of broadcasting, respectively choice between MPEG2 and MPEG4, where the difference is between quality and cost. There is still no unified standard over the issue in European Union. Moreover, regulatory should take care of informing the people about the equipment that should be purchased for digital receipt, respectively which model is in accordance with broadcasting

standards in Kosova.

Perspective and experience of Macedonia – Zoran Stefanovski

Macedonia has already entered into the process of digitalization and has made first administrative steps. According to Mr. Stefanovski, President of Macedonian Broadcasting Council, experiences of Macedonia are very similar to those of Kosova. First identified problem there was the absence of experts in this domain. Macedonia has used the assistance of OSCE mission in Macedonia in order to use the experience of foreign experts in regulating the market, required legislation based on EU standards, encourage public discussions and finally to approve the law on digitalization in 2007.

According to Mr. Stefanovski, Macedonia has obtained 8 frequency allocations in UHF and 1 in VHF from the Geneva conference. According to him, this enables Macedonia to offer 80 channels for televisions with digital standard broadcasting. Plan of Macedonia is to transfer into digital broadcasting by 2012, but according to Mr. Stefanovski it is most possible to postpone this deadline for 2015.

There were many problems that Macedonia faced in this process. First, uncontrolled allocation of frequencies was a significant problem. There are also many problems in collecting the radio diffusion tax. Political problems with elections in Macedonia have also slowed down the process.

Macedonia has announced the international tender for three multiplex operators, in order to encourage foreign investments and currently it is working in obtaining one more multiplex. Licenses of operators are planned to give the right on use for 10 years with extension possibility for another 10 years. Fourth multiplex is planned to be used by national television station MTV. Operators are obliged to provide decoders for population (set top box) with low price. It is valued that Macedonia has 500,000 households. Subvention in Macedonia is not allowed by law, therefore the provision through operators is chosen. In relation to broadcasting standard, Macedonia has chosen MPEG4 coding, which is qualitative but more expensive.

Although there is a document for digitalization strategy, this document has not been finalized in Macedonia and it is in continuous elaboration. According to Mr. Stefanovski, in order to achieve the digitalization strategy, a joint body comprised of Radio Diffusion Agency and Agency for Electronic Communications was established. This body is responsible for digitalization process and determination of technical standards for equipments. Those standards are completely defined.

According to Mr. Stefanovski, digitalization will be done in two phases. National multiplexes will be made operational first and regional multiplexes in second phase. According to him, this is a long process and it should be followed step by step, by including all actors all the time. This process will regulate not only the terrestrial broadcastings but also the satellite broadcastings from Macedonia.

On the question, which broadcasting model will be applied in Macedonia, Mr. Stefanovski stated that regulatory will determine that 1/3 of programs will be national channels in Macedonia, whilst 2/3 will be commercial stations, not only from Macedonia. Law also does not allow for operators to be at the same time also the broadcaster of programs.

Perspective and experiences of Slovenia – Stanko Perpar

Presentation of experiences started with presentation of legal base for the process of digitalization. According to Mr. Perpar, this is regulated through the Law on mass media, Strategy for transition from analogue system into digital system, Law on RTV Slovenia and Law on digital broadcastings. Strategy had foreseen implementation in three phases, 1 year for preparation of the base for transition, 4 years transition phase and the phase of exclusive transition into digital broadcasting that follows the second phase from 2011.

According to Mr. Perpar, Slovenia is divided in three regions (3 allocations), each of them with eight allocations. Initially there are planned two multiplexes. Multiplex A will carry national program of Slovenian public television and regional programs. Multiplex B is dedicated for commercial programs.

In relation to the cost of equipment for digital broadcasting for one multiplex, according to Mr. Perpar, this includes 4 million € for broadcasters and fillers of gaps, 2 million € for links, half a million for codes and other expenditures estimated in approximately 1.5 million €. This makes the cost of one multiplex to reach the approximate amount of 8 million €.

There are two kind of licenses issued in Slovenia, one for broadcasters and the other one for multiplexes. License for multiplex B is already in tender and its implementation will be in two phases. First phase will cover around 50% of population, whilst the second phase aims to cover of population until June 2010.

