

DECISION
OF THE GOVERNMENT OF THE RUSSIAN FEDERATION
NO. 698 OF JUNE 26, 1999
ON HOLDING TENDERS FOR THE RIGHT TO SURFACE TELEVISION
AND RADIO BROADCASTING AS WELL AS THE ELABORATION
AND DEVELOPMENT OF A NEW RADIO FREQUENCY CHANNEL
FOR THE PURPOSES OF TELEVISION AND RADIO BROADCASTING

For the purpose of enhancing the effectiveness of the use of a limited state resource, radio frequency spectrum, allocated for the purposes of surface television and radio broadcasting and a fuller meeting of the demand of the populace in television and radio programs the Government of the Russian Federation hereby resolves:

1. To accept the proposal of the Federal Television and Radio Broadcasting Service of Russia and the State Committee for Communications of the Russian Federation as agreed upon with the Ministry of Finance of the Russian Federation and the Ministry of Justice of the Russian Federation, for the licensing of surface television and radio broadcasting in the capitals of the subjects of the Russian Federation and in the cities with the number of inhabitants exceeding 200,000 people by tender, with a lump-sum being charged for the right to surface television and radio broadcasting as well as holding tenders for the elaboration and development of a new radio frequency channel for the purposes of television and radio broadcasting (hereinafter referred to as "tenders for the right to television and radio broadcasting").

2. To establish that the proceeds from tenders for the right to television and radio broadcasting shall be, as a matter of experiment, distributed in 1999 according to the following ratio:

60 per cent: as federal budget revenue;

2 per cent: for the benefit of the Federal Television and Radio Broadcasting Service of Russia to cover the expenses towards the holding of the said tenders, providing the deliberations of tender commissions and monitoring the licensees' observance of the terms and conditions of broadcasting licenses, supporting television and radio projects of social significance;

20 per cent: for the benefit of the State Committee for Telecommunications of the Russian Federation to cover the expenses towards the development of the radio frequency spectrum, coordination and seeking approvals for the use of frequencies for the purposes of television and radio broadcasting and monitoring.

3. To establish that the funds received by the Federal Television and Radio Broadcasting Service of Russia and the State Committee for Telecommunications of the Russian Federation under Item 2 of the present Decision shall be entered in accounts in the Head Administration of Federal Treasury of the Ministry of Finance of the Russian Federation in accordance with the procedure established by the Ministry of Finance of the Russian Federation.

4. The Federal Television and Radio Broadcasting Service of Russia and the State Committee for Telecommunications of the Russian Federation shall quarterly submit information to the Ministry of Finance of the Russian Federation on the spending, as earmarked, of the funds received by them as a result of tenders for the right to television and radio broadcasting.

According to the results of the experiment conducted in 1999 and with due regard to the analysis of the spending, as earmarked, of the funds the Federal Television and Radio Broadcasting Service of Russia and the State Committee for Telecommunications of the Russian

Federation and the Ministry of Finance of the Russian Federation shall present proposals to the Government of the Russian Federation for the establishment of the final procedure for distributing the proceeds from tenders for the right to television and radio broadcasting.

5. To endorse the attached on Regulations on Holding the Tender for the Right to Surface Television and Radio Broadcasting as Well as the Elaboration and Development of a New Radio Frequency Channel for the Purposes of Television and Radio Broadcasting.

6. The Federal Television and Radio Broadcasting Service of Russia shall elaborate and endorse a procedure for extending the effective term of the licenses issued earlier for the right to surface television and radio broadcasting in the capitals of the subjects of the Russian Federation and in the cities the number of inhabitants whereof exceeds 200,000 people.

Chairman
of the Government
of the Russian Federation

S.Stepashin

Regulations
on Holding Tenders for the Right to Surface Television
and Radio Broadcasting as Well as the Elaboration
and Development of a New Radio Frequency Channel
for the Purposes of Television and Radio Broadcasting
(Endorsed by the Decision of the Government
of the Russian Federation No. 698 of June 26, 1999)

I. General Provisions

1. The present Regulations define a procedure for holding a tender for obtaining the right to surface television and radio broadcasting as well as the elaboration and development of a new radio frequency channel for the purposes of television and radio broadcasting (hereinafter referred to as "tender") and the terms and conditions for participation therein.

2. The decision under which the tender is to be held shall be made by the Federal Television and Radio Broadcasting Service of Russia.

