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COMMUNICATIONS OUTLOOK 1999

BROADCASTING: Regulatory Issues

Country: Italy

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The attached questionnaire was undertaken in preparation for the biennial OECD Communications Outlook. The responses provided by Member countries on broadcasting regulation were used to provide information supporting the analytical sections published in association with data. A similar questionnaire with responses on telecommunication regulation is also available. In some cases, data for individual firms, used to compile OECD totals, have not been published at the request of the respondent. For further information, including data, see **OECD Communications Outlook 1999** and <http://www.oecd.org/dsti/sti/it/index.htm>

BROADCASTING - Section II

Broadcasting market status (Questions 1- 3)

1. Please provide details of the broadcasting and cable television infrastructure provision in your country.

Infrastructure provision for following service	Number of licensed operators (1998)	Number of privately owned companies ¹	Number of public service organisations ²
Terrestrial TV (National coverage ³)	10	9	1
Terrestrial TV (Local coverage ⁴ only)	651	650	1
Terrestrial radio (National coverage)	19	18	1
Terrestrial radio (Local coverage only)	1 560	1 559	1
Cable television service ⁵	1	1	
Analogue direct broadcast satellite (DBS) service	1		1
Digital DBS service	5 (experimental)	4	1

¹ Defined as private sector companies holding one or more licences for service provision.

² Including state-owned corporations or institutions holding one or more licences for service provision.

³ A service with national coverage is defined as a service by a group of television or radio stations distributing a majority of the same programming, that are licensed on a national or regional basis but collectively provide nation-wide coverage. Affiliating companies of the nation-wide broadcast network are included in this category. If new operators have been licensed to provide national coverage in the last three years but are at the stage of rolling out networks please include these operators in the total.

⁴ A service with local coverage is defined as a service by a group of television or radio stations that are licensed on a national or regional basis but distribute the programming in the local area only. If new operators have been licensed to provide local coverage in the last three years but are at the stage of rolling out networks please include these operators in the total.

⁵ Please indicate if more than one organisation is permitted to own and operate cable television infrastructure in the same area.

2. Please provide details for the major public / private terrestrial TV broadcasting companies in your country. They include state and privately owned organisations providing broadcasting services with national coverage.

Name of public / private terrestrial TV broadcasting companies	Ownership Status (1998) (e.g. state-run / state owned / privately owned)	Do they own transmissions infrastructures? If not, please indicate the name of company which provide transmission infrastructures.
Rai spa (RAI 1)	state owned	yes
Rai spa (RAI 2)	state owned	
Rai spa (RAI 3)	state owned	
Rti spa (CANALE 5)	privately owned	
Rti spa (ITALIA 1)	privately owned	
Rti spa (RETE 4)	privately owned	
Internazionale spa (TMC)	privately owned	
Beta televisione spa (VIDEOMUSIC/TMC2)	privately owned	
Rete A srl (RETE A)	privately owned	
TBS srl (RETE CAPRI)	privately owned	
Sit teleservice srl (ELEFANTE/TELEMARKET)	privately owned	
Prima TV spa (TELE + 1)	privately owned	
Europa TV spa (TELE + 2)	privately owned	
Vallau italiana promomarket srl (RETE MIA)	privately owned	

3. What was the price of cable television service for a subscriber in the largest city of your country on 1st January 1998? Basic service corresponds to the least expensive option to a customer and premium service the most expensive option. (Local currency, current prices)

Cable Television services	Basic service			Premium service	
	Connection	Monthly subscription fees	Number of cable channels included in the basic option (excluding free services)	Monthly subscription fees	Number of cable channels included in the premium option (excluding free services)
(Please indicate the name of operator)	Stream			£ 55.000	3
(National average, if available)	£ 50.000 connection charge	£ 19.000	11	£ 400.000	1 (soccer championship)

Broadcasting Regulatory Framework (Questions 4 - 9)

4. Which organisation(s) administer the following services (carriage and content) in your country and what are their main responsibilities? Please mention agencies dealing with spectrum allocation and management, and providing licences.

Please provide details:

a. Terrestrial broadcasting service

Ministry of Communications.

b. Cable Television service

Ministry of Communications.

c. Direct broadcast satellite (DBS) service

Autorità per le garanzie nelle Comunicazioni (National Regulatory Agency for both telecommunication and broadcasting sectors, Law 31/7/1997 n°249)

5. Please provide a description of significant recent policy changes affecting the provision of broadcasting services, as well as any draft laws, or regulatory proposals to be implemented in 1998.

Please provide details: The recent laws n° 249/1997 and n°122/1998 have reorganised private and public broadcasting services with limits on advertising and on the financial resources, in favour of pluralism of information. These laws provide for development of technology.

