Institutional independence and financial viability

The future of public Television in Spain

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Public radio and television services are an essential and necessary service in democracy. This is what the European institutions that grant public radio and television a priority role to play in the construction of Europe and consolidation of its fundamental values understand it to be. Its function is to satisfy the basic needs of the citizens and conserve political plurality. Member States of the European Union must guarantee its existence and future. In the case of Spain, its role is even more important taking into account the current mediatic reality. Yet, to achieve the goals of its institutional independence, its financial viability and sustainability in the long term in the free European market is even more important. Only by means of State Pact between public powers it is possible to offer a solid answer that can enable a definite democratization of its structures, a sustainable model for its financing that enables rationalising public expense as well as a deep offering of its contents to match the public service it is supposed to offer.

Keywords: public media, European Union, democracy, pluralism

El servicio público de radio y televisión es un servicio esencial y necesario para la democracia. Así lo han entendido las instituciones europeas que conceden a la radio y televisión pública un papel prioritario en la construcción de Europa y en la consolidación de sus valores fundamentales. Su función es satisfacer necesidades básicas de los ciudadanos y preservar el pluralismo político.

Los Estados miembros de la Unión Europea tienen que garantizar su existencia y futuro. En el caso español su papel es, si cabe, más importante en función de la actual realidad mediática audiovisual. Pero para conseguir los objetivos son precisas reformas en lo audiovisual público tendentes a asegurar su independencia institucional, su viabilidad económica y su sostenibilidad a largo plazo en el mercado libre europeo.

Sólo un Pacto de Estado entre los poderes públicos puede dar una respuesta sólida que permita una definitiva democratización de sus estructuras, un modelo sostenible de financiación que permita racionalizar el gasto público así como una profundización de su oferta de contenidos acorde con el servicio público encomendado.

Palabras clave: Medios públicos, Unión Europea, democracia, pluralismo
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The stunning speed of technology has not weakened television as a reference media for citizens. This “screen” has known how to adapt to the evolution of telecommunications, TDT, cable, satellite, IPTV Internet, mobile phones... any support is good for television.

The CIS barometer of last May, indicates that 59,9 per cent of the population chooses television as a favorite means for entertainment and 46,2 per cent choose it to be informed. It is true that among the younger generations, Internet is breaking through strongly. But television, by means of IPTV or hybrid television (HBB) is also penetrating the web.

Television is the most influential medium used and the one with the highest growth rate capacity and adaptability to the new technologies. It is a powerful medium, and like any power in democracy, must be subjected to democratic control.

The European Commission, conscious of the importance television has in the construction and definition of a United Europe, has dictated several framework Directives that regulate the services of private or public audiovisual communications services under the principle of transparency. They attempt to protect basic values for coexistence that encourage European construction such as equality and non discrimination of sex, religion, race or nationality as well as protection of citizen’s rights, especially the weakest ones such as minors and handicapped people. The citizen is shielded against contents, publicity saturation and exclusivity of broadcasting rights, demanding free access to contents of general interest. This protection includes the European and independent audiovisual industry.

The European Human Rights Agreement, which European Courts must submit themselves to compulsorily, establishes the need of “safe guarding the independence of radio broadcasting as it is a reliable and principal source of information” that transmits public opinion and individual’s opinions and because it is a “guarantee for participation by citizens in public life”.

Various institutions such as the European Council or the UNESCO, introduce the need of a public service radio and television. These entities conceive it as an essential service that must seek out large audiences and occupy a visible position in the media landscape. They consider that, besides this, television and radio must enable ample access by the citizens of the contents, without discriminations and with equality by means of diverse technological platforms, innovative and of high quality in the digital environment and that of the new interactive services.

The European Union and the public radio and television service

The European Union considers public radio and television as a crucial instrument in the construction of Europe and democratic coexistence. It grants public radio broadcasting the role of guarantor of pluralism and grants it a “constitutional” ranking by including it in the Amsterdam Protocol, annexed to the Union Treaty itself: “the public radio broadcasting system of the member States is directly related to the democratic, social and cultural needs of each society and with the need to preserve pluralism of the communications media”.

