



AUDIOVISUAL MEDIA AUTHORITY

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# ANNUAL REPORT

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2014

February 2015

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## **1. INTRODUCTION**

The evaluation for the activity of the Audiovisual Media Authority, AMA, for 2014 is based, primarily, in the framework of the objectives and functions that the law 97/2013 has set for this institution, in response to developments and issues in the audiovisual broadcasting flow, technological innovations, ways of conception and performance by the stakeholders, but aiming at substantial compliance with the audience's requirements and needs. From this perspective, the annual report that you present not only highlights the main aspects of the achievements and failures, but contrasts and reveals the circumstances, causes and specific responsibilities for each step of the AMA's, trying to go even further, to present the perspective of change and improve the indicators, by placing the institution in active positions of a regulatory authority, which not only monitors, but also interferes effectively by ensuring fair competition in the market and ensuring that the public broadcaster is in the right direction.

In most of 2014, the AMA did not have a quorum for meetings of the membership and decision-making, a cause that was directly reflected in the failure of the legal objectives, without being able to adopt bylaws necessary to influence the normal activity of the providers of audiovisual media services. The lack of a normal functioning of the regulatory authority has resulted in the continuation of unlicensed digital or analogue broadcasting, indiscriminate increase in the number of entities that exercise audio and/ or audiovisual activity, effective lack of control of the license/ authorization conditions from the area's subjects. Another thorny problem, encountered during the first 10 months of 2014, but carried forward from previous years has been the inability of enforcing the AMA's, by reducing the authority of the institution in relation to the violator. Notwithstanding the above constraints, there have been adopted administrative decisions which require a simple majority, as the handling and consideration of the sanctioned entities complaints for administrative offences, the adoption of changes in the data presented in the request for obtaining the licensing/ authorization in accordance with the applicable legislation. Another important decision was the adoption of the Broadcasting Code.

The transition from analogue to digital broadcasting is considered a very important process for the realization of which the Albanian state has received commitments based on national and international legislation. Audiovisual Media Authority is responsible for managing the frequency spectrum for broadcasting and holds a key role in this process. Exactly, even this major objective has taken a stroke, as during the long periods of non-functioning of the institution during 2014, as well as the disregard of the law on the control of the radio spectrum by the AMA's administration. This has resulted in the interception of the radio spectrum in violation of the law.

## **2. The SITUATION OF AUDIO AND AUDIOVISUAL BROADCASTING**

The view of entities which currently exercise audio and audiovisual media in Albanian territory appears divided into 72 audiovisual subjects, 71 radio subjects and 3 subjects with digital terrestrial broadcasts.

A large number of entities act in violation of the requirements set out in legislation. Tangible violations recorded by these entities are related to violation of legal provisions for the repayment of financial liabilities as well as technical requirements and transmission conditions.

As an entity with repeated problems we can mention Shijak TV television, whose license has become invalid by decision no. 34, dated 01.02.2013, as a result of the expiration of the license and failing to fulfil its financial liabilities to the institution. By court decision, the AMA is currently a debtor to the subject in question for the amount of ALL 116,289,989. Liabilities of Shijak TV against AMA result in ALL 4,184,000, and liabilities as of fines result in ALL 119,600,000.

The following tables present information on an extract of 21 subjects, who are estimated to have greater influence in public and in the media market.

Below we present a summary of financial liabilities and violations of a technical nature of this group of subjects. The full list of subjects with the aforementioned issues is presented in Appendix No.1.

## **2.1 FINANCIAL LIABILITIES OF OSHMA**

### **Financial liabilities (annual payment for the licensing, the fee for the services of the TVSH) and fine sanctions (in ALL).**

The denomination of OSHMA	License	Annual license divided in years			The service fees.TVSH	Total fines
	Total	2010-2012	2013	2014		
Tv ALSAT	16,673,100	5,557,700	5,557,700	5,557,700	984,000	
SuperSport	3,750,000		937,000	2,813,000		
Shoq Tring Tv	11,250,000	5,937,000	3,750,000	1,563,000		
Tv Sat Vizion +	7,350,000		3,600,000	3,750,000		500,000
Tv Top Channel	3,167,000			3,167,000		
Tv Shijak	2,645,600	2,645,600			1,538,400	119,600,000
Tv Koha	1,632,300	826,100	403,100	403,100	1,344,000	1,284,000
Tv News 24	260,500	260,500				
TV A1 Report					468,000	
Tv Planet						
Tv UTV Education						
Agon Channel						
Tv Adriamed						
Tv ABC News						
Tv Ora News						
Radio + 2	1,500,000		1,500,000			
Radio Top Albania						
Tv KLAN						
Shoq. Digitalb						
Shoq. Abcom						
Shoq. Albtelecom						
Total:	48,228,500				4,334,400	121,384,000

## 2.2 Problems associated with technical inconsistencies of the OSHMA

### 2.2.1 Problems associated with digital and analogue Audiovisual Operators.

Safeguarding the technical broadcasting conditions of audio and audiovisual entities remains one of the primary obligations stipulated in the laws in force. To verify their compliance, AMA, based on an internal regulatory framework and recommendations of the ITU, should conduct the monitoring of audio and audiovisual broadcasting at least twice a year throughout the territory of Albania. Throughout the reporting period, the monitoring was not completely performed, leaving out of control some areas of the country. The main cause of this situation is the lack of an annual monitoring plan that provides resources, tools and deadlines for implementation of monitoring through mobile centres and reporting deadlines. Also monitoring is hampered by the lack of some necessary measuring and monitoring instruments. Serious difficulties are repeatedly caused in the technical sectors of the institution from the assignment of disqualified personnel and not of the appropriate technical profile.

As a result, the information presented in the tables below, especially on the areas of licensing coverage is not complete and refers to several inspections carried out during the year on problematic basis and primarily of the measurements conducted during the period December 2013 - January 2014 carried out by the Technical Working Group established by Order no. 4086, dated 03.12.2013 of the Minister of State for Innovation and Public Administration, "To study the possibility of increasing the number of coverage with digital terrestrial networks." More detailed information on the encountered problems is presented in Annex. 2.

#### Unauthorized digital television broadcasting

The denomination OSHMA	The areas where is offered the unlicensed service			
Digitalb	5 Networks in Tirana	4 networks in 7 other broadcasting points		
Top Channel	1 Network in Tirana			
Tring TV	2 Networks in Tirana	1 in Kukës	1 in Peshkopi	1 in Burrel
TV Klan	1 Network in Tirana, Durres and Elbasan			
TV Alsat	2 Networks in Tirana			
News 24	1 Network in Tirana			
Ora News	1 Network in Tirana			
TV Vision +	1 Network in Tirana			
TV Saranda	1 Network in Saranda			
Shijak TV	1 Network in Tirana			

#### The channels and the period of the start of digital broadcasting

The denomination of OSHMA	UHF Channel	The period of broadcasting
Digitalb	62, 64, 67, 69	2004
	29	2011
Tring TV	(Vizion +) 59	23.01.2008

	47	17.09.2008
	56	03.09.2012
Top Channel	51	01.07.2012
TV Klan	41	01.03.2012
TV Alsat	21, 66	02.07.2010
News 24	31	04.03.2013
Ora News	55	18.01.2013
TV Saranda	26	2010
Shijak TV	24	23.01.2008

Unlicensed analogue television broadcasting

The denomination OSHMA	The areas where is offered the unlicensed broadcasting						
TV Vision +	Tirana	Durrës	Shkodër	Korçë	Vlora	Fier	Gjirokastër
News 24	Shkodër						
UTV Education	Shkodër	Berat	Vlora	Saranda			
ABC News	Shkodër	Vlora					
Ora News	Korça						
TV Adriamed	Tirana						
TV Klip	Patos						
TV Shijak	Unlicensed broadcasting						

2.2.2 The problems related with FM Audio Operators

Not being broadcasted according to the legal deadlines
Radio Clazz
Radio Capital
Radio Living

Not full coverage of the licensing area
Radio ABC News
Radio Durrësi
Radio Univers
Radio Albania News
Radio +2
Radio Klan
Radio Travel
RFI (with repeater)
Radio BBC (with repeater)

Broadcasting entities without license:
Radio New Planet
Radio Stinë
Radio Italia
Radio ABC
Radio Magic Star
Enlargement of the area without authorization:
Club FM
Interruption of broadcasting for over 30 days per year:
Radio Ime
Radio Greta
Radio Boom Boom

### 2.2.3 Problems of a technical nature of cable networks

In Albania there are 109 licensed cable operators with a penetration area from a commune and some counties (Albtelecom). Most cable networks rely on outdated analogue technology. Application of this technology has lower cost and does not require a lot of skills in the use of a small number of subscribers. On the other hand, these systems carry many drawbacks, which the increasing number of subscribers become an obstacle to further increase the quantity and quality of services. The Lack of subscriber control system prevents the establishment of a billing system, making the whole system unmanageable.