According to Mr. Perpar, multiplex that carries public radio – television will not have commercial content, but on the other side, commercial content is a contribution to motivate the population toward the transition into digital system. In Slovenia, inclusion of commercial program TV3, which broadcasted matches of European Championship in multiplex A together with RTV Slovenia, had

motivated many viewers to move to the digital receiving system.

Last issue raised by Mr. Perpar in his presentation was the issue of digital radios. He emphasized that system has already broadcasted in Slovenia for five years, however, in Slovenia there are still more broadcasters than receivers of digital radios. Additional problems in this aspect are different systems used in different countries and the lack of a standard close to the international standard. According to Mr. Perpar, digital radio will decrease, however it is difficult to predict which system will win and will survive.

Perspective and experiences of Albania – Elton Poga

Mr. Poga had begun his presentation by emphasizing the advantages of digital broadcasting systems. According to him, this system provides maximum quality, provides saving of frequency span, and on the other side provides a possibility for a considerable number of channels placed in one frequency. Moreover, this system provides possibility for interactivity between viewers and provider of the content, and as well the possibility for different software applications. According to him, digital broadcasting provides possibility of broadcasting 12 programs in one frequency, with the difference from 1 program in analogue system. Moreover, digital system provides coverage of specific area with only one frequency, through the system Single Frequency Network (SFN), whilst with analogue system it would require several frequencies.

Nature of broadcasting is also totally different. According to Mr. Poga, while in analogue system, broadcaster has the license to broadcast program, which is frequently produced by broadcaster itself, and has the responsibility to construct broadcasting network of the program, in digital system we have three different actors. First, we have the provider of content, respectively program. Then we have the providers of broadcasting network. Finally we have service providers, respectively operators. According to Mr. Poga, this enables transformation of the viewer from a traditionally passive role in a active user of the service, which can come forward in a personalized manner. According to him, this will be significant impulse for development of media market.

Experience in Albania was a bit different. At the time when the regulator was working to start the digitalization process, a private operator had already started with digital broadcasting even earlier. According to Mr. Poga, it was difficult to find a legal frame to include this broadcaster that had already a monopoly in market. Law on digital broadcastings was approved in Albania in 2007 and this law was attached to the law on analogue broadcastings and enables legalization of digital broadcastings. If there is no legal base that regulates the market, it is impossible to stop investments and activities of private operators. Therefore, in

Albania, the regulator has looked into developments from behind and during the preparation process from before, and which is problematic.

Digital broadcasting with DVB-H system for mobile devices has already started in Albania and it is functioning very well. According to Mr. Poga, Albania is the third country in the world that has applied this technology.

Afterwards, Mr. Poga presented his analyses on the position of Kosovo from the Geneva agreement 2006. Since Kosovo was represented in this process by Serbia, as it was not the member of ITU, Serbia determined technical characteristics and reserved channels for Kosovo. It was determined that entire territory of Kosovo is one service zone and only two frequency allocations are registered with ITU. In total, 10 frequencies are reserved for Kosovo, 7 in UHF band and 1 in VHF, as well as two blocks of frequencies VHF for T-DAB service.

Transition period into digital system is planned to end in 2015 and after the June of that year, frequencies previously protected by Stockholm agreement 61 will no longer be protected. Therefore, according to Mr. Poga, analogue channels that are broadcasting in Kosovo will not be protected and can be affected by harmful interferences from other countries.

According to Mr. Poga, regulatory authority should create conditions and suitable technical and legal infrastructure in order to start with experimental phase and inclusion of this technology. He also recommended that IMC should make a plan of frequency allocations (recalculation of SFN) by taking into consideration real needs for digital platforms in Kosovo. Creation of legal and technical infrastructure will make possible investments and normal functioning of digital services. Application of recommendations and international standards will enable best use of frequency span, which is limited resource.