The protocol also permits its public financing: “The dispositions of the Constitutional Treaty of the European Community will be under-
stood without detriment to the faculty of the member States in financing the public radio broadcasting service in such a way that the financing is granted to the radio broadcasting organisms to enable them to carry out their function as a public service as attributed, defined and organized by each Member State”. Just one limitation is established “... to the degree that this state financing does not affect the market conditions competency in the community to a degree contrary to common interests, it must be taken into account it carries out a function as a public service”.

The European Union considers public radio and television as a democratic need and a guarantee of pluralism. Although the concept of democratic, social and cultural needs is abstract and contingent to the reality and the uses of a given moment, the idea of pluralism is more objective and measurable.

Today, access to information and entertainment is a democratic need in any technological system with equality. Universality and equality are two principles linked to the public radio broadcasting system. Its function is to supply a wide range of programming that is balanced and varied reflecting the development and diversity of activities in the digital era including services that are not programs in a traditional sense.

Preservation of political pluralism is the fundamental reason for being of the public radio broadcasting service. Without pluralism Europe does not exist as an idea. Democratic health is measured to a large degree, by the existing pluralism in communications media, and especially in television offerings.

The Commission, the European Parliament and non-government organizations have shown in a repeated manner their concern on the growing concentration of communications media and its effect on pluralism. This debate has led the Commission to intervene in order to guarantee that the information through media must be “complete, diverse, critical, trustworthy, unbiased and reliable”. For the Commission pluralism goes beyond ownership of the communications media, it includes the concept of transparency and the need of varied information that “will enable the citizens to form themselves an opinion without being influenced by a dominant source”.

This matter was brought up in 2005 in the Liverpool Conference where it was decided that a program would be undertaken in three phases. The first phase -which has been accomplished- consisted in drawing up a document on the regulation and reality of pluralism in the printed communication media and audiovisual media. The second one -in progress-, carrying out an independent study to define and test concrete indicators that could evaluate the pluralism in the European Union countries. The last phase, drawing up and submitting to public consultation and approval of a project of Communication regarding this that is to be adopted compulsorily by the member States.

Beyond the results of this process, the European institutions are aiming for a public television as a guarantee of pluralism and as a corrective measure in cases of possible deviations from the system. However, the mere existence of public radio and television does not guarantee that they fulfill the role assigned to them by the Amsterdam Protocol. It is necessary that they include two fundamental requirements: independence and democratic control.

Independence must be preached in opposition to the political power of the Government at a given moment. For this, the maximum heads re-
sponsible for public television must be elected, deleted and controlled by legislative powers with qualified majorities that force wide consensus.

Independence also implies a guarantee of financial sufficiency. Otherwise, governments and media groups could asphyxiate its operation. It is indispensable for the media to have financing guaranteeing in a stable and sufficient way, necessary public incomes to render the public service it is supposed to give. This also means the existence of efficient mechanisms of transparency and public organisms for control and taxing of the expense.

It is also necessary for independent audiovisual Authorities to exist that are separate from political, economic and entrepreneurial powers, to carry out a role as regulators and supervisors of the sector supervising effective fulfillment of the obligations of the public service, as well as the public resources are exclusively destined to render a public service.

Aside from these control measures established by the internal regulations of each member State, Community norms grant the European Commission a role in control, check and approval of the compatibility of State aid and the Treaty of the Union as well as the competent European regulations.

Article 107.1 of the Treaty of the Union considers “incompatible with the common market, in the measure it affects commercial exchanges between member States, aid granted by the States or state funds under any way that can falsify or threaten to falsify competitiveness favoring specific companies or productions”. Point three of this article accepts compatibility if the aid is destined to promote culture whenever the cultural product is fully identified.

Thus, the general rule is prohibition of state aids. However, in article 106.2 an exception is stated when it is radio broadcasting organisms enabling by means of conditions, state aid “insofar as the financing is granted to radio broadcasting entities to carry out the function of Public Service and not affect commerce conditions and competitiveness in the Community to a degree that is contrary to common interest, taking into account fulfillment of Public Service aforementioned” in other words, that the financing granted by the State must be proportionate to the public service being offered.