Besides cable systems with outdated technology in Albania there are already operators that have built digital cable networks with the latest technology based on the massive use of fibre optic cables, using DVB-C, DVB-C2, and IPTV standards. These operators are Abcom, Tring, etc.

AMA is working to determine the development strategy of cable systems in Albania, initially by preparing and approving the technical specifications of digital cable receivers.

### 2.2.4 The Public Radio

TVSH (Albanian Radio Television) has in operation 36 VHF transmitters, 29 UHF transmitters and a secondary network of 210 recidivists. During the reporting period, TVSH has not announced any changes or additions to the number of transmitters or recidivists. The combination of coverage made by broadcasters that broadcast signal on VHF, primary network transmitter in UHF and recidivists, make possible that coverage of the territory of the Republic of Albania by the signal of TVSH reach over 87% of coverage.

The main problem, even this year, continues to be the coordination of work with local government bodies for the maintenance of recidivists (lack of buildings, electric lines and payment care-takers).

TVSH, due to changing the legal framework and implementation of the Strategy for the switchover from analogue to digital broadcasting, during the reporting year, has not made any investments to improve signal coverage of the coverage area.



### 2.2.5 Contract of public service broadcasting

In order to fulfil legal obligations, TVSH during April 2014, in accordance with the legal deadline, submitted for approval by the AMA, the contract for public service broadcasting. This contract was not approved by the AMA within 30 days, as provided by paragraph 3 of Article 117, because of the lack of decision by the AMA's Council.

Handling back the decision, the AMA is ready to review and approve the above contract, but from the assessment of the content of the document submitted by the TVSH, resulted in some serious shortcomings, the fulfilment of which will consider the contract a functional document for regulating the activity of this institution as a public broadcaster.

In the service contract submitted for approval there are generally identified fundamental issues of TVSH activity, as listed in the provisions of the law, without fulfilling their details and concretizing, resulting in the impossibility of verifying the fulfilment by TVSH of the obligations towards the public.

## 3 CABLE BROADCASTING

Currently, the audiovisual media market is dominated by entities that operate by cable television activities. By the month of November 2014 the number of entities authorized for this service has been 109. In this context, to verify the legality of these subjects, the AMA has invested a significant TVSH of its human resources and administration. Nevertheless, it turns out that about 60% of these subjects continue to perform activities violating the requirements of the applicable law. These entities do not respect the obligations arising from primary law as repayment of financial liabilities to AMA's and sanctions fines, broadcasting of programs without gaining the broadcasting rights and copyright, unauthorized expansion of the area of service delivery, informing the AMA's about changes that have occurred in the data for authorization etc.

The high value of financial liabilities and outstanding sanctions of entities faced the institution with a difficult financial situation significantly impacting its normal performance. Detailed information on the obligations of the entities is given in the table below.

In case of finding out of administrative offences, the subjects were punished with sanctions stipulated in the law, however, the supervisory activities of the AMA's, case after case is exercised selectively.

During the reporting period it was concluded that there was a growing interest in the authorization device for providing audio/ audiovisual programs, which relied on different networks from analogue or digital terrestrial networks. The highest percentage of applications was occupied by renewing software applications for audio/ audiovisual of third parties relied in a cable network. From January to December 2014, were filed 43 applications for obtaining authorization for renewing the audio/ audiovisual programs of third parties relied in a cable network, as well as providing visual program service based on Internet or satellite network. Pursuant to Article 19, paragraph 1, letter "b" of the Law no. 97/2013 "On the audiovisual media in the Republic of Albania", the AMA issues the authorization by specified majority. Article 64, paragraph 5 of this Law, stipulates that: "The authorization is given within 30 days of receiving a complete application. Refusal of the application is always done against a reasoned decision. If AMA is not within the above stated deadline, from the date of receipt of the complete application, the authorization shall be deemed approved".

This legal requirement is not respected by the AMA for all applications filed during the reporting period, as it is not raised the Review Commission of the Documentation in the appropriate terms. Thus for the applications deposit during the reporting period it is violated the 30 days deadline as defined in this legal provision for their

review and opening. In the absence of a decision-making by the AMA’s Council, the applicant subjects were entitled to start the service delivery, because according to the law these entities were considered as authorized.

On the other hand, this mitigating procedure of obtaining authorization is followed by indiscriminate increase in the number of entities that provide recurrence audiovisual programs of increasing the degree of difficulty in the institution to verify the level of implementation of the law by these entities.

Consequently, in addition to enormous problems with authorized entities, there continued the granting of authorizations without following the procedures and legal provisions. The law clearly states that after its entry into force, the AMA should develop a strategy which stipulates: “involvement in an action plan of AMA’s regarding the number, scope and nature of authorizations and/ or licenses, proposing to carry over the duration, which the strategy covers “, a point which is unfulfilled in an open violation of the law.

Subjects who have been authorized by the AMA to operate audiovisual activity pursuant to Article 64 of the law cited above, by exceeding the period of over 30 days, for the period from the enforcement of the law until April 2014, are:

- 29 entities authorized to redirect the third party audiovisual programs relied in the cable network;
- 4 authorized entities for the provision of audio-visual program service relied on satellite network, online service.

Given the above issues, but bearing in mind that technological developments offer new ways of providing audiovisual services, as a necessity to review the Regulation “On the procedure and criteria for granting authorizations”, approved by Decision no. 3, dated 03.05.2013 of the AMA’s. This change aims at mainly strengthening the technical requirements to be met by applicants for empowerment. Also, this regulation will include specific requirements and criteria for obtaining authorizations for IPTV service when the service is provided to the subscriber terminal via IP addresses and renewing authorization for online audio-visual program service of third parties (OTT etc) / online audio service program / renewing online service to third parties audio program (OTT etc), services that are not included in the existing regulation.

Financial liabilities of cable entities

The denomination of OSHMA	The obligation (license) for the years 2010-2014	The obligation (fine) for the years 2010-2014
TV K Skai Digital	6,190,000	
TV K Albania Tirane	6,050,000	200,000
TV K Kombi	3,954,170	1,607,332
TV K Albania Durres	3,250,000	
TV K Epiri	3,050,000	
TV K Albania Shkoder	3,050,000	1,200,000
TV K Egnatia	2,375,000	300,000
TV K KL - ED	2,250,000	200,000
TV K Albania Kombi	2,150,000	
TV K Jug	2,045,830	4,100,000
TV K Info Cable	2,050,000	
TV K CA Elbasan North	1,600,000	1,000,000

TV K CA Elbasan South	1,500,000	1,000,000
TV K Apollnet	1,450,000	
TV K Albania Lushnje	1,250,000	
TV K Albania Gjirokaster	1,075,500	200,000
TV K Ordea	850,000	
TV K Bajrami Net	730,000	
TV K Envo Company	730,000	
TV K Krutje	600,000	830,000
TV K Kucova	533,000	1,000,000
TV K Best Cable	401,000	
TV K S3	400,000	1,400,000
TV K CA Permeti	400,000	600,000
TV K Terbuf	367,000	200,000
TV K Dushk	287,500	800,000
TV K Jesa	263,000	
TV K Fokus	204,000	
TV K Eris A&A	200,000	
TV K Ozuni	180,000	
TV K Luna	100,000	700,000
TV K 2ASL	50,000	200,000
TV K Maqellara	6,470	1,300,000
TV K Asparag		700,000
TV K Iliria		1,000,000
TV K Pupa		400,000
TV K Vlora Cable		1,800,000
TV K Shijak		600,000
TV K Pojan		900,000
TV K Roskovec		2,500,000
TV K Lissus		1,700,000
TV K Cakran		200,000
TV K Fraholli		1,900,000
TV K Mirdita		900,000
TV K Lezha		1,600,000
TV K Kukesi		800,000
TV K Delvina		1,200,000
TV K Delta		1,100,000
TV K Xhaci		2,500,000
TV K Prrenjas		1,000,000
TV K HB-CA		1,200,000
TV K Brado		120,000
TV K Danja		1,700,000
TV K Pirg		400,000
TV K Lin		1,000,000