3. The works aimed at finding new radio frequency channels for the purpose of organizing surface television and radio broadcasting shall be performed in compliance with the established procedure for the designation (assignment) of radio frequencies in the Russian Federation for radio electronic means of any purpose, legal entities and individual entrepreneurs registered in due course on the territory of the Russian Federation. Payment for the works ordered by the Federal Television and Radio Broadcasting Service of Russia shall be made out of the funds received by the State Committee for Telecommunications of the Russian Federation as a result of holding a tender.

II. Preparation for the Tender

4. The organizer of a tender shall be the Federal Television and Radio Broadcasting Service

of Russia.

5. The Federal Television and Radio Broadcasting Service of Russia shall set up a federal tender television and radio broadcasting commission having nine members, endorse the composition thereof and maintain the commission. At the holding of a specific tender the compositions of the said commission shall be increased to reach 12 persons by the inclusion of representatives of the television and radio broadcasting commission of a respective subject of the Russian Federation.

The regulation on the federal tender television and radio broadcasting commission shall be endorsed by the Federal Television and Radio Broadcasting Service of Russia. Head of the Federal Television and Radio Broadcasting Service of Russia shall be ex officio chairman of the federal tender television and radio broadcasting commission.

6. An information announcement of the date and terms/conditions of the tender shall be published in the mass media at least 60 days prior to the date thereof.

The information announcement shall contain the following information:

- a) time, place and terms/conditions of the tender;
- b) data concerning the radio frequency channel allocated for the organization of surface television and radio broadcasting and the terms on which it is to be used;
- c) the deadline for the acceptance of bids and a list of documents required for participation in the tender;
- d) the amount of the lump-sum pay for the right to surface television and radio broadcasting as set by the federal tender television and radio broadcasting commission. The amount of the said lump-sum pay shall be set with the account taken of the coverage of expenses towards the holding of the tender, maintaining the deliberations of the tender commission as well as the elaboration of a new radio frequency channel, coordination and securing approvals for the possibility of using the frequencies for television and radio broadcasting;
- e) the amount of the tender fee at a rate not exceeding 2 per cent of the set lump-sum pay for the right to surface television and radio broadcasting;
- f) the details of the settlement account of the Federal Television and Radio Broadcasting Service of Russia for the remittance of the tender fee.

III. Terms and Conditions for Participation in the Tender

7. Admission to the tender shall be granted to legal entities and individual entrepreneurs registered in due course on the territory of the Russian Federation.

8. To participate in the tender a contender shall submit to the Federal Television and Radio Broadcasting Service of Russia the documents as provided in the terms of the tender.

9. Upon the expiration of a set term the acceptance of bids shall be terminated. All bidders shall be issued a notice of participation in the tender. If the tender fee is not received within the set term on the settlement account of the Federal Television and Radio Broadcasting Service of Russia, the bid shall be deemed non-accepted.

IV. Procedure for Holding the Tender

10. The composition of bidders in the tender and the results thereof shall be published in the

mass media.

11. If a bid has been filed by only one bidder within the set term, the term for acceptance of bids shall be extended by the decision of the federal tender television and radio broadcasting commission. Upon the expiration of the term the Federal Television and Radio Broadcasting Service of Russia may make a decision either to issue a license to the only bidder or to hold a tender again, if the broadcasting concept of the bidder does not comply with the terms announced.

12. The results of the tender shall be drawn by the federal tender television and radio broadcasting commission.

13. The bidder who has presented as an aggregate the best concept of broadcasting and the technical and economic feasibility study related thereto shall be selected as the successful bidder in the tender. The tender fees of the rest of the bidders shall be refunded within 15 days to them after the results of the tender are determined.

14. The successful bidder and the members of the federal tender television and radio broadcasting commission shall sign a protocol on the results of the tender. The following shall be entered there: the composition of the commission, date and place of the tender, information on the successful bidder and the bidders in the tender, the successful bidder's broadcasting concept and the technical and economic feasibility study related thereto, the amount of the lump-sum pay for the right to surface television and radio broadcasting, the characteristics of the radio frequency channel being allocated.

15. The results of the tender may be appealed against in accordance with the judicial procedure.

V. Formalities Concerning the Right to Surface Television and Radio Broadcasting

16. The Federal Television and Radio Broadcasting Service of Russia and the State Committee for Telecommunications of the Russian Federation shall issue a license for the right to television and radio broadcasting and a license for the right to pursue activities in the field of communications for the purposes of television and radio broadcasting to the successful bidder.

17. The licenses shall be issued to the successful bidder on condition that he remits the lump-sum pay for the right to surface television and radio broadcasting within 10 banking days after the date when the results of the tender are announced.

The non-remittance of the monies within the set term shall be deemed ground for the annulment of the results of the tender.