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Radio- og tv-nævnet

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

The Tender Documents

The sixth 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 a deposit of the amount required.

Section 5.2 contains a 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. This section 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 Media Agreement 2015-2018 have decided that the sixth terrestrial FM radio channel must be offered by a beauty contest.

Pursuant to section 45, subsection 5 and 48 of the Act on Broadcasting, cf. Public Order No. 255 of 20 March 2014, as last amended by Law No. 643 of 8 June 2016, the Minister for Culture has subsequently issued Order No. 514 of 22 May 2017 on the sixth terrestrial FM radio channel.

Pursuant to Section 1 of the Order, the Radio and Television Board provides the sixth terrestrial FM radio channel with regard to the rights of transmission listed in Annex 1. The permit will come into force no earlier than 9 July 2018 and expire no later than 8 July 2026.

Permission cannot be notified to the Danish Broadcasting Company (DR) or the license holder to the fourth terrestrial FM radio channel.

The broadcasting must commence within six months of the issue of the licence.

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/index.php?id=35801>.

From the publication of this tender document and until Friday, January 12, 2018 at 12.00 noon it is possible to ask questions about the tender documents. The questions and the answers to this will be published on the website of the Danish Agency for Culture and Palaces at <https://slks.dk/index.php?id=35804>.

The questions will be published in anonymous form so that the identity of the question is not displayed.

The Danish Radio and Television Board will, as a rule, try to answer the questions asked within a week. Due to Christmas holidays, the response time may be longer. It is expected that the questions asked until Friday, 12 January, 2018 at 12.00 noon, will be answered by Friday, January 19, 2018 at 12.00 noon. Questions posted after 12 January 2018 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. Please put: "Questions for the tender of FM 6" in the subject field.

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

Applications must be received by the Radio and Television Board no later than Friday, January 26, 2018 at 12.00 noon.

Applications must provide a demand guaranty for DKK 1 million by Friday 26 January 2018 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 sixth 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 submitting applications. Finally, reservations are made for errors in the tender documents.

If the Board makes changes to the tender documents prior to the deadline for applications, the Board may postpone the deadline. Reference is made 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 examine 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 may also 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.

Applications which do not contain the minimum information required in this tender may be rejected by the Radio and Television Board. See section 4.1 of the tender document.

Based on an assessment of the applications, it is decided which applicant the Board will issue permission to. In assessing the applications by the Board, applicants' finances are weighted – assessed on

liquidity and equity ratio for the past 3 financial years – at 40 per cent. 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 sixth FM channel, weighs 20 percent.

How the Board will carry out the evaluation is described in further detail in section 5.2 of the tender documents.

Permission Terms

There are no specific requirements for the broadcasting.

Licensee shall 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 sales-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 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 return/withdrawal. The variable concession fee for the period until delivery or withdrawal shall be paid no later than the end of the fifth month after the return or withdrawal.

Within six months of the granting of the licence, the licensee must broadcast under the licence.

The Licence

The licence is issued with effect from no earlier than July 9, 2018. The licence expires July 8 2026. 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.