Affiliation of Kosovo in ITU will be a long way. In meantime, developments can not wait for the solution of this issue. Mr. Poga recommended that IMC should use existing plan until it enters into the international process of authorization. According to him, agreed Geneva plan for Kosovo does not provide maximal conditions for Kosovo, therefore IMC should make a frequency allocation plan and divide Kosovo according to needs, by following international standards, and afterwards duly notifies the ITU about the issue.

Digitalization process in Kosovo

Aim of discussions in this session was identification of necessary first steps that should be undertaken in Kosovo in order to start the digitalization process. This process is full of challenges and it will be a long process, but the aim is to create a

plan that appropriately reflects needs and conditions of Kosova. Meeting aims to start this process. Ms. Grazhdani suggested that without taking into consideration limitations that we are facing such as membership in ITU, we have to plan like those limitations do not exist and we should choose the best way for development of this sector in the future.

In order to push forward this process, we should create and adopt policies for digitalization process. This policy should be also adopted by the society. Such process starts with consultations and it goes up to the strategy and legislation.

All participants agreed that involvement of all interested parties in process is very important. However, we should take care that the IMC becomes a leader of this process. Therefore, interested parties should be included, after the identification of approach to the process. Group has identified the following list of interested parties that should be included in process:

- AMPEK
- KOSMA
- KTTN
- Ministry of Transport and Telecommunications
- Ministry of Economy and Finance
- Ministry of Culture (copyright)
- TRA
- Parliamentary Commission for Media
- Parliamentary Commission for Transport and Telecommunications
- Cable Operators
- Associations for Customer Protection
- Faculty of Electro techniques of Prishtina University
- representatives of businesses that will deal with production/import and sale of equipment

After interested parties, discussion was focused in several problems that Kosova is facing in digitalization process. First problem is of the legal nature, since Kosova is not the member of ITU and it was not included in development of frequency spectrum Geneva 2006, that does not reflect proper needs of Kosova. Another problem is the lack of policies for digitalization process that are agreed by all parties in Kosova. Moreover, there is a lack of technical and staff capacities in a sense of planning of digital frequencies and carrying out necessary measurements. It was also mentioned the fact that digitalization process will initially serve to national channels, while local channels may face difficulties.

Objectives of digitalization process and required actions

Objective of the process is the transfer of broadcasting into digital system. In order to achieve this, a series of actions need to be undertaken and comprehensive process should be followed. Mr. Jakubowicz proposed creation of the secretariat within the IMC that will follow the process and will be tasked to keep the process moving.

Based on this, it was proposed that after the meeting of all interested parties, sub working groups should be appointed. Those groups should take the initiative and in case it is required more specialized expertise, it should be taken into consideration the possibility of consultations with foreign experts of IMC. Need for changing the equipment and who should pay for such equipment, was also discussed.

Afterwards, the group discussed an action plan for IMC in the digitalization process. Agreed actions by the participants in a meeting, and deadlines are the following:

Action	Deadline
1. Creation of the working group in frame of IMC	Until 1 August 2008
2. Studying experiences from other countries	Until 3 November 2008
3. Organization of discussions related to the Position of Kosova with regards to ITU (with representation by MTT, TRA, ZKM, Commission For media)	Until 15 November 2008
4. Drafting of documents with possible options and brief frequency plan	To be determined
5. Meeting with interested parties	Until 30 November 2008
6. Appointment of working groups related to technical, legal and finance issues	Until 12 December 2008
7. Development and approval of digitalization strategy	Until 1 June 2009

According to Mr. Poga, it is the state the one that should ask and encourage the initiative and it has particular role in creation of sustainable system.

Conclusions from the session on digitalization

After the presentation of experiences from ITU and by the representatives of

media, discussion was focused in identification of interested parties and challenges and problems in Kosova in digitalization process.

Afterwards, group continued with discussions related to objectives that we want to achieve and possible actions by IMC. It should be mentioned that discussions in this forum are elementary and it remains that the Council and the Office of IMC push the process forward.