TV K Ura Vajgurore		1,000,000
TV K Dire		1,000,000
TV K Devi		1,000,000
TV K M&G		1,200,000
TV K Mati		1,000,000
TV K Belsh		300,000
TV K Ir-Gen		200,000
Total	49,592,470	47,757,332

## 4 THE PERFORMANCE OF THE DIGITALIZATION PROCESS

Audiovisual Media Authority is responsible for managing the frequency spectrum of broadcasting and holds a key role in the process of transition from analogue to digital broadcasting. However, the functioning of the regulatory authority in 2014 did not bring the expected results, as the fulfilment of obligations deriving from the legislation in force for analogue switch-off as well as to comply with the requirements set forth in the organic law to guarantee fair competition, protection of consumer interests etc.

### 4.1 The joint commitments AMA – TVSH

With the adoption of the Law "On broadcasting in the Republic of Albania" was drafted the strategy of transition to digital broadcasting, determining mutual commitments between the AMA's and TVSH. In this context, during 2014 AMA has prepared specific guidance documents for TVSH, defining common tasks associated with the implementation of the process of transition to digital broadcasting:

- **Determining the criteria and number of public programs that will be transmitted (free) as well as those of conditional access.**

AMA, during 2014 has intervened several times, either by written documents, either through the organization of meetings with the leaders of TVSH, for the completion of this process, but we notice that the TVSH still has not taken any action in this regard.

- **The principles and criteria of the contracts to be concluded between TVSH and existing local private operators to support public network operators.**

Until today by the Public Broadcaster is not proposed any variation of the contract type, with frequent interventions of AMA's by written form, in direct meetings and in meetings of the Inter-Institutional Committee.

- **The criteria for determining the payments of existing analogue private operators to support the numerical network of TVSH and payments for each category.**

The strategy defines the methodology for the calculation of payments to existing analogue operators for support in the network of TVSH.

For that matter, AMA has offered its assistance and suggestions, in direct meetings but as well as in the meetings of the Technical Secretariat, but it is up to the TVSH to determine the fees for the services it will offer to existing analogue operators, which will be subsequently approved by the AMA. Until today by the Public Broadcasters are not formally submitted any proposals on the fees foreseen to be applied.

- **The implementation of the first digital network.**

TVSH must deposit in the AMA the implementation graph of digital networks. Due to the fact that the contract for the construction of this network is not entered between the parties yet, this graph is not yet developed.

- **Coordination with local private operators for their support in the digital network TVSH.**

TVSH should coordinate with private operators to determine the technical details of the conduct of their signals allotments centres, setting the end of the line graph of private operators and for the entire process. Although TVSH network construction has not started yet, the coordination with the private operators will avoid delays in the implementation.

## **4.2 Preliminary Assessment of the study to optimize the frequency plan.**

By order no. 4086, dated 03.12.2013 of the Minister of State for Innovation and Public Administration was set up a technical working group, "To study the possibility of increasing the number of digital terrestrial coverage with compatible networks in accordance and without violating the digital frequency plan adopted by GE-06 Agreement".

This working group consisted of representatives of MIAP, AMA, AKEP, TVSH, Top Channel, TV Klan, Vizion Plus, Tring, Digitalb and by Ing. Artan Xhori.

Specifically, the main task of this working group is to draft a new project for better management of frequencies aiming to meet the needs of the market during the transition to digital broadcasting.

During the period of December 2013 - January 2014 were carried out measurements in the territory of the country in order to collect preliminary data to be included in the study for the optimization of the use of the frequency plan.

The closing meeting of this working group was held on 18.06.2014, where representatives of one of the operators working group, Digitalb, proposed under their responsibility the preparation of a study on the optimization of frequency.

The study prepared by the operator in question, "To optimize the frequency for the DVB-T2 networks" it was sent to the Ministry of Innovation and Public Administration dated 28.10.2014 which was also forwarded for evaluation to the Authority of the Audiovisual Media dated on 06/11/2014. During the same period, this study has been submitted for evaluation even to the ITU Telecommunication Bureau.

Based on the provisions of the Law 97/2013 on Frequency Management Plan, during January 2015 specialists of the AMA's carried out a preliminary review of the study of optimization Frequency Plan prepared by the company Digitalb.

Also, on 01/29/2014 ITU has sent a response to the comments and assessments carried out by ITU on the study.

Below it is presented as summarized the evaluation of the AMA and the ITU:

**AMA's assessments on the study to optimize the frequency plan.**

From the material presented it resulted that in general it is produced a serious material of high technical quality and grounded conclusions.

The purpose of this study is to increase national networks resulting in nine such, from five enabled by the current plan.

This constitutes a significant advantage for the broadcast digital market since, as defined by the Audiovisual Media Law 97/2013, allows the "legalization" of national historical operators and with experience in digital broadcasting. In this way it is possible, on the one hand, meeting the requirements of these operators and from the other hand it is added the space for anti monopolization of digital audio-visual market. Also this study, in any case does not affect the public operator space.

In the assessment were discussed several cases, which should be evaluated by a certified expert to determine the need for coordination with neighbouring countries, if interference may occur. For this purpose, the AMA would have asked international organizations, CoE and OSCE experts to carry out an assessment, as transparent as possible, regarding some technical aspects, as follows:

- In the material, as a key element for the addition of networks is used the expansion of SFN networks, using the best features of DVB-T2 networks. This is in line with the recommendations of the ITU to create wide area coverage. The issue is to coordinate with neighbouring countries, especially in some cases when are provided Albanian allotments in the same frequency with the allotments of the neighbouring countries, close to them (CH 22 planned for the new allotment for Fier, Vlore, is used in the Greek allotment next to it, CH 27 in the allotment of Diber, is used in the Macedonian allotment, closed to it).
- In the study, in addition to the method described above, is provided the use of frequencies that are included in the Albanian digital plan, but belonging to the non neighbouring allotments with the allotments which are expected to be used (channel 27 in Diber and channel 53 in Kukes).
- From 9 national networks defined in the study, 8 networks are predicted to have two kinds of parameters (modulation, code rate, Carrier mode, GI, WP4). Application of this proposal would bring different capacities of networks in different allotments. In the first national network would be a difference of 12 Mbps to remain untapped. In other networks the GI change, again brings the reduction of capacity from 36.6 Mbps to 32.1 Mbps. It was estimated that the transition from 24 Mbps to 36 Mbps

can be achieved through coordination with the Italian administration, by applying rules and regulations laid down by the GE-06.

- Since the study in question used the deterministic methodology (considering the environment conditions, the curve of the land, etc.) it remains to the most qualified expertise to decide whether the calculation of interference beyond the limit of 500 km is required, according to the specifications issued by GE06.
- Finally the technical department specialists were of preliminary opinion that the study, with some clarifications to be made by the group of expertise, after discussing in detail the data and technical parameters is technically applicable to digital networks planning to Albania.

#### **Comments from the ITU, on the study of the frequency plan optimization.**

The Minister of Innovation and Public Administration, Mrs. Milena Harito has addressed a letter to the Director of the Bureau of the ITU of radio communications Mr. F.Rancy, because the information on the progress of the process of transition to digital broadcasting in Albania, asks that the radio communication bureau comments on the results of a study on the optimization of frequency, taken by private audiovisual operators in Albania.

