

Summary of the Radio and Television Board's tender for the sixth terrestrial FM radio channel

Radio- og tv-nævnet

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1. Tender material

The sixth terrestrial FM radio channel is put up for tender at a beauty contest

Participation in the tender is based on the submission of an application the content of which covers what is requested in the tender material.

In the section 5.2 (in the Danish version) is described how the Radio and Television Board's assessment of the applications received will take place, including information about how individual evaluation criteria will be weighted, with appertaining part-criteria and sub-criteria.

The present section briefly recapitulates the content of the following sections on background/basis for the tender, application procedure (including which information the applications must contain), evaluation (i.e. the Radio and Television Board's assessment of the applications) as well as license conditions.

2. Background

It appears from the additional agreement of 9. June 2009 to the media agreement for 2007-2010 about development of the radio market etc., that the commercial radio trade should be given improved framework conditions in the interest of the competition and the possibility of more players on the market. The form of tender for the prospective tender of the fifth and the sixth FM channel respectively, is therefore not as previously auction, but beauty contest without fixed license fee, with the possibility, however, of the determination of a variable turnover-dependent license fee.

Pursuant to § 40, section 5, and § 45, section 5 in Act on Radio and TV activities, cf. Executive Order no. 827 of 26. August 2009, the Ministry of Culture has issued Executive Order no. 148 of 9. February 2010 on renewed tender of the sixth FM channel.

In accordance with § 1 in the executive order the Radio and Television Board puts up for tender by beauty contest the sixth terrestrial FM radio channel. The Radio and Television Board grants the programme license after a so-called beauty contest.

License cannot be granted to Danish Radio or the license holder of the fifth terrestrial FM radio channel.

The license entails both the right and the obligation to also broadcast pro-

grammes in digital form in DAB-multiplex 2.

Programme activities to start no more than 6 months after the granting of programme license.

3. Application procedure

During the period up until Monday 26. April 2010, 12 o'clock, it will be possible to ask questions about the tender material. Questions and answers will be published on the Danish Agency for Libraries and Media's homepage www.bibliotekogmedier.dk/medieomraadet/radio-og-tv/landsdaekkende-og-regional/fm6-udbud. The questions will be published in anonymous form, so that the identity of the questioner will not be obvious.

The Radio and Television Board will endeavour currently to answer any questions put forward and as far as possible within a week. A longer response period is, however, to be expected for questions asked during the period from 27. March 2010 up to and including 5. April 2010. Answers will be published simultaneously with the questions on the Agency for Libraries and Media's homepage, however no later than Monday 3. May 2010.

It should be stressed that all questions must be submitted to the Radio and Television Board v/ Danish Agency for Library and Media at rtv@bibliotekogmedier.dk or by post to Danish Agency for Libraries and Media, H.C. Andersens Boulevard 2, 1553 Copenhagen V, marked "Questions, tender FM6". It is not possible to submit questions directly to the Ministry of Culture and /or the National IT and Telecom Agency.

Applications must be received by the Radio and Television Board no later than Monday 10. May 2010, 12 o'clock.

Together with the application, applicants must produce a banker's guarantee of DKK 5 mil. as well as enclose an ownership declaration.

In the application, applicants must:

- give an account of their financial circumstances
- submit a business plan covering the license period
- account for their competences in relation to conducting radio or other media activities.

Applicants can base their offer on the capacity of other units.

The Radio and Television Board is entitled to cancel the tender, if no suitable applicants emerge, or at any time during the process to change the deadlines indicated in the tender material or to postpone the deadline for making its decision.

All information from the Radio and Television Board, including the publication of questions from potential applicants and the Board's answers to these, as well as information about changes in the tender material, will be published on the Agency for Libraries and Media's homepage www.bibliotekogmedier.dk/medieomraadet/radio-og-tv/landsdaekkende-og-regional/fm6-udbud. After the closing date for the applications, an eventual cancelling, change of date for the Board's decision etc. will be communicated directly to the applicants' contact persons.

The tender process, including questions and answers, application and other documents and communication, will in principle be conducted in Danish. The present summary has been produced for the benefit of potential foreign interested parties.

Evaluation

Upon receipt of the applications the Radio and Television Board will check whether they contain the information requested in the tender material. As soon as possible after this the Board will obtain supplementary information from applicants with a view to clarifying any moot points in connection with the applications. Besides this it will not be possible to supplement the information given in the application.

Applications, which do not contain the information requested in the tender material or are not expanded upon within the deadline stipulated by the Board, can be rejected by the Radio and Television Board.

On the basis of an evaluation of the applications the Board decides on the successful applicant. When assessing the applications the quality of the applicant's business plan is weighted at 60 %, where the economic realism of the business plan is weighted at 20%, while the marketing realism of the business plan is weighted at 40%. The applicant's competence in conducting radio or other media activities is weighted at a total of 40%, based on the following equally weighted part-criteria:

- Applicant's general competences in conducting radio activities or other media activities
- Applicant's knowledge of or insight into the running of radio activities or other media activities
- Applicant's knowledge of or insight into the media market.

5. License conditions

License holder's activities must all through the period in question be conducted in accordance with the business plan, unless the Radio and Television Board has approved any changes in relation to this beforehand.

No specific demands have been fixed for the programme range, apart from

what might ensue from the applicant's business plan and the fact that the license holder can be required to broadcast emergency announcements.

License holder has the possibility of networking cooperation with local radio stations, but is not allowed to divide the programming geographically, i.e. a given programme or a given advertisement must be broadcast simultaneously in the entire broadcasting area of the license holder.

License holder is also obliged to broadcast programmes in digital form, to pay for DAB-distribution and to cooperate with relevant partners on an information campaign about DAB.

License holder is not obliged to pay an annual fixed license fee, but over the entire license period or up until the license is returned/discontinued a variable turnover-dependent license fee has to be paid. The size of this is 5% of the part of the basis of the charge that for the year in question is above DKK 75 mil and up to DKK 100 mil., and 10% of the basis of the charge from and including DKK 100 mil. up to DKK 200 mil., and finally 15% of the basis of the charge from and including DKK 200 mil. and above.

License holder must each year no later than 1. May submit the independent annual accounts for the channel with a statement of the basis of the charge. In case the license is returned/discontinued, accounts and statement must be submitted to the Radio and Television Board at the latest by the end of the fourth month after the return/discontinuation. The variable license fee for the period up until the return/discontinuation must be paid no later than by the end of the fifth month after the return/discontinuation.

No later than six months after the issuing of the programme license, the license holder must start programme activities in accordance with the license.

6. The license

The license comes into force on the date of issuing. The license is valid for a period of 8 years. The IT and Telecommunication Agency issues frequency license upon license holder's request. An annual frequency fee must be paid to the Agency for this license.

The Radio and Television Board supervises the observance of the conditions in the license and the regulations in the radio and television act, as well as regulations issued in pursuance of the act. The IT and Telecommunication Agency monitors the observance of the conditions in the frequency license and the regulations in the frequency legislation.