Executive Summary

On 21-24 July 2008, first meeting of the Council and IMC staff with experts in relation to the relicensing process and digitalization of media sector in Kosova was held in Shkup. Participants in the meeting were the representatives of IMC and their counterparts from media sector. Discussion on strategies of these processes was divided in two parts.

First part was focused on relicensing process, respectively issuing of long term licenses for media in Kosova. Session started by presenting actual regulatory situation of media in Kosova. Afterwards, representatives of IMC presented possible scenarios for relicensing process and advantages and disadvantages of those scenarios. Relicensing process was renamed in media long term licensing process. Principles of process were agreed by all participants in discussions, objectives of process and actions that should be undertaken for its achievement are as following:

Principles:

- Process should be in accordance with frequency plan of Kosova
- Process should contribute in a long term development of media sector in Kosova
- Process should create possibility for fulfillment of needs of all communities for access to media in their languages
- Process should contribute in application of policies of broadcasting determined in the Law on IMC

Objectives of a long term licensing are as following:

Objective 1: Issuing of long term licenses for media through classification of broadcasters in three categories (automatically, with conditions, retendering) based on compliance with legislation and conditions of temporary contracts (depending on lawfulness) and also issuance of long term licenses for new broadcasters.

Objective 2: Determination of criteria (requirements) same for all media,

including the following criteria: Technical, copyrights; financial (financial sustainability) program and clearance of ownership and managing structures.

Objective 3: Standard procedures and documentation for licensing.

Objective 4: creation of a plan for distribution of frequency (including the period after digitalization) and determination of broadcasting points.

Objective 5: Creation of possibility for a national public broadcaster in languages of minorities. Actions that IMC should undertake in forthcoming months are presented in below table:

ACTION	DEADLINE	RESPONSIBILITY
1. Media categorization criteria	15 August 2008	IMC
2. Creation of profiles for current media	30 October 2008	IMC
3. Setting licensing criteria	15 November 2008	IMC
4. Frequency distribution plan	30 October 2008	IMC
5. Standardization of documentation and procedures	30 December 2008	IMC
6. Announcement of tender (notification)	15 February 2009	IMC
7. Reviewing of applications and issuing of licenses	Group 1 (automatically) - 30 March 2009 Group 2 (on condition) - 30 June 2009 Group 3 (re-tendering) - 31 December 2009	IMC

Second part of the meeting was focused on the process of digital broadcasting of media in Kosova. For this discussion, representatives of media in Kosova, broadcasters using those media, representatives of IREX as supporting organization of Kosovar media and a number of experts that shared their experiences of digitalization process followed in their countries with the group, joined the meeting. Three representatives from Slovenia, Macedonia and Albania presented experiences and digital processes followed in their countries.

Discussions related to the digitalization process in Kosova aimed the proposal of

an action plan for the IMC that in partnership with other interested parties should move forward the process of digitalization. The following is the action plan of IMC:

Action	Deadline
1. Creation of the working group in frame of IMC	Until 1 August 2008
2. Studying experiences from other countries	Until 3 November 2008
3. Organization of discussions related to the Position of Kosova with regards to ITU (with representation by MTT, TRA, ZKM, Commission For media)	Until 15 November 2008
4. Drafting of documents with possible options and brief frequency plan	To be determined
5. Meeting with interested parties	Until 30 November 2008
6. Appointment of working groups related to technical, legal and finance issues	Until 12 December 2008
7. Development and approval of digitalization strategy	Until 1 June 2009

Annex 1 – Meeting Agenda

AGENDA OF THE FIRST MEETING OF IMC COUNCIL, SENIOR STAFF OF IMC AND EXPERTS ABOUT THE STRATEGIES ON RE-LICENSING AND DIGITALIZATION

22 July 2008, Tuesday

RILICENSING - Challenge or Relief

09:00 Introduction by Chairperson of the Council, Ms. Argjentina Grazhdani

09:15 Office Presentation for the actual situation in the media sector

- Questions & answers

10:00 Open discussion (office will present a proposal for the process of issuance of long term licenses)

11:15 Coffee break

11:30 The new re-licensing plan (When and for how long) – IMC Council

13:00 Lunch

14:30 Plans for the strategy of development of this process:

- documentations;

- categorization;

- deadlines;

16:00 Coffee break

16:15 IMC's actions (Council)

17:00 Conclusions and recommendations

17:30 Closing of the first day's meeting

23 July 2008

Digitalization

What will be the future of broadcasting in Kosovo?