In his reply, Mr. Rancy comments:

1. The proposed changes to the technical parameters of available frequencies already listed in GE06 Digital Plan (GE06D), recommended by the study of the frequency optimization, allowed by the agreement GE06 on the condition of successful completion of key provisions, namely Article 4 and 5 of the agreement.
2. It is noted that some of the proposed changes are significant, namely:
  - a) The method of receiving, from the mobile/ portable (RPC2) in fixed (RPC1).
  - b) Broadcasting standards from DVB-T to DVB-T2.
  - c) Aggregation (Union) of existing allotments areas to be covered by a single frequency network (SFN).
  - d) Review of all frequency allocations and allotments already defined in the plan.
3. The dissemination planning method used in the study is different from that as set out in Chapter 2 (Information on the dissemination) GE06 Agreement.
4. When planning to work in its territory with regard to television, the administration is free to decide a suitable diffusion planning. Using GE6 method is not mandatory.
5. During the coordination work of the use of television frequencies with other administrations, administrations are free to establish appropriate planning proliferation. Using the GE6 method is not mandatory.

6. However, in applying the provisions of the Agreement such as the identification of administrations which are considered to be substantially affected by these changes (4.1.2.8, 4.1.2.2 and 4.1.2.3) should be used the planning methods of GE06 for the planning of the diffusion.
7. In the identification of the services that can be affected; the study applies a radius of 500 km coordination (page 32) instead of that of 1000 km as provided in Section 2.1 of the Annex of the Agreement.
8. The study considers that the fulfilment of the conditions for international coordination is completed if the trigger value of the field intensity does not exceed the current provisions made by ITU in the GE06D Plan. Conditions set by the study are described on page 32:
  - a) The radius of the coordination was 500 km for Albania.
  - b) The countries included in the calculation were Italy, Croatia, Bosnia and Herzegovina, Montenegro, Greece, Macedonia and Kosovo.
  - c) There are taken into account only frequency assignments recorded in the ITU (there is not mentioned how the allotments were treated).
  - d) The trigger values of the field intensity of GE are respected in all calculations.
9. The above approach used in this study is not in accordance with the procedures specified in sub-section 2.1 of Section 1 of Annex 4 according to the following summary.
  - a) All the countries whose borders are interrupted by the periphery of 1000 km are taken into consideration.
  - b) For the broadcasting services, any administration identified in point a) above shall be considered as involved and as a result the consent (acceptance) of which is required if the coordination contour (the trigger intensity of the field) disrupts or involves national borders to this administration. It is important to note that in order to determine that an administration is affected or not, the trigger intensity of the field is calculated in the national borders, not in the site or in the limits of the coverage area of the frequency specified and registered in the plan GE06D.

**In the conclusion, the proposed modifications to the plan, as a result of the study are permitted and may appear to be processed in accordance with Article 4 of the Agreement. Subject to detailed calculations, considering the high number of proposed significant changes to the plan recommended by the study, it is expected to be carried out substantial coordination activities between your administration and other administrative which may be affected, before the proposed modification are registered in the Plan and the respective stations to go into operation.**

In order to push up, the process of coordination, it is recommended that your administration should proceed as follows:



1. To prepare electronic reports (notifications) for all proposed changes.
2. To submit electronic notifications, a Bureau for treatment under Article 4 of the Agreement.
3. After receiving electronic reminders, the Bureau will publish the proposed modifications together with administrative names considered to be affected in a Special Session as part of the BR IFIC, in order to seek official comment from administrations which are potentially included.
4. Your Administration coordinates with affected administrations and makes changes to the proposed modifications as appropriate.
5. Upon receipt of all approvals from the affected administrative, you should present in the Bureau the final technical specifications on proposed modifications to be registered in the Plan.
6. Notify the Bureau when the frequency assignments are in operation, so that they can be recorded in the Main Register to ensure international recognition and protection.

### **4.3 The licensing process of digital networks under the procedure of "beauty contest".**

Law no. 97/2013 "On the audiovisual media in the Republic of Albania" has set concrete deadlines for the licensing of digital networks and programs that rely on them. This process continues to be stalled due to the continuation of judicial proceedings.

The Administrative Court of Appeal, at the end of the trial of the case with the object the cancellation of administrative acts adopted by the AMA, to develop the licensing procedure according to the "beauty contest", on 9 October, 2014, has decided the acceptance of the petition. AMA exercised recourse against the decision of the Administrative Court of Appeal and the case is still under judicial review.

Notwithstanding the foregoing, the AMA considering that the digitization of terrestrial analogue networks constitutes one of the primary objectives of the strategy of transition from analogue to digital broadcasting, from the month of January 2015 has initiated a consultation process with national historical subjects and those with experience in digital broadcasting to obtain their opinion as stakeholders, to change the financial requirements (the capital and the bank guarantee) of the regulation.

After receiving their opinion AMA will proceed with the respective changes in licensing rules under the "beauty contest" and then will announce licensing competition for national private digital networks and programs that rely on them.

### **4.4 Coordination with neighbouring countries**

Even during the reporting period there continued the process of coordination with neighbouring countries, which serves the process of transition to digital broadcasting.

On March 20 and 21, 2014, in Rome was held a bilateral meeting with the Department of Communications of the Ministry of Economic Development of Italy. The object of the meeting was to exchange mutual experiences

on the process of digitalization, the use of digital dividend bands and frequency coordination between our two countries.

The Italian party said it could find a satisfactory solution for both countries, giving Albania the right to use the channels that will be identified for replacement, but maintain the status of certain channels by GE06 for Italy.

The Albanian party was also expressed as ready, to explore the possibility of adopting Italian requests for coordination of other channels on the same terms.

The Albanian party signalled many cases of interference in FM radio transmissions caused by Italian stations. The Italian part took over to inform the competent inspectors to take appropriate measures.

In case the initiated process of coordination with Italy ends positively, as expected, based on the provisions of the GE-06 agreement, this process must continue to coordinate with other countries within the distance of coordination, especially with neighbouring countries as Montenegro, Croatia, Slovenia, Kosovo, Serbia, Bosnia and Herzegovina and Greece, which are affected more by Italian and Albanian broadcasts.

#### **4.5 Financial elements of the process**

The successful realization of the process of transition to digital broadcasting requires the cooperation of all state structures. Decision of the Council of Ministers "On approval of the Strategy for the switchover from analogue to digital broadcasting", the Action Plan envisages a series of tasks to be fulfilled by the AMA to follow its implementation.

The Audiovisual Media Authority, by the Internal order no. 147, dated 08.08.2014, "On the Establishment of the working group for the Implementation of the Action Plan for Monitoring the Implementation of the strategy of transition from analogue to Digital Broadcasting", determined the Activities to Implement the Action Plan.

In a repeatedly way during 2014 AMA asked to the Ministry of Finance the allocation of the required funds, necessary for the Implementation of emergency Tasks arising from the action plan:

- The National and regional conference;
- Creation of a "call centre" at the AMA's;
- Organizing public information campaign.

## 5 PROGRAMMING

Programs Directorate with three component sectors: studio monitoring, information and advertising, as well as the software sector, is focused on the performance of audiovisual media service providers, public and private, in terms of broadcasting content, quality and diversity of them to better meet the interests of their users. During 2014, the general activity of the Directorate has been driven by the implementation of tasks and routine procedures, by examining the applications for the licensing and authorization of interested parties; to track and analyze only those problematic cases for which there was a complaint or claim from outside the institution for the violation of the right of broadcasting, for the offered contents.

On the other hand it lacked this commitment, which means that the Department did not have its initiatives to deal with real problems of the OSHMA, which are related to the contents of the broadcast, as they fulfill the obligations of law 97/2013 "For the audiovisual media in the Republic of Albania", and recently adopted bylaws, the fundamental principles of the exercise of developing audiovisual activities, such as violations of the right to privacy, misuse of language and the presence of violence on the screen, misuse of vocabulary and language in some entertainment programs, transmission of the films and programs, without warning signs, ethical violations in the advertisements, in various commercial communications etc., in addition to the commitment to objective and impartial information to the public, presenting the facts and the events accurately, as well as respecting the free formation of opinion.