6. How is broadcasting defined in your country's regulatory framework? In addition, please specify public service obligations stipulated in broadcasting regulations.

Definition of broadcasting:

Initial transmission by wire or over the air, including that by satellite, in clear or encoded form, of radio-television programmes to the public.

Public service obligations:

Public interest mission, including the obligation to contribute substantially to invest in European production.

7. Are there must-carry rules? For example, are cable television or satellite operators required by regulation to provide capacity for certain services? If yes, please elaborate on the reasons.

Please provide details:
 Cable television or satellite operators have to provide capacity by way of a licence to the carrier (Law 31.7.97 n° 249).

8. Are there any local content requirements for broadcasters and cable television operators in your country in terms of the level of domestically produced content which must be broadcast, the amount of turn-over which must be allocated to domestic production or other criteria? Yes/No

	If Yes, please provide local content specification and where it applies.
Terrestrial Television service	The local broadcasters must produce 20% of local information in the week. The national broadcasters must produce news every day.
Cable Television service	At present no rules.
DBS service	At present no rules.

9. Are there any limitations on share ratio, number of stations, or other ownership restrictions on entities investing in service providers of terrestrial broadcasting, cable television and satellite broadcasting in your country? Please refer to each service individually, if they have separate restrictions.

If yes, please provide details: *Terrestrial television service: 20% of national television programmes.*
Cable television: 30% of sector' resources.
DBS service: 30% of sector's resources.

Cross-ownership and cross sector provision (Questions 10 - 14)

10. Are there any restrictions on terrestrial broadcasting companies from directly providing the cable television infrastructures and services in your country? On the other hand, are there any restrictions on cable television operators from directly providing the terrestrial broadcasting companies in your country?

If yes, please provide details:

- a. Restrictions on terrestrial broadcasting companies providing the cable television infrastructures
No
- b. Restrictions on terrestrial broadcasting companies providing the cable television services
30% global resources.
- c. Restrictions on cable television operators providing the terrestrial broadcasting
30% global resources.

11. Please specify any restrictions on cable television operators and terrestrial broadcasting companies investing (including merging and acquiring shares) in companies that provide other infrastructures or services.

Please provide details:

- a. Restrictions on cable television operators investing in telecommunications operators
No
- b. Restrictions on cable television operators investing in terrestrial broadcasting companies
30% global resources.
- c. Restrictions on terrestrial broadcasting companies investing in telecommunications operators
The terrestrial broadcasting have to be independent companies.
- d. Restrictions on terrestrial broadcasting companies investing in cable television operators
30% global resources.

12. Are there any restrictions or limitations on foreign investment regarding services of terrestrial broadcasting , cable television and satellite broadcasting in your country? Please refer to each service individually, if they have separate restrictions.

Yes/No

If yes, please provide details:

Participation of non-European companies are allowed as long as they have similar regulations, with the exception of international treaties.

- 13. Are there any regulations restricting cross media ownership (e.g. broadcast television, radio, newspapers) for infrastructure and services in the same geographical market. Yes/No**

If yes please provide details:

Broadcaster television, radio, newspaper can collect only 20% of global resources.

- 14. What kind of methods are adopted by regulatory authorities in order to measure market shares in broadcasting market? If the measure used is “audience rates”, please describe the methodology used.**

Description of market share measurement

Authority of Communications checks the market share (20% of national programmes, 30% of global resources) on the basis of the specific advertising charge. The measure of “audience rates” actually used is managed by “Auditel” and “Audiradio”, two consortia sponsored and financed by broadcasters and radio operators together with advertising syndicates.

Please provide methodology for measuring audience rates.

Auditel measures audience rates through a tele-viewers-sample analysis, where behaviour is registered by meters.

Convergence (Questions 15 - 18)

- 15. Under the communication regulation existing in your country how would services provided over the Internet, which some have likened to broadcasting services (e.g. audio and video services transmitted over the Internet) be defined and treated?**

Please provide details:
No regulation

- 16. Would a video on demand service be treated differently in terms of regulations, by the transmission methods (for example, PSTN, cable or satellite)?**

Please provide details:
Yes, to provide video on demand services it is necessary to obtain a simple authorisation, instead of an individual or general licence.

- 17. Under the communication regulation existing in your country how would conditional access services, such as in digital DBS services, be treated?**

Please provide details:
At present there are television broadcasters who broadcast in unencoded form. The rules for conditional access services have not been implemented.

- 18. Please detail plans for digital broadcasting and cable television services.**

	Number of Licences to be granted	Expected Number of New Channel Capacity	Expected Date of Service Commencement
Terrestrial TV service			
Terrestrial Radio service			
Direct Broadcast Satellite service			
Cable Television service			
Additional information and comments			