As in any exception, this must be understood restrictively. It may only be wielded when application of the rules of the Treaty is an obstacle in fulfillment of the tasks assigned to it and as long as the public radio and television service has been defined and organized by each State.

The Commission is only in charge of evaluating if the conditions are set to apply exception of art. 101.2. In this sense, the Commission itself in the “Communication on application of regulation of state aid matters to public radio broadcasting services” revised in October of 2009, sets the criteria to be used in this evaluation.

In this way, it is necessary for the States to beforehand not only define in a clear, exact, precise and unequivocal way, the mission as a public service, must, as well as this, have been entrusted to one or several companies by law, contract or bid that binds them to carry out this mission. However, State obligations do not end here. They must specify the parameters involved in granting the compensation, state measures to avoid excessive compensation and the formulas to obtain the return of these funds.

The States must organize the public service and fix the mechanisms it has to control its fulfillment. The Commission reminds the States that
control will only be efficient if it is done by independent external organisms with powers, necessary resources and sanctioning capacities to do so.

In the event the public service mission is modified because, for example, new services are introduced in it that are linked to technological development, it is necessary for a new act of service to be implemented. Besides this, and prior to the introduction of these new services, it is necessary to carry out a prior evaluation with the aim of determining if the requisites of article 101.2 are still being fulfilled.

Community regulations grant freedom to the States to not only define the public service, but also to choose the financial system, which can be chosen between a single financing model via exclusively public funding or a mixed system that combines public funding with commercial incomes. In this second case, the Communication mentions the need to clearly separate the activities of the public service from those of the commercial ones to avoid crossed subsidies. It is also compulsory to establish mechanisms to avoid over compensation and guarantee proportionality, and permits creation of reserve funds that are not over 10 per cent of the annual budget expenses to insure continuous service of the public service they are in charge of.

The Communication states the cases in which the Commission will consider that public financing can falsify the market in an unnecessary way for fulfillment of the public service. For example, purchasing rights for contents to not use them later or sub license these or over bidding in the market in a repeated manner with the aim of excluding competitors without this being necessary for fulfillment of the public service. These are all practices that falsify the market. It also considers as contrary to the competition underrating, lowering prices beneath publicity costs or commercial activities that are not pertaining to the public service to reduce the incomes of its competitors whenever their own incomes are covered by public compensation. In these cases the exception of article 101.2 will also not be applied.

In sum, the European Commission has two essential concerns: that the contents answer to the democratic, social and cultural needs of the citizens preserving pluralism and that the financing does not distort in a contrary way the general interest of market laws and competition.

The Spanish setting

The audiovisual setting in Spain presents two realities: saturation and concentration, which coexist with a deep financial crisis.

There are hundreds of public and private television channels. In large cities and urban centers the land digital television offering is of over fifty, there are 32 with a State scope and between four and twelve depending on the Community with autonomic coverage. Besides this, there are 281 local and semi regional channels with four possible channels in each one which increases the offer at least potentially to 1124 possible channels of local television, without counting the insular expansions, four more channels per large island.

Of this global offer, one fourth are public channels, eight State ones, four or 8 autonomic ones, depending on the Community and between 250 an 275 local ones. Most of these last ones have not been started up yet.
To this evident saturation it is necessary to add the offering of cable, satellite, IPTV and the future Mobility TV. And all of this in competition with the net. This model is unviable and unsustainable. Neither the publicity market nor the public treasury can feed them. Much less so in a deep financial crisis such as the one we are living through nowadays which makes the publicity market -main and almost unique source of financing- fall through at 25 to 30 per cent and migrate to other “screens” at a rapid rate. To this we add the uncertainty of the stagnation of the business model and the scarce profitability, for now, of the exploitation of pay contents and exclusivity rights.