There was a lack of self action to monitor and identify cases of non-compliance with the criteria for which are licensed the entities, if they continue to offer the catalogue of self-produced programs, and rigorous implementation of the contracts for the broadcasting rights for the retransmitted programs - both these problems are evident in the broadcasting market.

In completing the legal framework, during 2014, the Directorate of Programming was involved in the preparation and adoption of bylaws arising from compliance with the law 97/2013 "For the audiovisual media in the Republic of Albania". One of the main acts which was made possible to be approved by the AMA's Council was the Broadcasting Code, voted on 27 January 2014, published in full in its official website. The structure and content of this basic document is based on the basic principles of audiovisual broadcasting, in the best professional mature contemporary standards, in the norms and in the moral and ethical requirements, as well as the current practice of audiovisual activity in our country; in the incentive and awareness of the OSHMA, for their role and responsibility in the transmission of programs in accordance with the respect for freedom and fundamental human rights, with particular respect to the rights of minors, respect for privacy, dignity, pluralism, fairness etc.

In separate sections it includes aspects on information programs; broadcasting and public interest; the right to privacy; protection of minors; access and care for persons with disabilities; promotion of European works and independent works etc.

Three other regulations, for transmitting messages of high interest to the public; for the exercise of the right of reply and of the audio/ audiovisual communications regulation, of a commercial nature and the advertising are

still in a draft form, asking in-depth discussions of their finalization. Despite these concrete results in the drafting and adoption of bylaws in 2014, the Programs Directorate is still working with the completion of the framework of laws, in cooperation with other departments of the AMA's, such as regulations for the promotion and production of European works; for the registration of broadcasting; for the electronic guide of the programs etc.

## **5.1 Monitoring Studio**

One of functional tasks performed by AMA, according to the law 97/2013 "For the audiovisual media in the Republic of Albania" is monitoring the integrity of the programs broadcast by audiovisual media service providers. The main role in this aspect is performed by the Monitoring Studio, a structure of the Program Directorate. During 2014, the firm has continued to maintain the maximum capacity of 15 simultaneous recording audiovisual subjects: three national licensed televisions as TVSH, Top Channel and Klan; two national radios, Radio Tirana and Top Albania Radio, as well as local or regional operators that are seen or heard in Tirana. In two of the computers are visualized recording studios and digital platforms from DigitAlb Satellite channels, Trig Satellite and Abcom.

The main target for the monitoring of the contents in the Monitoring Studios was as follows:

- Main Informative News;
- Advertising;
- Programming obligations.

If we could concisely describe the statistics, these data consisted of:

- The monitoring of the programs along with advertising interruptions television entities in connection with programming obligations, in total about 6,200 hours of monitored programs;
- monitoring of advertising broadcast by national television entities, in total about 5,300 hours of monitored programs;
- About 1,260 news programs (900 editions of the national television entities and 360 of the national radio entities) for the period of January - October 2014;
- The monitoring of the radio entities about 60 broadcasting hours;
- The monitoring for the rights of broadcasting and copyrights, around 500 hours of broadcasting;
- The monitoring of subjects with musical content about 30 hours of broadcasting.

The Monitoring Studio is underdeveloped in the technological inventory (current computers are refurbished in 2009), resulting in many of the business processes of filing and analysis of vision materials performed manually, requiring considerable time. During 2014, there was no systematic care for the progress of soft, leaving its service to spontaneous resolution. Since two years is not solved the problem of shortage in the UPS network to

cope with the power outages, which provide direct negative impact on the disorientation of servers by interrupting recording contents, according to the provided daily graph.

A defect in the program of the Monitoring Studio, in early November, caused a deletion of data cast by special monitoring and information sector, data which partially were resumed after two months when it was reinstalled a new program. The management and the damage done to the monitoring studies program served for the AMA's leaders to engage, in the last two months of 2014, not only for restoring but also to build a well thought strategy to the whole technological infrastructure of the Monitoring Studios, in order:

- To be functionally adapted by being modernized to respond to the process of transition of the audiovisual broadcasting from analogue to digital;
- To provide similar expertise and precedent from other countries to furnish and design the studio according to modern standards and in accordance with the dynamics of the broadcasting Albanian market;
- The service and updating of all information system in the Studio should have sustainable solutions and responsible for the personnel who is part of it, avoiding cases of errors, or damage that bring consequences in the database, as the case referred to the beginning of the month of November 2014;
- The adequacy of the personnel of the monitoring studios with the innovations of the technological inventory and new processes, as well as to aim that the monitoring and the filing of the contents to have in focus preliminary elements of the analyzes or evaluations for them.

Stable and long-term solution for the Monitoring Studio has been part of the discussion that the AMA has developed with representatives of international institutions with representation in Albania, OSCE, EU, Council of Europe etc.

## **5.2 Contents broadcasted by audiovisual media service providers**

During 2014, continued the monitoring of news broadcasts, which contains the time made available by audiovisual subjects (the main news editions), the activities of political parties and independent state institutions, various political actors, socio-economic activities etc. There is also reflected detailed information on the synchronous presence of political and state personalities. During the monitoring are defined data associated with what have taken place in news topics such as politics, international news, the economy, the activities of the Parliament, government, education, arts and culture, black chronicles, health, crime, business, sport, etc.

In the perspective of monitoring and analyzing information section for audio and audiovisual entities with a national license are viewed the bases of the current practice, having in focus the main informative news edition. But in the substantial technological changes and in the market of information broadcasting this informative

format is not of the same meaning as it has been years ago, that is why the monitored part for one of the national entities will be reviewed, to achieve the real informative space, as long as it is representative.

In annex.3 is shown a summary of the monitoring tables (in percentage) for the third four months of 2014 (September to December) for three national television broadcasters in the Albanian Public Television, TV Klan and Top Channel Television, in terms of the time that they dedicated in the main informative news edition :

- Political parties and central institutions;
- Synchronous for these entities and institutions;
- Synchronous of the political spectrum actors;
- The information topics contained in the edition.

Audiovisual media legislation in Albania, drafted and aligned with the Directive of the Audiovisual Media Services 2010/13 / EU, AVMSD, has brought changes and improvements in the field of broadcasting of the electronic media, and in addition to the necessary regulatory framework on the legality of transmission of advertisements. Law no. 97/2013 "On the audiovisual media in the Republic of Albania", establishes clear rules and detailed audio or audiovisual broadcasting communications of the commercial nature and the requirements of the AVMSD which are fully reflected in law, bringing a range of wide advertising types and mentioned in "teleshopping windows", "Product Placement" etc.

The perspective of the Programs Directorate is connected with its transfer from the passive position attitude towards the problems (by engaging more when there are complaints or requests from outside the institution for the content of the programs of audiovisual entities) in active positions. This will be achieved also through:

- The verifications of the program bars/list and the main contents of which audiovisual entities are engaged in the moments of application for license or authorization, or in the process of regaining them;
- conducting studies / analysis focused on key aspects of program content, the protection of minors, broadcasting of films or programs containing sex, violence etc., Without warning signs and in inappropriate hours, access for disabled persons etc.
- Focus on the treatment of cases of misuse of the Albanian language, banalities and unethical attitudes in the program content/ entertainment programs etc.

The constitution and beginning of work by the Appeals Council, according to the definitions that are made in the law 97/2013 "For the audiovisual media in the Republic of Albania", will be a great concrete support to the Directorate of Software as it regards the identification, monitoring and analysis of the problems encountered in the transmitted content, primarily related to the ethics of visual communication, but also with the cases of delicate reports between the right to information and the right to privacy, to the advantage of protecting the public interest, to respect the dignity of the individual and a number of other issues that need qualified opinion, and for professional and institutional solutions.

## 6 ISSUES OF LEGAL NATURE

### *6.1 The performance of the process of drafting bylaws*

Throughout the reporting period, Audiovisual Media Authority continued the work on drafting the package of legal acts in compliance with the requirements of the law. Based on Article 48 of the Law no. 97/2013, the process of drafting bylaws is subject to extensive public consultation. This process did not give the expected results, as the audio and/ or audiovisual entities have shown little interest in giving opinions on proposed acts. One of the reasons for their lack of interest has been the lack of confidence in the decision-making body of the regulatory authority, and the negative climate created between the AMA's and operators with significant impact on the media market.

