

Radio- og tv-nævnet

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## **Summary of the Radio and Television Board's public procurement for the fifth terrestrial FM radio channel**

### **The Tender Documents**

The fifth terrestrial FM radio channel is offered by a beauty contest. Participation in the tender process will be based on the submission of applications which must comply with the requirements set out in the tender documents and must include the documentation and information, etc. set out, including a demand guarantee or an escrow deposit of the amount required.

Section 5.2 of the tender documents contains a detailed description of how the Danish Radio and Television Board will assess applications received. The section contains information on the evaluation criteria and the relative weight attached to the criteria, including information about the scale the Board will use in the evaluation of the applications with respect to the individual evaluation criteria.

The following summary contains a brief description of the background to the tender and the contents of the subsequent sections on the application process (including which information applications must contain), evaluation (i.e. the evaluation of applications by the Radio and Television Board) and the licence terms.

### **Background**

The parties to the forthcoming Media Agreement have decided that the fifth terrestrial FM radio channel shall be offered by a beauty contest.

Pursuant to section 45, subsection 5 and 48 of the Act on Broadcasting, cf. Public Order No. 1350 of September 4th 2020, the Minister for Culture has subsequently issued Order No. 325 of March 8 2022 on the fifth terrestrial FM radio channel.

Pursuant to Section 1 of the Order, the Radio and Television Board provides the fifth terrestrial FM radio channel with regard to the rights of transmission listed in Annex 1. The permit will come into force no earlier than November 20 2022 and expire no later than November 19 2030.

Permission cannot be notified to the Danish Broadcasting Company (DR), the license holder to the fourth terrestrial FM radio channel or the licence holder of the Digital Public Service radio channel with a cultural focus.

The broadcasting must commence at 00:00 on the 20 of November 2022.

## **Application Procedure**

Section 4 of the tender documents describes both the application procedure and the requirements for the form and content of applications. Applications must be submitted electronically by use of the application form found here: <https://slks.dk/omraader/medier/radio/landsdaekkende-radio/genudbud-af-den-femte-jordbaserede-fm-radiokanal>.

From the publication of the tender documents and until Wednesday, March 23, 2022 at 12.00 noon, it is possible to ask questions about the tender. The questions and subsequent answers will be published on the website of the Danish Agency for Culture and Palaces at <https://slks.dk/omraader/medier/radio/landsdaekkende-radio/spoergsmaal-og-svar-ved-fm5-udbud>. The questions will be published in anonymous form so that the identity of the questioner is not displayed.

The Danish Radio and Television Board will, as a rule, try to answer the questions asked within a week. It is expected that the questions asked until Wednesday, 23 March 2022 at 12.00 noon, will be answered by Friday, April 1, 2022 at 4.00 pm. Questions posted after 23 of March 2022 at 12.00 noon will not be answered.

It is emphasized that all questions must be made in writing to the Radio and Television Board by/the Danish Agency for Culture and Palaces at [rtv@slks.dk](mailto:rtv@slks.dk). Please put "Questions for the tender of FM 5" in the subject field.

Questions cannot be addressed directly to the Ministry of Culture or the Danish Energy Agency.

Applications are to be submitted to The Radio and Television Board no later than Friday, April 20, 2022 at 12.00 noon.

Applications must provide a demand guaranty for DKK 1 million by Friday 20 April 2022 at 12.00 noon or deposit the amount in an escrow account.

Applicants must include the following in their application:

- Financial conditions measured on liquidity and equity ratio
- Their experience in operating commercial radio or other commercial media business
- Information on how to ensure digital availability of the channel transmitted on the fifth FM channel

The Radio and Television Board is entitled to cancel the tender prior to the expiration of the deadline for applications. The Board is also entitled to cancel the tender if there are no suitable applications. The Board may also make necessary changes to the terms of the tender for the permit before the expiration of the deadline for sub-mitting applications. Finally, reservations are made for errors in the tender documents.

If the Radio and Television Board makes changes to the tender documents prior to the deadline for applications, the Board may postpone the deadline. Readers are referred to section 13.2 of the tender document for further information on this.

### **Evaluation**

Upon receipt of the applications, the Radio and Television Board will initially determine whether the applications contain the information required in the tender documents. If needed, the Board will contact the applicants as soon as possible, to clarify anything unclear in the information provided.

In principle, it will not be possible to supplement the information submitted, but the Board can request additional information in the context of the principle of equal treatment for clarification of matters already described in the application. However, the Board cannot ask questions or request supplementary information regarding basic elements of the application.

The Radio and Television Board may reject applications that do not contain the minimum information required in this tender. See section 4.1 of the tender document.

Based on an assessment of the applications, it is decided which applicant the Board will issue license to. The applicants' finances are weighted – assessed on liquidity and equity ratio for the past three financial years – at 40 per-cent in the beauty contest. Applicants' experience in operating commercial radio or other media business also weighs 40 percent. Experience with national radio business counts more, than experience in running a local radio business, which counts more than experience with other media business. Recent experience weighs higher than older experience. In addition, the applicant's assurance of digital availability of the channel transmitted on the fifth FM channel, weighs 20 percent.

The evaluation process is described in further detail in section 5.2 of the tender documents.

### **License Terms**

The license holder is required to broadcast at least 400 hours of public service news a year. Other than that, there are no specific requirements for the broadcasting.

The licensee is required to participate in the industry-certified official listening surveys in Denmark or otherwise perform comparative measurements.

The licence holder shall not pay an annual fixed concession fee, but a variable turnover-based concession fee shall be paid throughout the licence period or until the licence is returned/withdrawn. The tax rate is 5 per cent of the part of the licensees' tax base, the year in question, amounting to more than DKK 75 million and up to DKK 100 million, 10 per cent of the tax base from DKK 100 million up to DKK 200 million and 15 per cent of the tax base from DKK 200 million and above.

The licensee must submit a statement on the previous year's public service news coverage by 31 May each year. The licensee must also submit an independent annual financial statement of the channel by 31 May each year with a statement of the tax base. If the licence is returned or withdrawn, the accounting and calculation of the tax base must be submitted to the Radio and Television Board by the end of the fourth month after the re-turn/withdrawal. The variable concession fee for the period until de-livery or withdrawal shall be paid no later than the end of the fifth month after the return or withdrawal.

The broadcasting must commence on all platforms at 00:00 on the 20 of November 2022.

### **The Licence**

The licence is issued with effect from no earlier than November 20, 2022. The licence expires November 19, 2030. The Danish Energy Agency issues a frequency licence upon request of the licensee. An annual frequency fee for the frequency licence shall be paid to the Danish Energy Agency.

The Radio and Television Board supervises compliance with terms and conditions of the licence and the rules of the Radio and Television Broadcasting Act, as well as rules issued pursuant to the Radio and Television Broadcasting Act. The Danish Energy Agency supervises compliance with the terms of the frequency license and the rules in the frequency legislation.