The premise of the larger the offer, the higher the pluralism is not always true, more so if it provokes a saturation that makes entrepreneurial projects unviable that turn into purchase-sales, bankruptcies, absorptions or fusions. Saturation is as worrisome as business concentration of the property, above all if they go hand in hand. From a democratic perspective, it is preferable to have a more reduced offering yet more plural than a larger one but with less owners.

To be able to diagnose the state of media pluralism, it is necessary to relate the property and the audience. Hundreds of channels without audiences hardly create opinion, but if of these there is one ruling it is the dominant source.
In Spain the TDT state scope channels -owned by six private groups and one public group- congregate slightly less than 80 per cent of the viewers. Barely 12 per cent are autonomic public television channels. The rest is for the other private local or autonomic options.

The start up and enforcement of the LGCA is already enabling processes of concentrations, fusions, business absorptions and even rental of channels in certain circumstances and with certain limitations.

### Chart 1: State level offer. [DTT 2nd phase]

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<td>Net TV</td>
<td>Interconomía</td>
<td>Club Disney</td>
<td>Canal 10</td>
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<td>Telecinco</td>
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<td>Factótima ficción</td>
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<td>Cuatro</td>
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<td>Antena 3</td>
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Article 36 of the LGCA referring to the television market, enables simultaneous ownership or significant participation by physical or legal bodies in several televisions, but does not permit acquiring or fusions when, at the time this takes place, the average audience during the past 12 months is of over 27 per cent. It is also not permitted for the purchaser to be a company from outside the European Economic Space and there is no reciprocal deal with the country. At any rate, it may not surpass 50 per cent of the shareholding stake in the company acquired. Lastly, it may not be possible in cases that imply rights of more than two state multiples or an autonomous level multiple. The law requires that at least three private servers must exist on a state level.

So far, the fusion or absorption process has already started with channel Cuatro being absorbed by Tele 5. Antena 3 and La Sexta are holding discussions. We are facing various agreements such as for example Veo TV and La Sexta to jointly exploit the sports channel Marca TV or the one that includes Disney, Veo TV and Antena 3 to jointly hire publicity with or without an autonomous pattern —broadcasting at the same time of the same publicity spot by all the channels signing the agreement—. These processes and agreements are being closely followed by the National Competitive Commission and files have been opened already against them.

Analyzing this setting, we can see several ideas: firstly the Italian Mediaset group, owned by current Italian Prime Minister, Silvio Berlusconi, controls the 8 channels of Cuatro and Tele 5, second, the Spanish-Italian
group Planeta-De Agostini controls the 4 channels of Antena 3. Third, the Italian group Unedisa-RSC controls the 4 channels of Veo Tv. Fourth the Mexican group Televisa has a large presence in the shareholding of La Sexta whose majority participation is owned by the Spanish group Imagina —principal in Gamp-. Fifth, the Spanish group Vocento—old Correo group— controls the channels of Net Tv where there is a strong presence of the North American Disney group and the Spanish group of Interconomía. The satellite offering today has one single platform, Canal Satélite Digital whose shareholders are distributed among the Grupo Prisa—up to now principal in Cuatro— Tele 5 and Telefónica. The fusion of Tele 5 and Cuatro is provoking a deep controversy with other operators.

The saturation process is aggravated by the trickiness of groups that attempt to go beyond their licenses and, taking advantage of the compression capacity of the signal, offer in their multiple additional channels besides the four they have been granted, generally TV sales, even though the law requires a new license to do this.

It is evident that the concentration process, favored by the economic situation and a very permissive and gentle “antitrust” legislation is under way. This regulation is much stricter in the large European countries of our surroundings such as the United Kingdom, France, Germany and Italy.

The most similar “antitrust” model to ours is the German one. There, restrictions are based on audience quotas and are destined to keep the formation of a predominant opinion away. A maximum audience is fixed at a 30 per cent in an annual average in national television but the moment of the fusion is not limited. It is permanent. This percentage goes down to 25 per cent if the owner group has a leading position in the market linked to communications media such as the press, radio and Internet. In the Spanish case the 27 per cent limitation is only for the fusion moment and presence in other media is not taken into account. The British, French and Italian models are more complex but more restrictive than the Spanish one.

