



GEZ.

Bonn, May 7th 2010

**Present an future of public service
broadcasting fee collection in Germany**

Adalbert von Cramm, Head of Department Customer Care and Marketing



BROADCASTING FEE ASSOCIATION

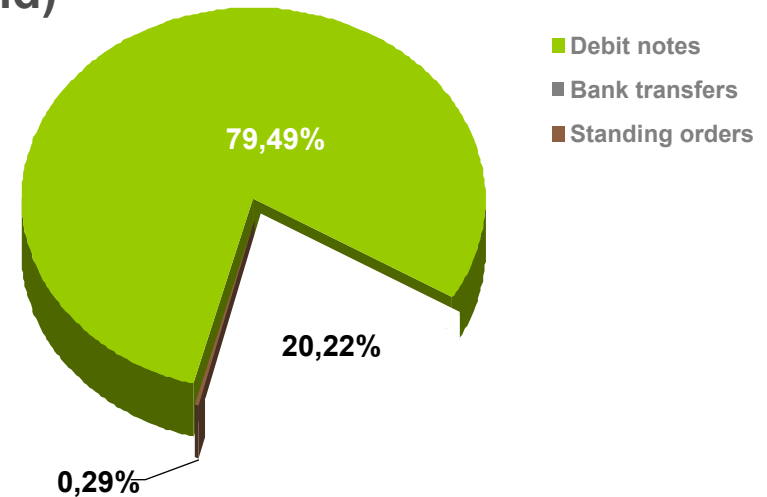
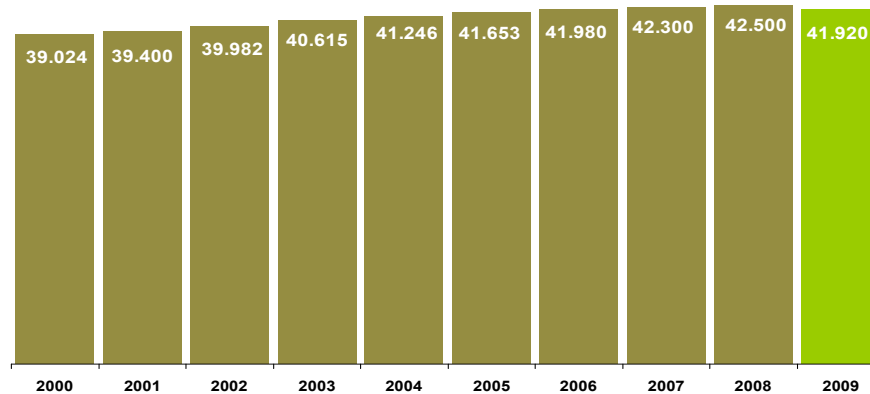
The GEZ is a public joint institution without legal capacity of the public service broadcasting corporations in particular of the ARD, Deutschlandradio and the ZDF with the mandate to collect broadcasting fees.



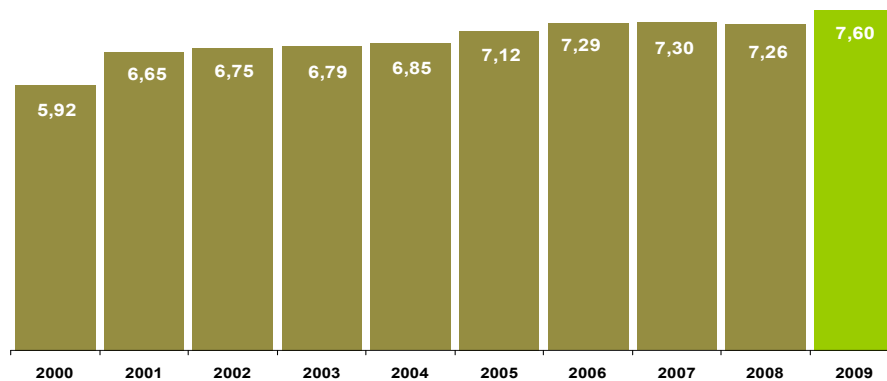
Number of subscriber accounts • Fee revenues • Modes of payment



