

Radio- og tv-nævnet

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### **The Radio and Television Board's invitation to tender for licences for DAB block 3.**

The Ministry of Culture Denmark has issued Executive Order no. 1262 of 1 of December 2014 concerning the Radio and Television Board's invitation to tenders for licences for programme activities in the regionally divided DAB block 3 (hereinafter referred to as "the Executive Order"). In accordance with Section 1 of the Executive Order, the Radio and Television Board invites to tender for programme activities in 13 areas in DAB block 3. In accordance with the contract conditions, up to 16 licences will be issued in each area. If there are more than 16 qualified bidders in a region, the Radio and Television Board will carry out an assessment of the bidders based on their attractiveness.

The complete tender documentation is available for download on the Danish Agency for Culture website  
[www.kulturstyrelsen.dk/medier/radio1/digital-radio/udbud-af-dab-blok-3/](http://www.kulturstyrelsen.dk/medier/radio1/digital-radio/udbud-af-dab-blok-3/).

The Radio and Television Board hereby call for tenders for DAB block 3. The deadline for submitted bids is 26 January 2015, 12:00.

The Radio and Television Board expects to publish the licence owners in non-competitive areas on Thursday 24 February 2015 and licence owners in competitive areas on Friday 27 March 2015. The licences will be issued on 1 April 2015 and will be valid for eight years.

The Radio and Television Board draws attention to the fact that the transmission network in DAB block 3 is not yet established and that it must be jointly established by the licence owners.

The Radio and Television Board cannot be held responsible for any cancellation of the call for tenders. In addition, the Radio and Television Board cannot be held responsible for any amendments to the licence terms specified in the tender documentation which at the Minister of Culture's request may be announced before the expiry of the deadline for submission of bids.

**Kommentar [LVL1]:** The Radio and Television Board has changed the date to 27 February 2015.

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CVR: 26489865

## **Summary**

### **1. Invitation to tender**

The regionally divided DAB block 3 will be put up for tender by the bidder initially providing an on-demand guarantee of DKK 250,000 per transmission option bid.

Only in regions where the total number of bidders exceeds 16, will the allocation of programme licences can be made in accordance with an assessment of their attractiveness.

Section 5.2 of the tender documentation specifies how the Radio and Television Board will assess the submitted bids. The weighting of each individual evaluation criteria and its associated sub-criteria is clarified below.

This section also includes a short review of the contents of the following section about the background for the call for tenders, the bidding procedure, including what information each bids must contain, the Radio and Television Board's processing of the bids and the licence terms.

### **2. Background**

According to the media agreement for 2012-2014, in respect of the decision to shut down the FM band, if by the middle of 2018, it transpires that at least 50 per cent of radio listening takes place via digital platforms, an invitation to tender for the transmission options in DAB block 3 on full commercial terms will be issued.

Pursuant to Section 45 (5) and Section 48 of the Act on Radio and Television Broadcasting no. 255 of 20 March 2014, the Ministry of Culture Denmark issued Executive Order no. 1262 of 1 December 2014 concerning the invitation to tender for DAB block 3.

In accordance with Section 1 in the Executive Order, the Radio and Television Board invites to tender for programme activities in 13 regional areas in DAB block 3.

The licence may not be awarded to the Danish Broadcasting Corporation (DR).

### **3. Bidding procedure**

Any queries about the tender documentation may be submitted during the period, up until 12 January 2015, 12:00. Queries and their answers will be published on the Danish Agency for Culture website [www.kulturstyrelsen.dk/medier/radio1/digital-radio/udbud-af-dab-blok-3/spoergsmaal-og-svar/](http://www.kulturstyrelsen.dk/medier/radio1/digital-radio/udbud-af-dab-blok-3/spoergsmaal-og-svar/). The queries will be published in an anonymous format, to ensure that the questioners not explicitly identifiable.

Queries and their answers will be published on the Danish Agency for Culture website on an on-going basis, however no later than Monday 19 January 2015. See further details in section 12 of the tender documentation.

Bids must have been received by the Radio and Television Board no later than 12:00 on Monday 26 January 2015.

By the same deadline, bidders must have provided an on-demand guarantee of DKK 250,000 per transmission option bid. The same bidders may seek to have allocated several licences, but for each single bid an on-demand guarantee must be provided.

In regions where the total number of bidders exceeds 16, bidders will, for the Radio and Television Board's assessment of their attractiveness, provide the following, no later than 12:00 on 12 February 2015:

- An account of their financial status, measured by their liquidity ratio and solvency ratio in the last financial year.
- An account of their experience in operating a commercial radio broadcasting company or other media company.

Experience in operating local radio carries more weight than experience in operating national radio, which carries more weight than experience in operating a media company. In relation to this, more recent experience carries more weight than less recent experience.

The bidders may base their experience on the abilities of other entities.

The Radio and Television Board is entitled to correct errors and carry out minor amendments to the tender documentation before the deadline for the submission of bids. The Radio and Television Board may finally make amendments to the tender documentation, including to the stated licence terms, if so requested by the Minister of Culture. If the Radio and Television Board makes changes to the tender documents before expiry of the deadline for bids, the Radio and Television Board must rule on a potential extension of the deadline.