This Spanish reality highlights the importance of public media as conceived by the European Union, as a crucial element to preserve plurality.

Let us analyze the degree of independence of our public media to determine if they are a sufficient guarantee to preserve media plurality.

Law 17/2006, as well as Law 8/2009 on the CRTVE and its financing and the LGCA have meant a great step ahead in this terrain. It can-
The future of public Television in Spain

not be denied that the autonomic constitutional model implies certain complexity since audiovisual matters are shared. The State is in charge of basic legislation, yet its carry out is exclusively done by the Autonomous Regions.

The LGCA, as a general framework law, consecrates the public service audiovisual means as an essential service and which has a general economic interest, which is indispensable to enable it to have public financing that is compatible with Brussels. Besides this, it establishes that the function of the audiovisual public service is the broadcasting of contents that enhance constitutional values and principles and serve as formation of public opinion, broadcasting of cultural and linguistic diversity and knowledge, the arts and audiovisual culture. This requires production, edition and broadcasting of a set of radio channels, television channels and information services in line with diverse and balanced programming for all audiences and genres that serve to satisfy the democratic, social and cultural needs and preserve pluralism of the media. The alignment of the LGCA with the Amsterdam protocol is, as can be seen, total.

This communion of the LGCA with the Community institutions is also perceived when demanding a clear and precise definition of the public service that must emanate every nine years from representative organisms and must be conserved and evaluated in shorter periods through program Contracts.

In the financial chapter, the LGCA goes beyond the Communication of the Commission once again in alignment with Europe: public resources may only be destined to finance the public service, rules will be set to determine net cost of the public service and proportionality of the public aid as well as mechanisms for returning these funds in cases of over compensation. The LGCA introduces also the need for prior evaluation in the case of new services.

Two more limitations of the LGCA to be pointed out. On one hand, public services of a state nature may not have more than 25 per cent of the available radio electric space available in television for digital land television and 35 per cent in the case of radio. On the other hand, a precept destined to maintain the public status quo of autonomous televisions when establishing that these "will maintain their activity according to the regime foreseen in the matching concessionary rules”, which in practice means a blocking for them to become private channels.
The laws that regulate operation and financing of the CRTVE and the LGCA as framework Law, guarantee quite a few many aspects that reinforce the independence of public media. The autonomous norm regarding this is irregular and in my judgment, requires adaptation and upgrading.

As far as institutional or political independence is concerned, Spanish state public television, the CRTVE since 2006, elects its President by means of a qualified majority of 2/3 in the Congress of Deputies. None of the main countries of the European Union chooses its head by parliament majority. The United Kingdom uses a complex system whereby the Queen and the Council of Ministers participate yet without a direct parliamentary participation. In France a recent reform by Sarkozy leaves the election of the President of the public audiovisual media to the President of the Government and in Italy the president of the media is chosen by consensus between the presidents of Congress and the Senate. In Germany the President of the public television is chosen by a macro organism formed by over 70 citizen collectives.

In the autonomous setting in Spain, the public service for broadcasting is in the hands of public enterprises excepting Castilla y León and only in Andalusia, Asturias and the Basque region choose their maximum authority by majority in their legislative assemblies. In Catalonia this is the Board of Administration, named in turn by the Parlament, which chooses its General Director.

On the other hand, from the point of view of democratic control, all the public televisions are subject to parliamentary control and taxation by Courts and Account Chambers depending on their scope.

The same cannot be said of the existence of Audiovisual Authorities, one of the repeated requirements of the European Commission. Only Andalusia, Catalonia and Navarra have Audiovisual Councils yet only in Andalusia is this council named by the President and in the rest of the members have parliamentary sources. In Catalonia this also is the case, but the President is named by the government of the Generalitat and in Navarra two of its seven members are chosen by the autonomic government. In the Community of Madrid there was a Council with a parliamentary origin but first it lost its virtual and was finally suppressed.