Number of subscriber accounts (in thousand)



Fee revenues in billion €

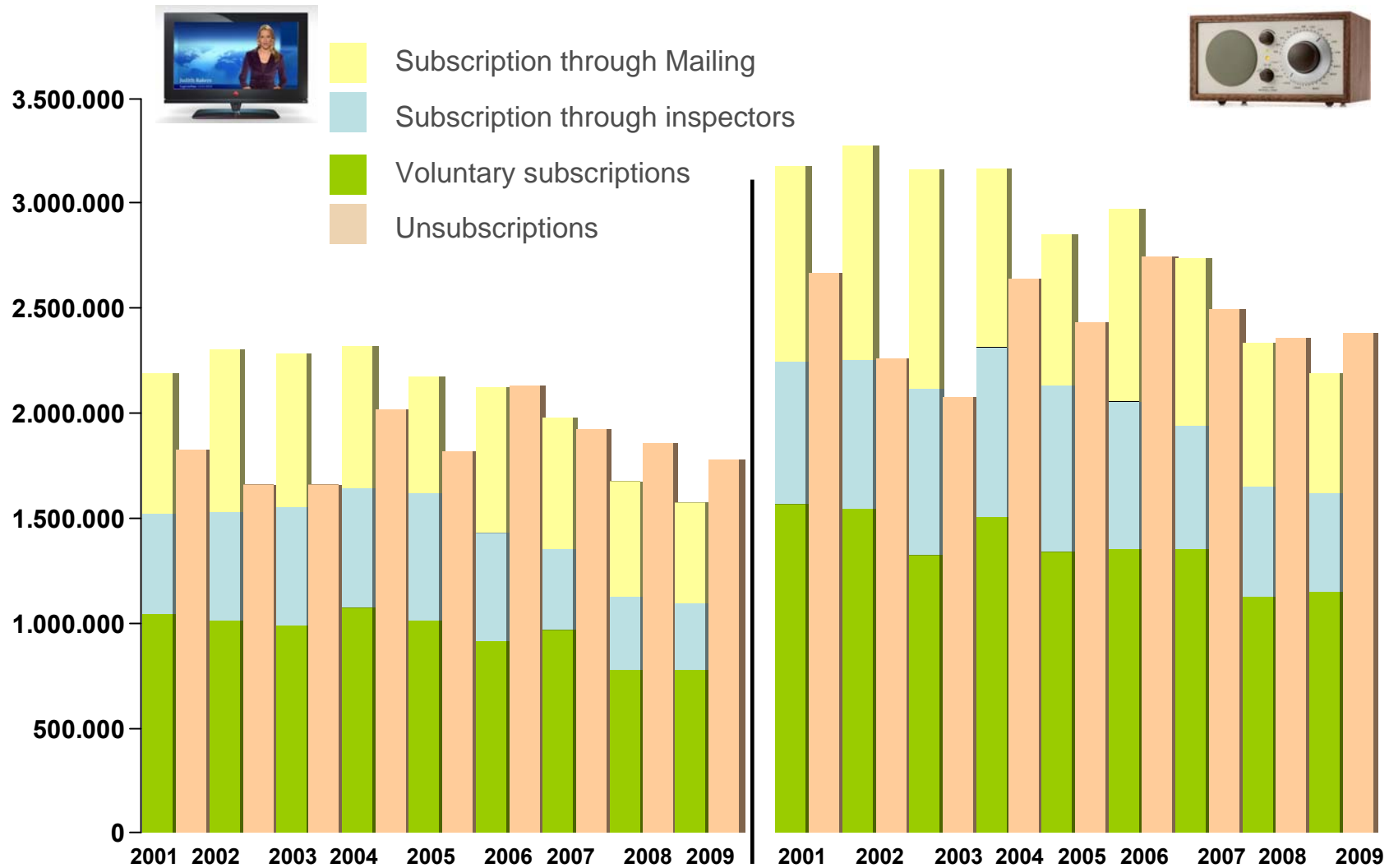


The number of **subscriber accounts** declined in 2009 for the first time ever.