All of the information issued by the Radio and Television Board will be published on the Danish Agency for Culture website [www.kulturstyrelsen.dk/medier/radio1/digital-radio/udbud-af-dab-blok-3/](http://www.kulturstyrelsen.dk/medier/radio1/digital-radio/udbud-af-dab-blok-3/). After the deadline for the placing of bids has expired, any change of date for the Board's decision or similar, will be reported directly to the bidders' official contact.

The tendering process, including queries and answers, bids and other documents and communications will normally be in Danish. In consideration of any interested foreign parties, this summary of the tender documentation has been translated into English.

#### **4. The Radio and Television Board's receipt of the bids**

Upon receipt of bids, the Radio and Television Board will review them to ascertain whether they contain the required information, as stated in the tender documentation. The Board will then contact bidders as soon as possible for possible clarification of the information provided. In addition, it will not normally be possible to supplement the information provided but the Radio and Television Board, acting within the framework of the principle of equal treatment, may also request additional information to clarify matters already described in the bid. However, the Radio and Television Board may not in this context ask questions or request additional information relating to the basic elements of the bid.

Bids that do not have the necessary guarantee or which do not contain the minimum information required by the tender documentation, will be rejected by the Radio and Television Board.

Bids that meet the minimum criteria and which are made in areas where there are less than 16 bidders, will immediately be entitled to an allocation of a programme licence.

In areas where there is competition, i.e in areas where there are more than 16 bidders, the Radio and Television Board will ask the bidders to account for and document their experience and financial status, as specified in section 4.2 of the tender documentation.

On the basis of an evaluation of the accounts and documentation given, the Radio and Television Board will determine which bidders in the areas where there is competition will be granted the licences. In the Radio and Television Board's evaluations, a weighting of 50 % will be given to the bidder's finances, assessed on liquidity ratio and solvency ratio in the last

financial year. A weighting of 50 % will be given to the bidder' experience in operating a commercial radio broadcasting company or other media company. Experience in operating local radio carries more weight than experience in operating national radio, which carries more weight than experience in operating a media company. More recent experience carries more weight than less recent experience.

## **5. Licence terms**

No specific requirements have been stipulated for the range of programmes, apart from those that follow from the Executive Order's rules regarding the protection of minors and the ban on discriminatory programme content and the promotion of terrorism.

Advertisements and sponsored programmes may be part of the programme activities in accordance with the regulations in the Radio and Television Broadcasting Act.

Licence owners must broadcast the programmes in DAB+ format, but must without compensation accept changes in technology, format, etc., if political decisions are taken about this. No requirements for the contribution ratio have been stipulated.

The licence owners are obligated – together with the other licence owners in the area – to form a broadcasting association, which among other things, must establish and operate the as yet undeveloped DAB block 3. Through the broadcasting association, the licence owners will defray the costs of establishment, operation and distribution.

The licence owners shall not pay either fixed or turnover-dependent concession fees to the Radio and Television Board. However, an annual frequency fee for the frequency licence must be paid to the Danish Business Authority. The frequency fee must be paid by the frequency licence owner, i.e. the broadcasting association.

The licence owners must participate in official media industry listener analyses in Denmark or in some other way carry out analyses that are comparable with these.

No later than six months after the programme licences have been issued, the licence owners must begin programme activities in accordance with the licence.

## 6. The Licence

The licence comes into effect on the date it is issued. The licence will apply for a period of eight years. The Danish Business Authority will issue frequency licences on request from the relevant broadcasting association.

A programme licence provides the licence owner with 1/16 (54 capacity units) of the capacity in DAB block 3 in the area which the licence covers.

The Radio and Television Board oversees compliance with the terms of the licence and the rules of the Radio and Television Broadcasting Act and with regulations issued pursuant to the Radio and Television Broadcasting Act. The Danish Business Authority oversees compliance with the terms of the frequency licence and the regulation in the frequency legislation.

## 7. Schedule and invitation to tender

The invitation to tender process is expected to follow the following time line:

Deadline for questions about the tender documentation	12 January 2015 12:00
Deadline for responses to queries and any changes to the tender documentation	19 January 2015 12:00
Deadline for the submission of bid and on-demand guarantee, stage 1	26 January 2015 12:00
Publication of all of the bidders	28 January 2015
Hearing of bids in competition, stage 2	2 February 2015
Deadline for the submission of bid material, stage 2	12 February 2015 12:00
The Radio and Television Board's expected processing of bidders in areas without competition, stage 1	23 February 2015
Expected publication of licence owners in areas without competition, stage 1	24 February 2015
The Radio and Television Board's expected processing of bidders in areas with competition, stage 2	23 March 2015
Expected publication of licence owners in areas with competition, stage 2	27 March 2015
Expected issuing of programme licences	1 April 2015

**Kommentar [LVL2]:** The Radio and Television Board has changed the date to 27 February 2015.

**Kommentar [LVL3]:** Therefore this date also has to be changed to 2 March 2015.

## 8. Language

All communication and correspondence during the entire tendering process will be in Danish. This means that for example, bids, on-demand guaran-

tees, other documents and any queries must be written in Danish. However, in addition to the compulsory information that must be given in Danish, bidders may submit supplementary information about technical details in another Scandinavian language (Norwegian, Swedish) and/or in English. Responses to queries and all communication from the Radio and Television Board will be in Danish. This English translation of the summary of the tender documentation has been made in consideration of any interested foreign parties.