There is not yet today a State wide Audiovisual Authority in Spain. Today this is one of the large lacks of the model. The LGCA establishes its creation and fixes even a term of six months for the law itself to become binding, but everything points out to a non fulfillment of the legal period for establishing this.

The State Council for Audiovisual Media is conceived by the LGCA as an organism for supervision and regulation with wide margins of action. Independent from the Government and economic and business authorities, it is fitted out with sanctioning capacities but does not grant licenses. The election of its President and the rest of its members requires a qualified majority of the Parliament of 3/5 and the mandate lasts six years.

The leading countries of our environment have Audiovisual Authorities. However, their legal regimes are diverse. In the United Kingdom and Italy, competencies are shared with telecommunications. However, in France these are separate. In Germany competency of telecommunications is held by the Federal State and the audiovisual ones of the landers which jointly form a federal work group for coordination. In the United Kingdom, Italy and France, these Audiovisual Authorities grant the licenses. The British Audiovisual Authority only acts in the private sector, whereas
in Italy, Germany, France and Spain they also do so in the public sector. In the United Kingdom, France and Italy they possess competencies that are State wide. In the case of Germany, they adjust to the competitive regime.

Another lacking in the Spanish autonomous model is the almost non-existence of professional controls. Only CRTVE and the autonomous televisions of Catalonia, Andalusia and Valencia have Editor Councils.

From the point of view of economic independence, in other words, the stability and sustainability of the financing model, there is a structural problem that requires finding a solution in the short or medium term.

Law 8/2009 of Financing of CRTVE is a radical turn around of the financing of RTVE, radically eliminating publicity and payment of contents as a means of financing and choosing a system based solely on income coming from public sources. Also an expense ceiling is fixed at 1.200 million Euros and accumulating debt is prohibited.

Annual incomes come from, on one hand, the direct contribution by the State through the General Budget and barely one per cent from marketing its own products. On the other hand the CRTVE receives 80 per cent —100 per cent as of 2011— of the revenue of the Reserve Rate of Radio electric Dominion with a limit of 330 million Euros and the contributions made by the operators of open telecommunications and television as well as pay television based on their gross annual incomes. 0,9 per cent for telecommunications operators always if they have publicity and offer audiovisual services —excluding wholesalers— with a limit of 25 per cent of the budget of the CRTVE. In the case of television operators a three per cent is applied for open televisions with a limit of 15 per cent of the budget and 1’5 per cent for pay offer with a limit of 20 per cent of the budget for state public television. The State is in charge of supplying the lack of revenue for these items in the case they don’t reach the budget provisions.

Parallel to this new service obligations are established for the public service that reinforce protection for minors and people with disabilities and backing the Spanish film industry and its languages. Following the recommendations of the European Commission, limitations are established in purchase rights of high value sports rights.

This model, in spite of strong resistances, not only proves its rent ability in audience terms for the CRTVE, but also received the go ahead in Brussels for compatibility with the Treaty. However, there is a proce-
dure of law breaching opened by the Commission in which the tax imposed on telecommunications operators is considered illegal and which very likely, will end up in the European Courts.

In comparative terms, the Spanish state model means approximately 70 per cent of public financing, similar to France — in the process of eliminating publicity yet more progressive — and somewhat beneath the United Kingdom — BBC does not have publicity — and Germany and above Italy.

Spain is beneath the budgets of the large European public televisions. The German television is the most expensive one, followed by the British, French and Italian ones. In spite of the population and income level differences, the Spanish television is the cheapest one.

As far as number of workers, CRTVE is once again the least with five times less staff than the ARD-ZDF German one, three times less than the BBC, two times less than the French television and one third less employees than the Italian one.

In terms of cost per inhabitant and home, CRTVE is also the cheapest of the large European public televisions.
At any rate, we must not forget that, excepting the German case, the European reality is different from Spain as in the United Kingdom, Italy and France there is no autonomous public audiovisual offering. Thus the structure, dimension and cost of Spanish public television is considerably higher.