According to schedule fee revenues will increase, however.

Subscriptions and unsubscriptions 2001 to 2009 – a gloomy prospect?

GEZ.

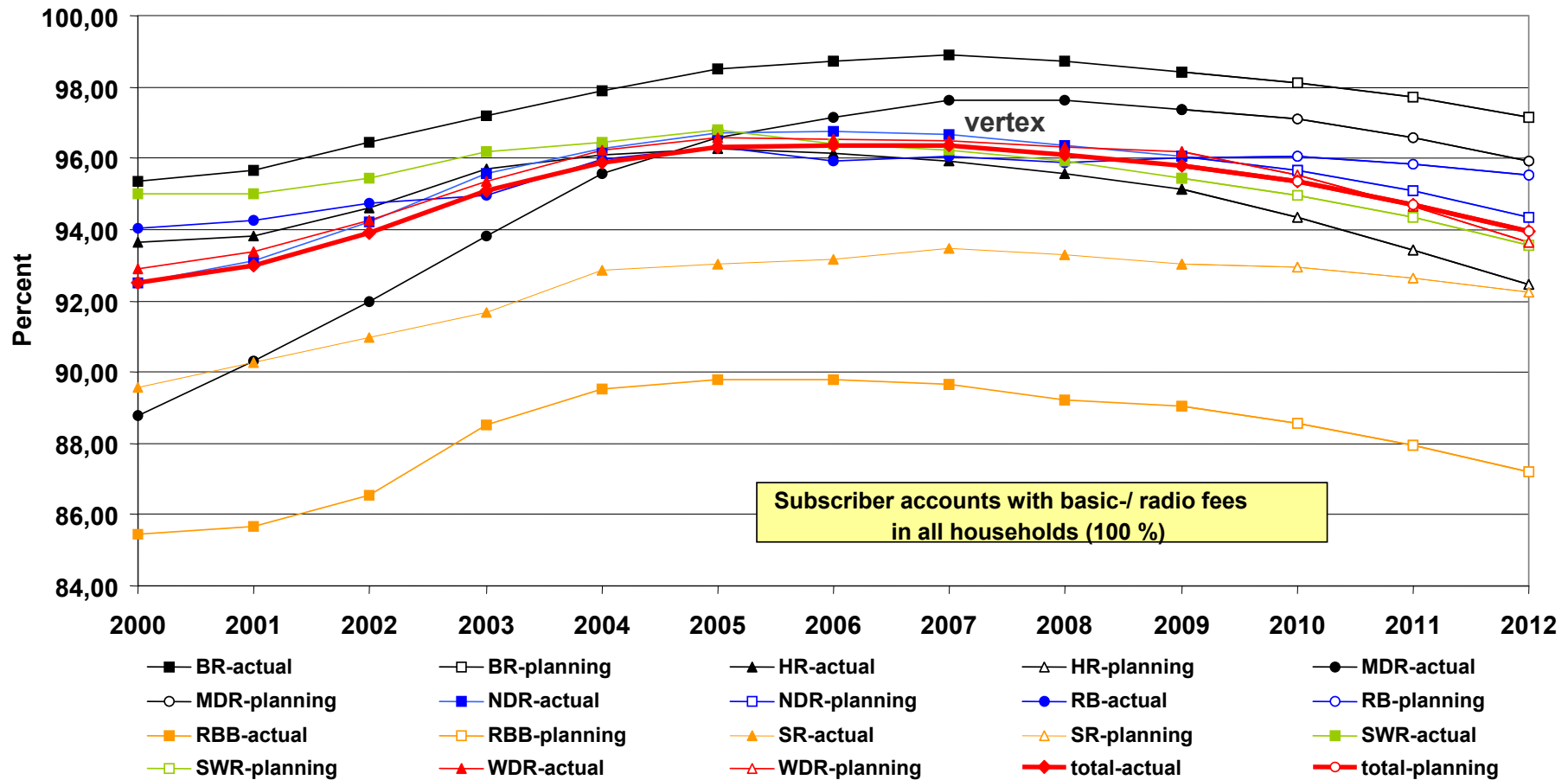


The number of subscriptions shows a decline regarding every registration option.