During the reporting period there has not been any positive development to meet the legal framework legislation.

By not approving the package of bylaws acts, the AMA has violated the terms stipulated in Law no. 97/2013, which in its Article 141 provides that: "The AMA is charged to issue regulations to implement this law, within 6 months of its entry into force unless otherwise specified in the law."

Below are listed the bylaws that have been drafted, but not approved:

1. The draft regulation "For the monitoring of the frequency spectrum";
2. The draft project "On the criteria and regulatory measures for the co-use of the transmission infrastructure of TVSH";
3. The draft guidance "For forms and categories of software for recording and archiving";
4. The draft regulation "On audio/audiovisual communications of the commercial nature. Forms, conditions and daily time allowed for their broadcasting";
5. The draft regulation "On the procedures and criteria for granting broadcasting license and the service license of the audiovisual program";
6. The draft regulation "On granting the broadcasting licenses for temporary purposes and institutional needs";
7. The draft regulation "On the procedures of renewal of broadcasting licenses";
8. The draft regulation "On the provision of conditional access services";
9. The draft regulation "On the order plan of the audiovisual media services that rely on digital networks";
10. The draft regulation "On the procedures and criteria for issuing audio broadcasting licenses";

11. The draft regulation "On gratuitous broadcasting messages of high interest to the public";
12. The draft regulation "On setting the events of great importance and their transmission mode and the right to short news reporting."

AMA is currently on the drafting stage of other regulatory acts provided in specific provisions of the organic law. During the preparation of these acts it will be analyzed the current situation of broadcasting and will be taken into consideration international best practices in order to ensure that audiovisual services better meet the needs of citizens and to ensure the protection of Albanian consumers. The Acts that will be finalized in the coming year are listed below:

**The Code of Conduct, for the AMA's activity.** The purpose of this regulation is to define rules to prevent conflict of interest for members of the AMA's and administration. The obligation to approve this act stems from Article 7 of Law no. 97/2013 "On the audiovisual media in the Republic of Albania" which determines the incompatibility and conflict of interest of members of the AMA and its employees.

**Internal Regulation of the AMA's.** This act will stipulate the rules for convening meetings of the AMA's, cases of calling emergency meetings, determining the themes of meetings, decision-making procedures, voting forms, etc. Also, this act will determine the functional duties of departments, sectors, relations between the AMA's departments, the rules of communication between departments. Based on Article 13, paragraph 5 of Law no. 97/2013, this act is proposed by the president and approved by the AMA by a qualified majority.

**The strategy for the provision of transmission services,** in which it should be determined the manner of implementation of the AMA's functions. Deadline set in the law for approval of the plan is exceeded as the law stipulates that the act should be approved within five months from the date of entry into force of the law. In this document will be included the main goals and activities in fulfilment of the objectives of the AMA's, it should be taken into consideration the need of a more effective use of its resources. The law requires that the process of drafting and adoption of the Strategy for the provision of broadcasting services should be subject to a broad consultation process where various stakeholders have the opportunity to submit proposals and suggestions on it. The law also requires that the process of preparation and approval of the strategy should take into consideration the demands of the Assembly, the suggestions of the Minister of the line and opinions of other public bodies as AKEP, the Competition Authority, the ZSHDA or the Commission for Consumer Protection. In this document will be included an action plan which will define the number, scope and nature of the authorizations/ licenses proposed to be adopted during a period of 3 years.

Approval of the strategy will serve as adequate exercise of the functions of the AMA's:

1. Regulation "On the procedure for dealing with complaints and the exercise of the right of reply";
2. Regulation "On the rules and procedures of licensing of broadcasting to the community";
3. Regulation "On the procedures and criteria for granting authorization, for the audio/audiovisual services of the media, according to the user request".



### 6.2 Notification of changes in data subjects

Notification of changes to data subjects aims the knowledge and recognition of the regulatory authority of any change of data that the licensee /authorized has submitted in the request for a license/ authorization, such as: changes in ownership, that is the most important, changes in the management or director of the company, the name of the transmitter, the content of the programs which it transmits, headquarters and address of the entity, and other changes related to the conditions under which and for which an entity is licensed.

During 2014, the Council has examined the notifications for changes made to licensed/ authorized entities (4 entities).

Given the above legal requirement, AMA with the written document no. 1376 prot., no. 1377 prot., and no. 1378 prot., dated 11.13.2014 has urged all audio/audiovisual entities to deposit in Audiovisual Media Authority a copy of the historical updated extract of the commercial register for the data of the entity. To the above document have responded 42 national television / local audiovisual 72 subjects in total, 39 national radio/ local audio from 71 subjects in total, 71 private television and cable entities authorized subjects for visual program service based on satellite network or online by 113 subjects in total.

### 6.3 Unauthorized entities from AMA, which are identified in broadcasting

No	The denomination of OSHMA	Area
1	Cable entity in the village Shaqisht of the commune of Zharrës	Fier
2	Cable entity in the commune of Levan	Fier
3	Cable entity in the commune of Topoj	Fier
4	Cable entity in the commune of Seman	Fier
5	Cable entity in the commune of Libofsh	Fier
6	“Tv kabllor AVN”	Fier
7	“Tv kabllor Multivizion”	Kavajë
8	“Tv kabllor ALTE”	Durrës
9	“Cable entity in the commune of Velabisht	Berat
10	Cable entity in the village of Vodice	Berat
11	Cable entity in the village of Fushë Peshtan, commune of Vertop	Berat
12	Cable entity in the village of Karkanjoz, commune of Roshnik	Berat
13	Cable entity in the village of Dranovicë	Berat
14	Cable entity in the village of Donofros	Berat
15	Cable entity in the village of Gorican	Berat
16	Cable entity in the village of Syzez	Berat
17	Cable entity in the commune of Karbunare	Lushnje
18	Cable entity in the highway Rrogzhinë – Kavajë	
19	Cable entity in the commune of Sodoholl	Dibër
20	Cable entity in the city of Kuçovës	

21	Cable entity in the village of Magjatë of the commune of Perondi	
22	Cable entity in the city of Poliçanit	
23	"TV Kabllor Voskopi"	
24	"TV kabllor Alfa"	
25	Cable entity, the company "Fibernet" ltd	

#### **6.4 Legal issues**

The right to invest the judiciary, on administrative acts of state administration, by the parties affected by these decisions, it is a legal right that made AMA part in many lawsuits.

Something to be made obvious is the large number of lawsuits with their object the resolution of labour relations that have financially burdened the AMA. Also, they have judicially challenged the AMA's decisions to establish administrative sanctions against entities, decisions on removal/ invalidity of the license, the decisions to approve the various obligations towards audiovisual entities (Must Carry) etc.

The review in a summarized way of court cases on trial, in the three court levels and concluded during 2014, is reflected in Annex. 4.

#### **6.5 AMA's decision-making for carrying duties**

AMA by decision no. 4, dated 26.03.2014 "On establishing the obligation of carrying the national programs by cable communications networks of authorized entities to redirect audio and audiovisual programs on these networks," approved the obligation of carrying the national programs of TVSH (see program), TV "Klan" and TV "Top Channel" by the cable electronic communications networks of entities authorized to redirect audio and audiovisual programs, in areas not covered by the signal from service providers of the audiovisual national program. On the other hand, the AMA by letter no. 630 Prot., dated 27.03.2014 sent to all cable television entities, contrary to the adopted decision, has prompted the rerun of these programs even in areas normally covered by signal from the national entities, causing lack of fairness, seriousness, and above all unnecessary legal clash against entities affected by this decision.

This decision is considered unfair from the entities as TV "Klan" and TV "Top Channel", who asked the court to revoke the above decision of the AMA's, claiming that the decision was taken in violation of the procedural provisions of the law without committing public consultation, is issued as a result of erroneous interpretation of Article 87 of Law no. 97/2013, the administrative act is issued on an incorrect factual basis of erroneous and is incomplete and unenforceable.