09:00 Opening remarks by the Chairwoman of the IMC Council, Ms. Grazhdani

09:10 ITU's and regulator's role on the national digital frequency planning (general information) Mr. Stanko Perpar (RTV Slovenia)

Open discussion (questions and answers)

10:30 Macedonian perspective and experience (strategy and the legal basis) / Presentation by Mr. Zoran Stefanovski (Chairman of the Broadcasting Council in Macedonia)

Open discussion (questions and answers)

11:15 Coffee break

11:30 Slovenian perspective and experience (strategy and the legal basis) / Presentation by Mr. Stanko Perpar

Open discussion (questions and answers)

12:15 Albanian perspective and experience (strategy and the legal basis) / Presentation by Mr. Elton Poga from Albania

Open discussion (questions and answers)

13:00 Lunch

14:30 Presentation by the representatives of the Kosovo's broadcast media sector and the Kosovo Terrestrial Transmission Network

Questions and Answers

16:00 Coffee break

16:15 Discussion about IMC's actions in the process of:

- Raising the issue with the relevant Kosovo's institutions to initiate the communication with ITU
- Initiating the public discussions with the broadcasters and other groups of interest in Kosovo about the future of the broadcasting on digital
- Establishing the working groups (legal, technical, licensing) for the strategic planning about the switch over (drafting the strategy)

17:00 Conclusions

17:15 Closing of the meeting by the Chairwoman of the IMC Council

Annex 2 - Participants List

IMC Council

1. Argjentina Grazhdani, Chairwoman
2. Adil Pireva, Member
3. Daut Demaku, Member
4. Filloreta Bytyqi, Member
5. Karol Jakubowicz, Member

Office of Chief Executive

1. Naile Selimaj Krasniqi, Chief Executive Officer
2. Fikrete Çoçaj, Public Relations Officer
3. Besim Govori, Head of Frequency Management Division
4. Besim Rexhepi, Senior Technical Officer,
5. Sefer Arifi, Senior Legal Officer
6. Niman Racaj, Legal Assistant
7. Luan Latifi, Head of Licensing Division
8. Nuredin Islami, Senior Licensing Officer
9. Teuta Zubaku, Head of Monitoring Division
10. Mirand Tafarshiku, Deputy Head of Monitoring Division
11. Amra Zejneli, Monitoring Officer
12. Agron Avdija, Monitoring Officer
13. Faruk Rexhaj, Monitoring Officer
14. Gentiana Cavdarbasha, Monitoring Officer

OSCE

1. Samra Campara, Senior Advisor to IMC

Experts/Speakers

1. Stanko Perpar, Slovenia
2. Zoran Stefanovski, Macedonia
3. Elton Poga, Albania

Facilitator

1. Bersant Disha

AMPEK

1. Ardita Zejnullahu, Executive Director

KTIN

1. Arta Fetiu, Executive Director

IREX

1. Andrew Clayton, Chief of Party
2. Driton Qeriqi, Legal Advisor

USAID

1. Albana Kusari

MODERATOR

1. Bersant Disha

Annex 3 – Presentations by the speakers at the meeting

Below we have presented Presentations of the speakers at the conference. Presentations are in the original language of the presentation and shall serve for further reference.

3.1 Review and background of licensing of media broadcasters – Naile Selimaj-Krasniqi

3.2 Re-licensing in Kosovo – A new process or continuity – Naile Selimaj-Krasniqi

3.3 Current situation in the frequency spectrum – Besim Govori

3.4 ITU's and Regulator's Role on Digital Frequency Planning – Stanko Perpar

3.5 Slovenian Perspective and Experience – Stanko Perpar

3.6 The future of numeric broadcasting in Kosovo – Elton Poga