Population-household density: radios



Population-household density radios – Planning of 24.03.2010 -
2000 - 2009 'actual' and 2010 - 2012 'plan'



The decrease could become a potentially dangerous problem

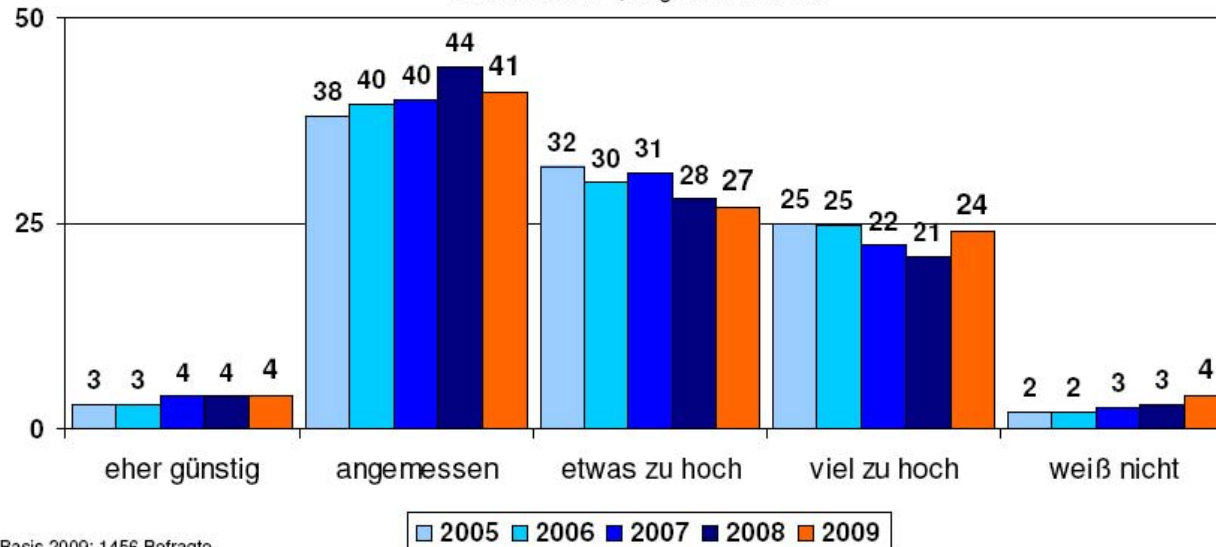
Broadcasting fee acceptance



Im ersten Jahr der neuen Gebührenperiode ließ erwartungsgemäß die Akzeptanz der gestiegenen Gebühr etwas nach - lag aber dennoch höher als in der gleichen Situation vor vier Jahren.

Die monatlichen Gebühren betragen 17,98 €. Davon werden das Erste Programm der ARD, das ZDF, die Dritten Programme, arte, 3sat, der Kinderkanal, Phoenix, einige digitale Zusatzkanäle sowie zahlreiche Radiosender finanziert. Erscheint Ihnen die monatliche Gebühr von 17,98 € für dieses Angebot eher günstig, angemessen, etwas zu hoch oder viel zu hoch?*

Erwachsene 14+, Angaben in Prozent



The critics outnumber the advocates.

Basis 2009: 1456 Befragte

* 2005-2008 in der Fragestellung mit der Summe 17,03 €

Seite 17

Rather favourable + appropriate + little too high + much too high + don't know

GEZ-campaign „Natürlich zahl‘ ich.“

GEZ.

The „Natürlich zahl‘ ich.“ (“Of course, I pay.”) campaign is on air since August 2007 and primarily aims to the aged 18 to 34.

In 2009 and 2010 it was aired in the following media:

- TV (private and public)
- Print
- Internet
- Radio (public)
- Events (IFA, Berlinale, Snipes-Casting)

Strategy: affirm the supporters; surprise the doubters by using testimonials that stand for fairness but would normally reckoned to be among the evaders (e.g. young musicians or sportsman)

© **GEZ.**



- In May 2010 the joint campaign of **ARD**, **ZDF** and **GEZ** will be on air.
- The image campaign with integrated fee information should
 - communicate the link of programme and broadcasting fee (benefit/duty),
 - increase the programme and fee acceptance and
 - reach the young target groups.
- Spots will be additionally implemented in public radio and TV programmes.

