

Serving small markets:
Modeling application of AVMSD
according to graduated size-based
regulation

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(MEDIT)

AVMSD – innovation coordinaton

- Successful innovation coordination instrument
- (Single) market coordination by facilitating minimum demand
- Has enabled investments and development
- Has forced further interconnectivity and cooperation between media systems of different member states.

Regulatory convergence

- ‘Level playing field’ would have to mean equal terms for all distribution technologies – regulatory convergence.
- No graduated regulation in terms of technologies.
- In light of the E-Commerce Directive – what happens to licenses, ‘country of origin’?
- How to make influential service providers liable – especially regarding investments in new European content production?

Graduated size-based regulation

- A graduated approach not in terms technologies, but in terms of size.
- Smallest service providers would be exempt from most of the demanding provisions of the AVMSD
- As the market share for the services increases, new rules and obligations would be applied – in the public interest.

Modelling national thresholds

- Estonia's three biggest 'TV stations' all have budgets around 10 million euros (all free-to-air)
- They all invest approximately 1/3 of their budgets in original programming.
- Proposition: half of this – 5 million euros turnover – could be a threshold when a service becomes 'influential' in Estonia.
- When a service has a higher turnover in CoE it would have to reinvest 30% of its revenues garnered in Estonia in new Estonian content production.

Potentially significant for countries

- Wouldn't influence start-ups.
- Presumes higher levels of transparency of AV-services and much better information exchange between member states.
- Significant contributions to new national content production.
- Could be in the form of levies allocated to funds.
- But direct investments would contribute to market based 'innovation coordination'.

Thank you!
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