Administrative Court of First Instance in Tirana, by decision no. 4244, dated 18.07.2014 has decided to repeal the decision of the AMA's no. 4. On 26.03.2014 the abovementioned arguing that the AMA has acted beyond the competence specified by law regarding the establishment of the obligation of transmitting, as well as its decision did not respect the principle of proportionality, according to which an intervention to limit the certain

right or freedom must be made with suitable tools, which fairly responds to the goal which is aimed to be achieved.

AMA has exercised the right to appeal against the above decision of the Administrative Court of First Instance and the case is still under review at the Administrative Court of Appeal.

## **7 MANAGEMENT OF HUMAN RESOURCES AND FINANCIAL RESOURCES**

### ***7.1 Human Resources***

#### **7.1.1 Recruitment Policy**

AMA according to law no. 97/2013 operates with its administration, which carries out all the necessary administrative activity. Employment criteria in the Audiovisual Media Authority are based on the organic law carried out according to the provisions of Law no. 152/2013 "On the Civil Servant" and regulations adopted pursuant to it.

For the reporting period, the policies pursued to recruit employees from the civil servants are generally not respecting the legal requirements. Specifically:

- Not observing the legal requirements for the procedures of recruitment, selection, trial period, parallel movement and promotion for civil servants of AMA's administration;
- Not observing the legal requirements for the completion of labor relations and the removal from service;
- There is no legal deadline declaration of civil status and current employees who benefit civil servant status under the law no. 152/2013 cited above;
- There have not been implemented the legal requirements for the transfer of permanent and temporary civil servants;
- For appointments of officials are not respected the specific requirements based on job descriptions of the positions and needs of the institution.
- Personnel files result of incomplete documentation contrary to the provisions of laws and regulations in force;
- There are not implemented institutional policies which would serve to the growth of professional capacity of the employees of the institution.

As a consequence of wrong application of the law and the violation of legal provisions in this area, the violations found as a result of judicial review, to the AMA have caused considerable financial damage. Thus for the period 2010-2014, the financial bill that AMA has liquidated for the judicial processes with the subject 'work relations' is ALL 21,832,542.

Detailed information on the judicial processes on work relations is provided in the Annex. 5.

Another issue requiring urgent solution has been the approval of the necessary structural changes to efficiently respond to the needs and capacities that requires the process of transition to digital broadcasting.

After filling the vacancies in the Council of the Authority, in the month of December 2014 AMA approved several changes to the structure of the institution adding the function of the General Secretary and of the Council of Appeals expressly stipulated in Law no. 97/2013. These changes have been forwarded for approval to the Commission on Education and Media of the Assembly of the Republic of Albania.

During 2014, there were held 6 meetings of the Audiovisual Media Authority, in four of which carried out up to April 2014 attended four remaining members of the AMA's. After completion of the decision-making body were carried out 2 meetings. In one of them took part 6 of the AMA's members, and at its last meeting were present Mr. Sami Nezaj and Ms. Suela Musta.

### **7.1.2 Training**

During the reporting year there was not made a minimum of effort by the structures of the institution to provide the necessary training to the staff of the Authority. No item from the AMA's budget was dedicated to the training of the employees, which is necessary to improve the performance, increase the accountability and professionalism, and respect the norms of ethics by employees of the Authority's administration.

Another element worth mentioning is the cooperation with European bodies, international and regional. The activities developed by these organizations, were attended by members of the Governing Council of AMA, which were not requested a report on the issues that were discussed or the positions that were held in those meetings, as a result, information on these activities is lukewarm. Special importance will be given to the documentation of meetings where will participate AMA's officials and members of the Council.

### **7.1.3 Arrangement in the new premises**

As stated in the annual reports of previous years, the current premises of activity of AMA have been returned by court decision to a private entity. Since 2009, it is concluded the trial of the case to the Supreme Court where it was decided that the AMA is obliged to release the premises of the former hotel Drini. Furthermore, the building is depreciated in its construction and in electrical network which is uncertain; Work environments are small, of depreciated equipment, with inadequate space for storage of technology and documentation.

The need for the final settlement of the AMA's request for accommodation in new working environments requires a rapid solution, because the current premises were returned by a court decision to a private entity.

In these conditions the AMA, in cooperation with the Council of Ministers has launched efforts to provide facilities for its activity.

### **7.1.4 External Relations and Public Relations**

During 2014, the AMA continued cooperation with European bodies, international and regional, with the aim of recognition and enforcement of legislation aligned with the European Union, guidelines and recommendations of the EU as a going concern and the exchange of experiences and of European practices in the field of audiovisual media.

Another aspect of the AMA's activity remains the active and continuous communication with the public, which aimed at obtaining and reflecting the opinions, thoughts and complaints related to law enforcement,

Broadcasting Code, respecting the ethical and moral norms of licensed entities of the AMAs, as well as information on the progress of digitization in our country. Some of the main activities developed by the AMA, during 2014, were the conference on the digitization and discrimination, the protection of minors and respect of the privacy and dignity of the individual in broadcasting.

## 7.2 Management of financial resources

### 7.2.1 The financial and economic activity

AMA by decision no. 17, dated 10.28.2013 "On approval of the draft budget of 2014" approved the limit fund and fee structure detailed in the following items:

No.	Denomination	In million ALL
1	Profits predicted for the year 2014	115.6
2	Current expenses	107.7
3	Investment expenses	5

### 7.2.2 The implementation of financial indicators

The structure of the item "Incomes", provided and realized for the year 2014, is as below:

In million ALL				
No	Information on the incomes	Plan	Realization	In %
1	Incomes from the annual payments for license	110,10	88,93	81
2	Incomes from the payments for the granting of the license and the renew of the license	1,50	0,77	51
3	Incomes from the elaboration of the license documentation	1,60	2,02	126
4	Incomes from the profits as tax agent	1,20	0,85	71
5	Incomes from the bank interests for the bank deposits	1,00	0,21	21
6	Other incomes	0,20	0,21	105
	<b>Total of incomes</b>	<b>115,6</b>	<b>92,97</b>	<b>80,4</b>

### 7.2.3 Problems of a financial nature

AMA is a public legal institution that administers its funds under applicable law. For the realization of its functions AMA uses the proceeds of the financing sources stipulated in Law no. 97/2013. The main source of income of the institution is the proceeds from the annual fees for license and / or authorization.

Despite the legal framework is defined, the AMA is practically found in difficult economic situations, as income are not realized according to annual provisions.

- The most frequent problem encountered in this period has been the non-payment of financial liabilities by licensed/ authorized entities. It turns out that many entities are debtors to the state budget and to the AMA's, obligations that extend beyond 2014. The total value of liabilities goes to a total of ALL 106 million.
- AMA did not respect its legal obligations to revoke the license/ authorization to debtor entities subjects but is satisfied with the written notifications to the parties to settle the obligations.
- Most of audiovisual subjects have not respected the legal obligation for filing the financial statements.
- There is a not respected the legal obligation for maintaining the interest on the entities which have not paid the bills within limits.

### 7.2.4 The Implementation of "incomes"

For 2014, the realization of income from license fees is at the amount of ALL 88,927,030 or 81%, from ALL 110,100,000 planned. From the realization of the above incomes, ALL 49,115,029 constitutes incomes from licensing fees bills for 2014 and ALL 39,812,001 from invoiced revenues in previous years. During 2014, there have been paid ALL 928.668 for the fine sanctions.

From 258 operators, who operate in the field of audiovisual media, have committed the license payments 170 of them, of which, 40 radio operators, 37 television operators, 88 cable operators, one operator of online service providers, two satellite service provider operators and 2 digital satellite platform operator. On the basis of the licensing period in 2014, have paid the obligations from the past years 73 operators, precisely two digital platforms, 38 cable operators, 17 television operators and 16 radio phonic operators.

Revenues for obtaining and renewing the license are realized in the amount of 770,000 ALL or 51% of the planned amount. Income from the processing of documents for obtaining and renewing licenses are realized in the amount of 2,020,000 ALL or 125%.