GEZ.



The discussion about future broadcasting fee models

- Guarantee of the so-called “essential basic provision” within the dual broadcasting system

dual -> Coexistence of psb and private broadcasting

- 4th Broadcast verdict of the Federal Constitutional Court (BVerfG) 1986:

“ [...] The public service mandate [...] requires [...] **to ensure the financial preconditions to fulfil its purpose.**“

i.e. -> The funding needs to be ensured because the public service broadcasting corporations are explicitly entrusted with the provision of the “essential basic service”.

Why can't things stay as they are?

- Decrease of fee revenues, especially in the medium and long term consideration
- Lack of acceptance of the broadcasting fee, especially among the young target groups which poses a potentially ruinous problem.
- Technical media convergence which if not addressed properly in the new legislation will have a fair share in eroding acceptance to an unbearable level.
- If not tackled soon, these three aspects make a lethal cocktail

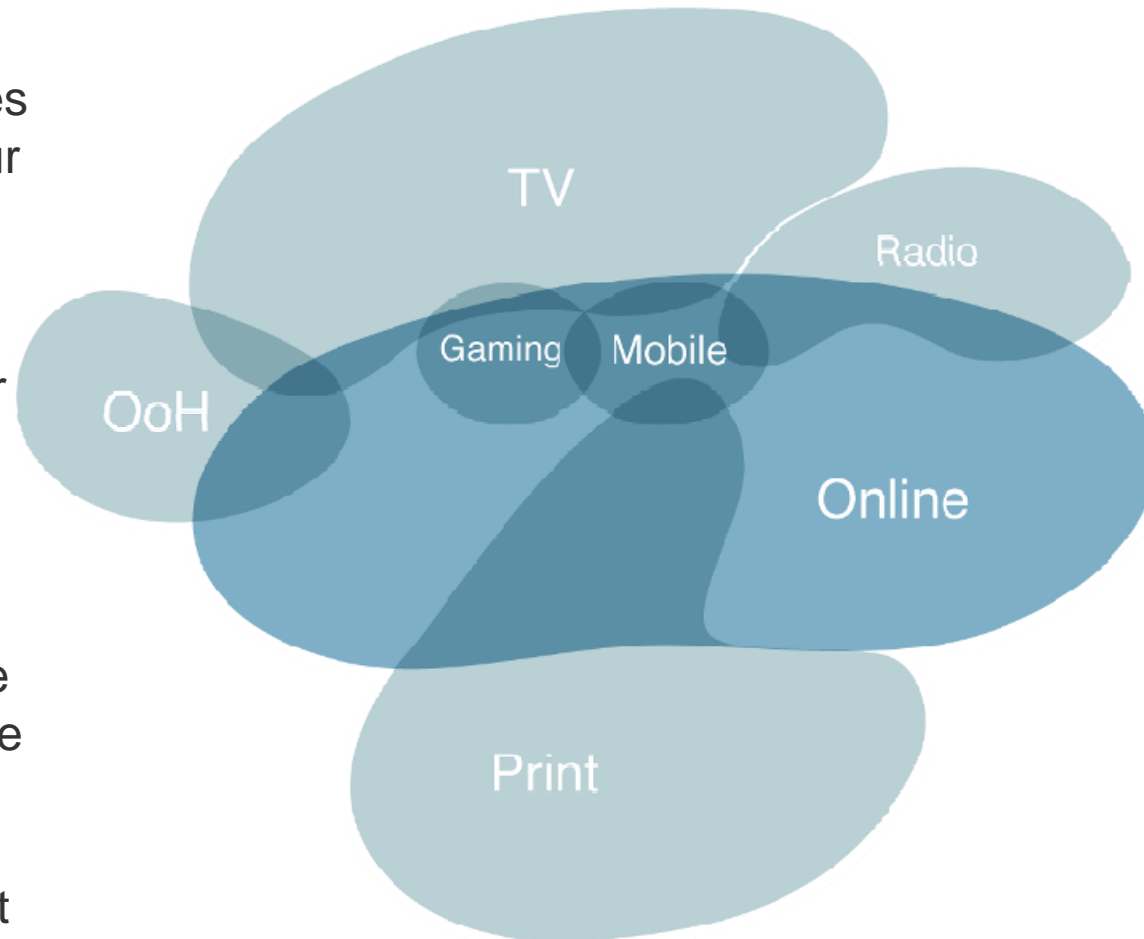
Example of media convergence (OMD, D´dorf)