Going back to Deloitte, public televisions have 16,400 stable employees, autonomous ones have 10,000. The cost per audience point is of 104 million —three times more expensive than private ones— and 460 employees in comparison to the 100 of the private channels.

Nonetheless, the efficiency in audience terms is acceptable. The CRTVE in all its channels is situated at 20 to 25 per cent, in other words, a fifth to fourth of the total. Public autonomous ones surpass 11 per cent. Jointly, the public channels retain close to one third of the audience. Similar figures of those of the British BBC and the public channels of France and Germany but with a lower private offering than the one in Spain.

In sum, the public audiovisual model has serious deficiencies it is necessary to correct. Problems of political and institutional independence, absence of professional control, lack of control by independent Authorities, bulging expenses and debts, lack of transparency, unstable financing systems and unsustainable ones due to their dependence on publicity, very low levels of collaborations... these are problems that can be aggravated by a public over offering which is a result of the breakthrough -if it takes place- of local public televisions.
The future and sustainability of public television needs, doubtlessly, to correct these deficiencies by means of a State Pact that has four lines of activity following the Amsterdam Protocol.

First line of activity: constitutionalisation of the public service of radio and television. Article 20.3 of the Constitution states the fundamental right to communicate and freely receive information that is truthful in the context of political plurality. The Constitutional Court has repeatedly stated that a free and plural opinion is the base of political plurality and an indispensable element of the democratic system. The Spanish audiovisual panorama today makes it necessary to have a significant presence of the public media to guarantee formation of a free public opinion. The real plurality, either external global offering or internal —in each media— requires reinforcement, by means of a constitutional guarantee of the fundamental rights of article 20.

Constitutionality of the public media could mean a reinforcement. Although without urgency and within the context of a wider reformation that is being designed. On the other hand, it would be logical that if the European Union gives a constitutional range of the radio broadcasting public service by including it in an annex of the Treaty, the member states should act in a similar way.

This matter was already stated in France in December of 2002 as a result of the report that the President of the Republic at that time, Jacques Chirac, ordered from a group of experts presided by the philosopher and author Catherine Clément, on the public service and culture. One of the recommendations was its inscription in the Constitutional Prologue.

The second line of activity has to do with democratic control. It implies reform of the autonomous laws to enable nomination of the maximum authorities by qualified majority of the legislative body and for Councils for Edition and Audiovisual Authorities where these are lacking. In this sense, it is unavoidable for the immediate creation and constitution of the State Council of Independent State Council for Audiovisual Media.

The third line of action is the establishment of a transparent financial model that is compatible with Community normative, stable, sufficient and sustain-
able as well as subject to efficient democratic control. The reform carried out in CRTVE should be a reference point. Endebtment and cost increase of autonomous televisions question the viability of the system with publicity, especially during times of crisis in which decrease of the publicity market joins cutbacks in public expense. The matter is not easy as the State model is not exportable in all its terms to the autonomous scopes. Thus there is a need, once again, for a State Pact.

Finally, a fourth line of action would be rationalization of the public radio and television service. The complexity of the Spanish constitutional model like the German one, affects the dimension an the cost and if this is not rationalized it can become unsustainable. It is necessary to reduce expenses and re-organize without this meaning staff reductions.

An important savings niche is to be found in collaboration between all the public televisions, the state one, the autonomic and local ones that should go much further beyond rendering services and exchange of information contents. It is necessary to be more ambitious and abandon the idea that public televisions compete between each other and assume that they are complementary and must be in agreement with each other. We need to achieve synergies that will reduce costs and improve the public service. Jointly purchasing assets, services and broadcasting rights of certain acts, share installations and collaborate on an international level are some of the paths to be explored that would cheapen and enrich the final product.

Lastly, I would not like it to be forgotten that in this process of rationalization and synergies Agencia EFE as a public medium that it is, as its audiovisual services have more and more importance and compete with RTVE in the same market. My opinion is that EFE should merge with CRTVE as a formula to guarantee its survival, the work positions and eliminate once and for all, the possible accusations of double financing it receives.