### 7.2.5 The implementation of "Expenditures"

For the period of January to December 2014, the realization of costs is as follows:

In million ALL

No	The denomination of the expenses	Plan	Realization	%
1.	Current expenses (operative)	107,7	71,25	66
	a) The Salary of the contributions	56,2	52,67	94
	b) Other material expenses	51,5	18,58	36
2.	Investments expenses	5	0,30	6
	a) Purchase of office equipments	2	0,10	5
	b) Purchase of computer and operational equipments	3	0,22	7

### 7.2.6 Current Expenses

Current expenses were realized in the amount of ALL 71,249,807 or 66% of the planned amount. The realization in this amount has come because of the following:

1. Realization of the item "Salary and other contributions" to the extent of 94% has come as a result of movement of employees, as well as payments and health insurance for temporary incapacity to work.
2. Realization of the item "Material expenses and others" to the extent of 52%, is as follows:
  - Costs for the "honoraries" are realized in the amount of ALL 665.260 or 27%, due to three vacancies on the AMA's during 2014.
  - Expenses for the item "Diet" are realized at the amount of ALL 3,281,561 from ALL 8,000,000 predicted.
  - It is not realized the item "Materials and other services" they are realized at the amount of ALL 708.070 from ALL 6,000,000 L predicted. As we have expressed in the above arguments, the realization in this amount has come mainly from the non-functioning of the AMA's, for lack of quorum.
  - In 2014, in the item "Commitments and legal remedies" it was provided a fund of ALL 10,000,000. On the basis of executive orders, court decisions, according to court proceedings where AMA (KKRT) was an item of, there were liquidated ALL 5,013,156.

### 7.2.7 Financial Statements of television operators

Pursuant to Article no. 33, Law 97/2013 "On the audiovisual media in the Republic of Albania", as well as Law no. 9901, dated 14.04.2008 "For traders and trading companies", the AMA has asked from the television operators, who have had activity for 2013, to file its annual financial statements, prepared in accordance with accounting legislation and confirmed by the number and date of postal delivery.

At the end of 2014, from 258 operators, who have had activity during 2013, the financial statements submitted just 122 operators, including 33 radio operators, 37 television operators, 51 cable television operators and 1



digital television operators. The financial situation of operators who have submitted financial statements results as follows:

No.	Nomination	Operators with profits	Operators with results 0	Operators with loses	Total of Operators
1	Radio operators	23	2	8	33
2	Audiovisual operators	28	2	7	37
3	Cable operators	44	--	7	51
4	Digital operators	1			1
	Total	96	4	22	122

From the analysis of financial indicators of these television operators it is shown that the specific importance of the income is occupied by the "advertising revenues", and/ or from the payments of subscribers. Meanwhile, it turns out that the income declared in the accounting balances for 2013 are in total ALL 8,991,692,543 per year, while expenditure declared in the balance sheet, are of a total of ALL 8,474,709,796 or 94% of revenue generated by the activity.

## **8.1 AMA's activity November 2014 - January 2015**

- It is prepared a clear overview of the issues that carries each OSHMA, of the legal, financial and technical character and based on requirements prescribed by the legislation in force.
- It is substantially improved the financial situation of the institution as a result of an intensive process of communication and awareness with OSHMA-related to overdue financial liabilities.
- They are made expert consultative meetings, with scholars, specialists in the field, leading media who support organizations, professors of journalism faculty, the purpose of considering as many ideas and opinions on how the institution should function. This new philosophy of leadership will serve to set up new communication bridges and create a cooperative environment between the media authority and media experts in the field.
- From January 2015, the AMA has launched a consultation process with national historical entities and those with experience in digital broadcasting for accelerating the corresponding changes in licensing rules under the procedure of "beauty contest" and unlocking of the licensing process.
- In the framework of cooperation with the Ministry of Innovation and Public Administration and have insisted on accelerating the meetings in the framework of the activity of the Interagency Committee and the Technical Secretariat for more effective coordination for the implementation of the commitments set out in the strategy of transition to digital broadcasting.
- It was held a special formal meeting of national historical operators to become familiar with their problems and expectations that they have for the process of digitalization.
- It was done the technical evaluation by the AMA on project optimization of the use of frequencies, presented by historical operators in the country. This assessment is then sent to the Ministry of Innovation and Public Administration. The evaluation for this study was sent even to the ITU (International Telecommunication Union).
- There are drafted technical specifications of the terrestrial receiving equipment, cable and IPTV, which will be attached to the draft "On approval of the technical standards of decoders for terrestrial digital broadcasts and cable broadcasts", aiming at standardization and unification of these devices in order to protect customers and improve audiovisual broadcasting technology.
- A draft for amending the Regulation "On the procedure and criteria for granting authorizations", specifying more clearly the criteria and conditions for obtaining the authorization. As a result of the introduction in the audiovisual market IPTV and OTT services, bringing them within the legal framework makes it necessary the updating of these provisions.
- It was held a meeting with all cable operators to know their problems and to create a more open climate more open and transparent climate, where is stressed the importance and awareness of the need to have these operators to implement the law and regulations of the institution. In particular, official meetings were conducted with 30 subjects who had significant problems with the Authority regarding the controls exercised over them in the previous period.

- It is prepared the draft regulation on the "Procedures for renewal of licenses to private audio and audiovisual operators, licensed under Law no. 8410, dated 30.09.1998 "On the radio and public and private television in the Republic of Albania", as amended.
- Intensification of the international meetings such as the EU, CoE, OSCE to create a climate of cooperation and other foundations had been laid for a more transparent overview of the work of the AMA's. During these meetings has emerged the willingness of these organizations to support the Authority in meeting the challenges encountered in the fulfilment of the major obligations under the law. Specifically, in the Council of Europe is being drafted an agenda designed for professional training of AMA's staff.
- The revised organizational structure of the institution previously Education and Means of Public Information Committee and proposed conducting a structural reorganization of the institution in cooperation with the OSCE, which will assist the Authority with the necessary expertise and European experience this field.
- It was reported in the AMA Council's detailed situation of each department, as well as the financial situation of the institution.
- It has started the procedure for selecting the members of the Appeals Council, where are set the general and special criteria for the people who comprise it.
- Work is underway on the new official website of the Authority, which envisages to present all activities of the institution where the main aim is the transparency of decision-making processes of the AMA's, as well as extensive consultation with stakeholders.
- It is set up the working group for the preparation of the application file for studio monitoring funding. Studio infrastructure monitoring is essential in normal and full main processes of the institution. Automation of processes intended to monitor the subjects in accordance with international standards, in order to:
  - fit functionally by being modernized to respond to the transition process from analogue broadcasting to digital broadcasting;
  - provided similar expertise and precedent from other countries to design and furnishing the studio according to the modern standards and in accordance with the dynamic of the Albanian broadcasting market;
  - the service and updating of all information system in Studio have sustainable solutions and personnel responsible for his part, avoiding cases of errors, or damage which bring serious consequences in the database, as the case referred to the beginning of the month of November 2014;
  - personnel adjustment of the Monitoring Studio with the innovations of the technological inventory and new processes, as well as to aim that the monitoring and filing of contents to have in focus the elements on preliminary analyzes or evaluations for them.
- It was held a bilateral meeting with the Media Authority of Kosovo (IMC) to draft a cooperation protocol between the two institutions. The aim of this cooperation is to exchange experiences, best practices and harmonization of legislation in the field of audio and audiovisual broadcasting.

- It was submitted a formal request to the Council of Ministers for new office equipment. The Current premises where AMA exercises its activity have been returned to the court, a private entity. AMA is forced to release the entity, subject of a judgment (the building of former hotel Drini) in terms of illegal possession.
- The Perspective of the Programs Directorate is related to its transition from the position of the passive attitude towards the problems (by engaging more when there are complaints or requests from outside the institution for the content of the programs of the audiovisual entities) in active positions. This will be achieved through the:
  - o the verification of the program bars and the main contents of which the audiovisual entities are engaged in the moments of for the application of license or authorization, or in the process of regaining them;
  - o the carry out of studies/ analysis focused on key aspects of program content, the protection of minors, broadcasting of films or programs containing sex, violence etc., without warning signs and in inappropriate hours, access for the disabled persons etc.
  - o focus on the treatment of cases of misuse of the Albanian language, banalities and unethical positions in the content of the program and entertainment spectacles etc.