GEZ.

The internet is a great opportunity but also poses an enormous threat to our current system.

This convergence-„potato“ shows how other media are influenced or even absorbed by the meta-medium online.

A clear assignment to the categories (TV, Radio) we are accustomed to - gets ever more difficult, the more media development progresses.



Requirements to a reform of public service broadcasting funding



It should...

- increase the **fee acceptance** through a simplified and more transparent system
- respond to the requirements from the **technical media convergence**
- create more **legal security** (i.e. no more conflicting verdicts)
- reduce the “**harassment factor**”
- guarantee the funding of the public service broadcasting to ensure the “basic provision”

Models currently in discussion

GEZ.

- advanced device-dependent fee
Basis: Having a device
- device-independent household/residence / business site fee
Basis: Having a household/residence and/or a business site respectively

Targets for any model-amendment or new model



- Only one fee per household/residence or business site resp. (the multiple fee liability could possibly be abolished)
- Only one fee without reference to the kind of device (convergence)
- Mitigation of those currently valid regulations (e.g. children with own income living with their parents) that clog the way to higher acceptance.
- Mobile use in motor vehicles will be included in the fee.
- Legal regulations on fee exemptions are model-independent. Exemptions will be granted on the basis of poor health or low income.
- Some form of gradation in the corporate sector will be pursued in dependence of the number of employees. (large scale enterprises would have to pay more than a small news agent).

Conclusion...to sum up briefly

GEZ.

- Reform of the psb funding is necessary to guarantee the so-called basic provision continuously
- Key distinction between the two models: **device-dependence**
- The **device-dependent model** implies a high verification effort for either the inspectors or direct marketing and leaves the convergence problem unsolved.
- In contrast the device-independent model could bring about **considerable simplifications** and in consequence (hopefully) a boost in acceptance and transparency.
- For the **device-independent model** the mere fact of having a household or a business site will suffice.
Hoped-for effects: less verification efforts; less harassment; less costs; less chances for evading and more stable revenues
- ongoing: further variations and details are currently in discussion

- Fundamental decision of the Heads of Federal States is scheduled for June 9th 2010
- Ratification procedures of the State Treaty at federal level - by which the legal and economic frameworks are being regulated - is expected for October 2010
- The new regulatory will come into operation by January 1st 2013
- As an economical and professional service provider the GEZ will continue to collect broadcasting fees in Germany also beyond January 2013

- In the meantime Prof. Kirchhof submitted his expert report to the state and senate chancelleries. It is now openly accessible via the Internet.
- Concerning the sheer dimension and complexity of the forthcoming possible “system change” it is more than comprehensible that the whole thing be based on solid ground.
- However, this report is probably the most significant and prominent expert report that has been submitted over the years.
- Yesterday ARD and ZDF presented the expert report written by Prof. Paul Kirchhof on the funding of the public service broadcasting in Germany.

- The former judge of the Federal Constitutional High Court elaborated on the reform needs of the current funding-system in order to tackle the challenges posed upon it by the technical media convergence as well as to reduce current complexity.
- In the heart of his report is the change from a device-related towards a device-independent household and business-site contribution.
- This present expert recommendation (device-independent broadcasting contribution) takes into account European Law as well as Fiscal Constitutional Law.
- Prof. Kirchhof indicates possible ways of designing the funding-model to be executed the legislative bodies.

GEZ.

Thank you for your attention
